



**ANNUAL**  
*report*  
**2023**

23





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## *LETTER FROM THE CHAIRWOMAN* **OF THE BOARD OF DIRECTORS**

2023, the economic landscape presented several challenges in terms of national production due to various factors. Firstly, meteorological phenomena and social protests impacted production. Secondly, the macroeconomic environment led to expensive credit, particularly for companies. Consequently, low business confidence resulted in decreased private investment, leading to an economic slowdown. According to the National Institute of Statistics and Data Processing, the year concluded with a GDP growth rate of -0.55%, the lowest result in 25 years, except for 2020, due to the COVID-19 pandemic. Despite this, the inflation rate remained moderate, closing at 3.24%, aligning closely with the Peruvian Central Bank's target range of 3.0%. This coincided with the Peruvian Central Bank monetary policy shift, which began reducing its benchmark rate by 25 basis points in September 2023. This interest rate decreased from 7.75% in August 2023 to 6.50% in January 2024. In this context, COFIDE, the Development Bank of Peru, in its role as an executor of public policies, successfully implemented the Impulso MYPERU program, providing guarantees to 105,545 micro and small enterprises (MSEs) for a total amount of PEN 2.2 billion through 29 financial institutions. Additionally, our traditional intermediation line, which recorded a loan disbursement record of USD 921.8 million, contributed to a total loan balance of USD 1.63 billion.

Regarding financial inclusion, we were able to generate 303 new Credit and Savings Unions called Uniones de Crédito y Ahorro (UNICA) in eight regions of the country, expanding together with our strategic partners the scope of the Programa Inclusivo de Desarrollo Empresarial Rural (PRIDER) [Inclusive Rural Business Development Program]. Additionally, the Fondo Inclusivo de Desarrollo Empresarial Rural (FIDER) [Inclusive Fund for Rural Business Development] was also created, with a fund allocation of up to PEN 50 million. The FIDER promotes financial inclusion, entrepreneurship, sustainable business development of the rural population, and training and/or technical assistance in financial and production issues per the National Financial Inclusion Policy.





To strengthen the SME's and entrepreneurs' building capacities, we continued to increase the number of services provided at our Business Development Center. In 2023, we provided 19,404 virtual and face-to-face services nationwide, a 20% rise from 16,130 beneficiaries in the previous year. Concerning dynamic entrepreneurship, the Fondo de Capital para Emprendimientos Innovadores (FCEI) [Capital Fund for Innovative Entrepreneurship] approved two new investments in Alaya Capital and ALIVE Ventures funds for USD 6 million.

As a fiduciary agent, we achieved an annual growth of 19.6% of the trust principal, which led to a balance of PEN 20.12 billion. Additionally, through the Fondo Crecer, we could benefit 11,157 MSMEs with loans and guarantees in 2023, compared to the 7,106 MSMEs who benefited in 2022.

Given our role as an investment catalyst, Law No. 31841 establishing the Autoridad Nacional de Infraestructura (ANIN) [National Infrastructure Authority] was approved. Section 14 of this law explicitly authorizes ANIN to enter into trust agreements with COFIDE, serving as a trustee and trust administrator. These trusts facilitate the implementation and development of investment projects or programs using project management structures.

We maintained our position as a prominent issuer in the local capital market, further solidifying our status as the primary issuer of thematic bonds. By the close of 2023, we had issued five thematic bonds totaling more than PEN 540 million. Additionally, we issued three short-term instruments, including two social bonds in accordance with the new Thematic Bond Framework of the Global Green Growth Institute (GGGI). These bonds amounted to PEN 276.1 million, with interest rates ranging from 6.38% to 7.81%, and demands reaching up to 1.7 times the amount placed.

Furthermore, we effectively managed the quality of our portfolio, leading to a significant increase in the coverage ratio (high-risk portfolio) from 78.6% in 2022 to 96.2% in 2023. This improvement was attributed to the positive impact of the High-capacity Segregated Bus Corridor (COSAC) awards, the reduction of the non-performing portfolio by PEN 364 million (Article 16 of the Public Debt Law, Law No. 31955), and diligent provisioning efforts.

As a result of our strategic initiatives, we achieved a net income of PEN 71.9 million by the end of 2023. This equates to a return on equity of 3.4%, surpassing our target of 1.6% by more than double. Additionally, our overall capital ratio stood at 34.5%, higher than the ratio recorded in 2022 (26.8%).

COFIDE is committed to good corporate governance practices, which we proudly demonstrate through the establishment of the Sustainability and Good Corporate Governance Committee. This has three main objectives: a) to ensure the adoption of the best corporate governance practices in compliance with the relevant regulatory framework; b) to review our corporate strategy with the aim of strengthening our sustainability proposal; and c) to monitor our corporate social responsibility activities. Based on our self-assessment using FONAFE's [National Fund for Financing State Business Activity] tool, we achieved a Good Corporate Governance score of 95.92%, higher than the 93.75% in 2022. This score places us at a leading maturity level, after subsequent confirmation by FONAFE.

In this line, COFIDE has taken various financing and internal management measures to back our positioning as a sustainable bank. For instance, we have introduced the above mentioned thematic bond program "under a sustainable framework". We have also launched the Bioeconomía [Bioeconomy] program, continued the accreditation process before the Green Climate Fund, measured our carbon footprint, received an award as a socially responsible company by Perú Sostenible, and obtained recognition from the Ministry of the Environment (MINAM).

It is worth noting that COFIDE successfully negotiated and implemented an equity-strengthening strategy to secure up to USD 50 million capital contribution from Corporación Andina de Fomento (CAF) in the short term. This was a result of COFIDE's strong integral management as evaluated in the due diligence process. Moody's, a credit ratings agency, also upgraded COFIDE's outlook from "negative" to "stable" due to the positive results achieved in 2023. This decision is based on the recovery in provision coverage levels of the problem portfolio (including past-due and refinanced portfolios), the recovery of the critical portfolio achieved by decreasing nonperforming loan balances, and increasing voluntary provisions. All these factors have led to a favorable reduction in the equity exposure indicator.



It is worth highlighting that in 2023, one of our achievements was the amendment of Supreme Decree No. 113-2017-EF, which sets out parameters to enhance COFIDE's efficiency as a second-floor development bank, to improve its operations. With the implementation of Supreme Decree No. 218-2023-EF, COFIDE is now able to fund up to 50% of the total project financing, provided that it is specialized financing, and approval is granted by COFIDE's Board of Directors instead of FONAFE's Board of Directors.

Likewise, we want to emphasize Fondo Crecer's equity increase in PEN 189 million, a fund managed by COFIDE since 2019. Its objective is to foster the productive and business development of MSMEs and exporting companies with better financial conditions, and facilitate their access to credit through guarantees, credits, and other financial products.

A significant milestone in our 2023 management has been achieved with the approval of our Digital and Cultural Transformation Plan 2023-2025. As a result, we have implemented an agile project governance that establishes a single project agenda for the entire organization. This approach promotes a holistic, transparent, and collaborative view of COFIDE's initiatives, helping to align efforts, speed up execution, and maximize the value delivery.

In 2024, we will continue carrying out the necessary actions to achieve our purpose of "Promoting sustainable development in Peru by facilitating access to resources and opportunities for people and businesses."



**OUR PURPOSE**



To promote Peru's sustainable development, thus facilitating access to resources and opportunities for individuals and companies.

For this end, it is required.

- To identify, understand, and provide support to critical actors for national development.
- To develop and manage financial products, programs and projects.
- To manage the Corporation responsibly and efficiently
- To foster the development of our highly trained, innovative team of professionals committed to national development.

Doing so

- the citizens and their communities will experience an improvement in their quality of life.
- greater inclusion and substantial economic, social, and environmental impact can be achieved.
- the growth of MSMEs is promoted.
- access to and use of financial services is extended to the country.

## MISSION

To be a driving force for sustainable development by fostering competitiveness through innovative, high-impact financial services, and providing support to key sectors for national development.

## VISION

To be recognized as a benchmark and innovative development bank with a high impact on Peru's sustainable development and a modern and self-sustainable management model.

## VALUES

in line with COFIDE's vision, we embrace four values:



## WHO ARE WE?

We are the development bank of Peru, who has played a crucial role in achieving the country's goals and implementing public policies for 52 years.

- We promote sustainability through our initiatives and actions, based on a triple impact strategy encompassing economic, social, and environmental aspects.
- Our aim is to function as a sustainable bank that encourages responsible investments, helps to bridge gaps, and protects the environment.
- We are focused on strengthening the micro and small business sector by intermediating resources, and providing them with knowledge and practical tools that enable their sustainable growth.
- We encourage the strengthening of the innovative ecosystem and startups, while promoting financial inclusion and sustainable development in rural communities.
- We are recurring issuers in the local capital market and have been pioneers in issuing thematic bonds.
- We have over twenty years of experience managing public and private trusts, allowing us to execute various projects and programs, including economic reactivation programs.

All our efforts have a single objective: to promote sustainable development for the country's benefit.



## OUR DEVELOPMENT STRATEGY

As part of our strategic direction, we have identified crucial issues that need to be tackled to develop COFIDE's 2026 vision:

- Impact on the country's sustainable development
- Modern and self-sustainable organization

We have established seven significant strategic objectives to positively impact Peru's economy, society, and environment.

### VISION: INNOVATIVE AND BENCHMARK DEVELOPMENT BANK

#### Strategic axis 1

#### To impact on the sustainable development

##### Related- Mission Objectives(Core)

- 2 To maximize the positive impact on the development and sustainability of our stakeholders.
- 3 To enhance COFIDE's role as the State's trustee in governmental policies.
- 4 To promote entrepreneurship and financial inclusion in Peru.

#### Strategic axis 2

#### Modern and Sustainable Organization

##### Supporting Objectives (Medium)

- 4 To ensure financial sustainability.
- 5 To strengthen the best corporate governance practices and social responsibility.
- 6 To achieve operational excellence.
- 7 To ensure talent management and foster organizational culture.





**OUR GOVERNANCE**



In 2023, we strengthened our governance practices while maintaining transparency for our shareholders and stakeholders. COFIDE's Board of Directors and Management upheld integrity and service vocation, demonstrating a tangible commitment to the development of our country with effective risk management, control, and transparency measures.

## SHAREHOLDING STRUCTURE

As of December 31, 2023, our shareholding structure is as follows<sup>1</sup>:

Shareholder	Number of shares	% of equity interest	Par value and book value (PEN)	Economic activity
FONAFE	1 970 375 350	99.37%	1 970 375 350	Public Sector –economy and finance
CAF	9 383 859	0.47%	9 383 859	Financial Sector
COFIDE – Treasury Preferred Shares	3 127 953	0.16%	3 127 953	Financial Sector
<b>TOTAL</b>	<b>1 982 887 162</b>	<b>100.00 %</b>	<b>1 982 887 162</b>	

## BOARD OF DIRECTORS

Officer	Position	Start Date	Important Information
<b>Brigitt Bruna Bencich Aguilar</b>	Chairwoman of the Board	February 13, 2023 <sup>2</sup>	Economist, Pontificia Universidad Católica del Perú. Master of Public Administration in International Development from John F. Kennedy School of Government, Harvard University.
<b>Milagros Doris Maraví Sumar</b>	Vice-chairwoman of the Board	October 10, 2018	Lawyer Pontificia Universidad Católica del Perú; Master's degree in Public Administration, Instituto de Investigación Ortega y Gasset – Universidad Complutense de Madrid, Spain
<b>Félix Ovidio Jiménez Jaimes</b>	Director	December 23, 2021	Economist Ph.D. in Economics, New School University, New York; Master in Economics, Colegio de México.

<sup>1</sup> Capital stock according to the decision reached at the Shareholders' Meeting held on March 31, 2022.

<sup>2</sup> As of the date of this document, Ms. Brigitt Bruna Bencich Aguilar holds the position of Chairwoman of the Board of Directors as decided in the Shareholders' Meeting held on February 13, 2023, and by virtue of Board Agreement No. 001-2023/002-FONAFE, which was published in the Official Gazette "El Peruano" on February 11, 2023. From May 12, 2021 to February 11, 2023, she was member of COFIDE Board of Directors. Mr. Carlos Adrián Linares Peñaloza served as the Chairman of the Board of Directors from February 1, 2019 to February 8, 2023.



Officer	Position	Start Date	Important Information
<b>Zósimo Juan Pichihua Serna</b>	Director	February 1, 2023	Economist, Universidad Nacional Agraria de La Molina. Master of Arts in Economics, ILADES/Georgetown University.
<b>César Augusto</b>	Independent Director	March 03, 2021	Economist, Universidad del Pacífico. MBA with specialization in Finance and Investments, George Washington University.
<b>Mirtha Alfonsina Zamudio Rodriguez</b>	Independent Director	March 03, 2021	Economist, Pontificia Universidad Católica del Perú. MBA Universidad Adolfo Ibáñez.

## EXECUTIVE STAFF

Officer	Position	Start Date	Important Information
<b>Luis Eli Edgardo Eléspuru</b>	Chief Executive Officer	October 11, 2021	Business Administrator, Universidad de Piura. MBA Universidad de Piura.
<b>Sara Ramírez Alva</b>	Chief Internal Audit Officer	October 04, 2021	Certified Public Accountant Universidad de Lima.
<b>César Juan de Dios Icochea Valdivia</b>	Chief Risk Management Officer	October 25, 2023	Business Administrator Universidad del Pacifico. Master's degree in Finance, Universidad del Pacifico Master's degree in Economics and Business Management, IESE Business School, University of Navarra.
<b>Jorge Armando Mitterhofer</b>	Chief Operating Officer	May 29, 2023	Business Administrator Universidad Inca Garcilaso de la Vega; MBA Universidad Adolfo Ibáñez.
<b>Eduardo Escobal Mc Evoy</b>	Chief Business Officer Interna	July 01, 2020	Civil Engineer Pontificia Universidad Católica del Perú; MBA (Specialization in Finance) Universidad ESAN.
<b>Aimi Yamamura Kinjo</b>	Chief Development and Innovation Officer	October 21, 2019	Economist Universidad del Pacífico; Master's degree in International Affairs Georgetown University.

Officer	Position	Start Date	Important Information
<b>Marco Rafael Roncagliolo Vásquez</b>	Chief Legal Officer	August 01, 2019	Lawyer Universidad de Lima; Master's degree in Executive Management Universidad Privada del Norte.
<b>Violeta Karina Flores Rodas</b>	Chief Human Resource Management and Administration Officer	August 01, 2019	International Business Administrator Universidad San Martín de Porres; Master's degree in Accounting and Finance (Specialization in International Finance) Universidad San Martín de Porres; MBA EAE Business School.
<b>Allan Paul Bringas Arbocco</b>	Chief Financial Officer	May 06, 2019	Economist, CFA III Pontificia Universidad Católica del Perú; MBA (Specialization in Finance) New York University.

## CORPORATE GOVERNANCE STRUCTURE

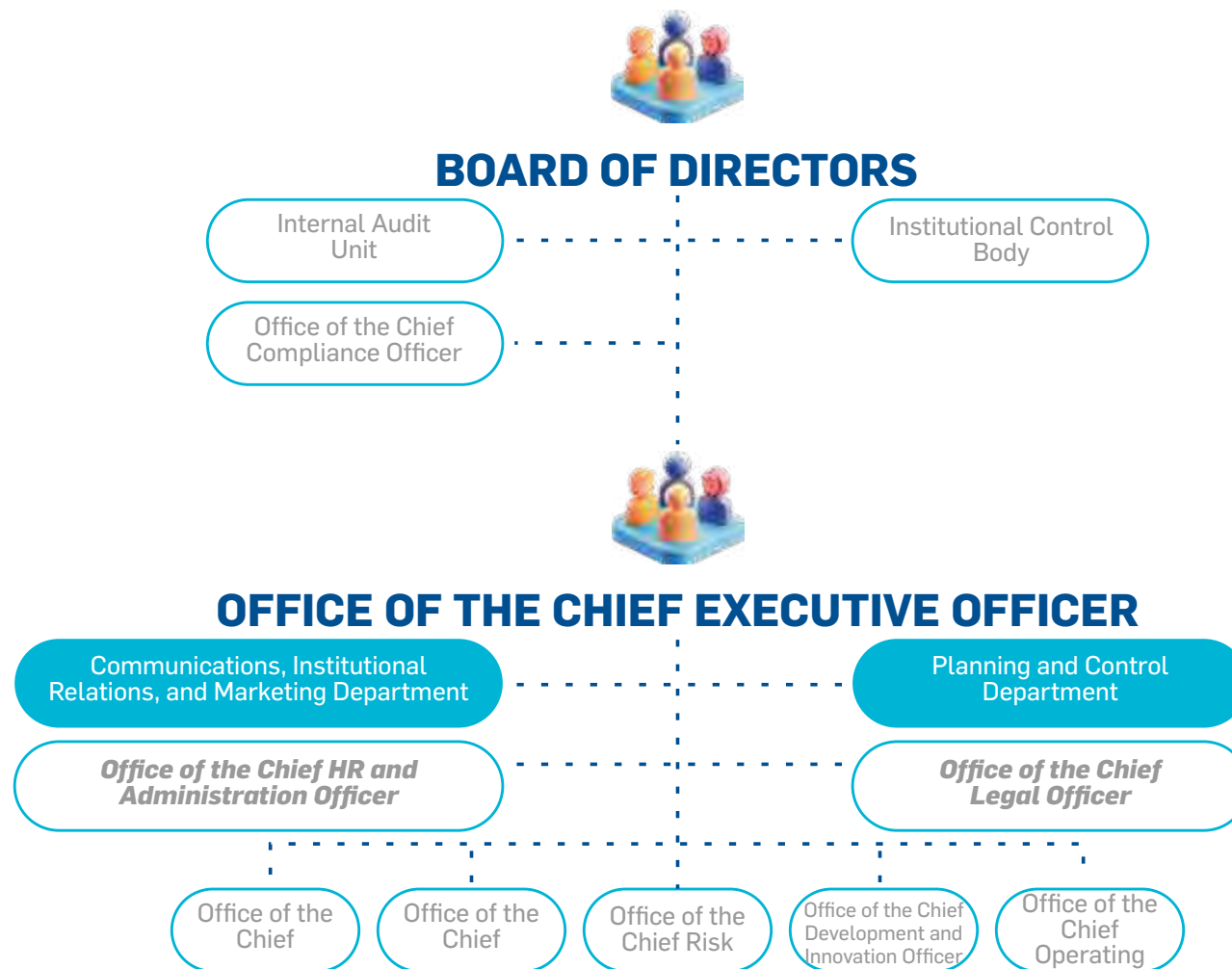
Our corporate governance structure is detailed below:

Decision-making bodies	Leader	Agenda	Periodicity
<b>Board of Directors</b>	Chairwoman of the Board	<ul style="list-style-type: none"> <li>Strategic planning.</li> <li>COFIDE business management.</li> <li>Definition and control of Integrated Risk Management.</li> <li>Final approval of investment or lending opportunities and issuance of securities.</li> </ul>	Biweekly
<b>Risk Committee</b>	Member of the Board	<ul style="list-style-type: none"> <li>First approval of risk policies and loan transactions.</li> <li>Recommendations for Board meetings.</li> </ul>	Biweekly
<b>Audit, Ethics, and Compliance Committee</b>	Chairwoman of the Board	<ul style="list-style-type: none"> <li>Supervision of the proper functioning of the Compliance and Internal Control System.</li> </ul>	Bimonthly
<b>Sustainability and Good Corporate Governance Committee</b>	Independent Director	<ul style="list-style-type: none"> <li>Support for compliance with sustainability criteria and good corporate governance practices.</li> <li>Adoption, monitoring, and improvement of good management practices under sustainability and good corporate governance criteria.</li> </ul>	Quarterly
<b>Recovery Committee</b>	Independent Director	<ul style="list-style-type: none"> <li>Monitoring and supervision of recovery portfolio management in line with COFIDE strategic objectives.</li> </ul>	Monthly

Decision-making bodies	Leader	Agenda	Periodicity
<b>Remuneration Committee</b>	Vice-Chairwoman of the Board	<ul style="list-style-type: none"> <li>Ensure compliance with COFIDE remuneration practices.</li> <li>Organizational structure and remunerations.</li> </ul>	Quarterly
<b>Management Committee</b>	CEO	<ul style="list-style-type: none"> <li>Alignment and compliance with the Strategic Planning, and Management improvement.</li> <li>Coordination and decision-making on strategic, administrative, IT, and general management issues.</li> <li>Final evaluation of financing opportunities.</li> <li>Alignment / Evaluation of business proposals with COFIDE's objectives.</li> </ul>	Weekly
<b>Assets and Liabilities Committee</b>	Chief Financial Officer	<ul style="list-style-type: none"> <li>Management of COFIDE's on- and off-balance sheet assets and liabilities.</li> <li>Treasury, derivatives, liquidity gaps.</li> <li>Preliminary evaluation of financing opportunities.</li> </ul>	Monthly
<b>Follow-up Committee</b>	CEO	<ul style="list-style-type: none"> <li>Monitoring of risks identified in lending operations.</li> <li>Special review and control of critical portfolio.</li> </ul>	Bimonthly
<b>Gender Equality Committee</b>	Chief HR & Administration Officer	<ul style="list-style-type: none"> <li>Incorporation of gender perspective in institutional policies and management.</li> <li>Efficiency and effectiveness of COFIDE Gender Equality Committee.</li> </ul>	Quarterly
<b>Digital Government Committee</b>	CEO	<ul style="list-style-type: none"> <li>Management, evaluation, and control of COFIDE digital transformation and digital governance processes.</li> </ul>	Monthly



## COFIDE'S ORGANIZATIONAL STRUCTURE



## 2023 IN REVIEW

### Main results

COFIDE's sound performance and management achieved 104% compliance with our Balanced Scorecard.

### Financial inclusion

- We benefited 11 157 MSMEs through Fond Crecer.
- We established 303 new UNICAs through PRIDER [Inclusive Rural Business Development Program].
- We trained and advised 19 404 business people and entrepreneurs through the Business Development Center (CDE).

### Financial information

- Disbursements: PEN 3.9 million (16.3% annual growth) mainly benefiting MSMEs.
- Balance of trust equity: PEN 20.12 million (19.6% annual growth).
- Net income: PEN 71.9 million (113.4% growth)
- ROE: 3.4% (higher than the 1.6% target)
- NPL ratio of 7.9 % and high-risk portfolio hedge of 96.2%
- We stimulated economic recovery through the Impulso MYPERU program (PEN 462 million) and other programs (PEN 6 million).
- We made three short-term bonds, including two social issues under the new GGGI thematic bond framework. The total amount raised was PEN 276.1 million, with interest rates varying from 6.38% to 7.81%. Our offerings proved to be in high demand, with bids reaching 1.5 times the amount we had placed.

### Institutional information

- COFIDE was honored with the ABE award in the category of Talent Attraction for their commitment to social responsibility.
- COFIDE obtained a "CARB as a socially responsible company by Perú Sostenible.

\*Compliances are calculated with respect to the 2023 modified budget





**WE SURPASS OUR  
GOALS – OUR DEFINING  
ATTRIBUTE**



## COMMITTED TO FINANCIAL INCLUSION AND ENTREPRENEURSHIP

PRIDER, the Business Development Center (CDE), Capital Fund for Innovative Entrepreneurship, and FIDER.

- We have facilitated the creation of 303 UNICAs (Credit and Savings Unions), mainly in various regions of Peru, including San Martín, Cajamarca, Lima, Ancash, Amazonas, Ucayali, Huánuco, Tumbes, and Moquegua. This expansion of the program has resulted in 470 UNICAs with an accumulated capital stock of PEN 8.0 million and significant benefits for more Peruvians.
- The Inclusive Rural Business Development Program (PRIDER) formed a strategic alliance with Asociación Los Andes de Cajamarca (ALAC) to implement the Credit and Savings Unions – UNICA 2.0 project, which led to the successful establishment of 247 new UNICAs in the department of Cajamarca.
- Our Business Development Center (CDE) trained 19 404 users through online and face-to-face sessions. The CDE was able to achieve this greater annual outreach by adapting its services to technological platforms, which made its “Financial Wednesdays” and “Business Thursdays” (training sessions) more accessible. As a result, there was an increase in demand for these webinars.
- The Capital Fund for Innovative Entrepreneurship (FCEI, for its Spanish acronym) has added three new funds to its portfolio (Salkantay Exponential Fund, Alaya Capital Fund III, and ALIVE Early Growth Fund II) with a total commitment of USD 10 million. These funds operate in Peru and invest actively in Peruvian startups.
- Continuing with our activities for strengthening and connecting the innovation and entrepreneurship ecosystem, we organized the second edition of “COFIDE Pitch Days,” which was held in six roadshows across 17 different regions and attracted 1300 attendees. This event was intended to introduce Peruvian startups to potential investors and provide emerging entrepreneurs with valuable feedback from experts in the entrepreneurial ecosystem.
- In 2023, the Fondo Inclusivo de Desarrollo Empresarial Rural (FIDER) was established with up to PEN 50 million to create 1,600 UNICAs, which will benefit 50,000 direct rural beneficiaries and 200,000 indirect beneficiaries. This initiative aims to promote financial inclusion, entrepreneurship, and business development in the rural population. It also will

provide training and technical assistance in financial and productive topics as part of the National Policy of Financial Inclusion. This policy replicates COFIDE’s Inclusive Rural Business Develop

## WE ARE TRUSTEES OF DEVELOPMENT POLICIES

### Trusts and trust commissions

- In 2023, six trusts were established comprising public and private institutions. Public trusts include those aimed to reactivate post-pandemic MSMEs (Impulso MYPERU), foster financial inclusion (FIDER), support microfinance businesses (Equity Strengthening II), and assist companies engaged in bio-business activities in the Amazon region (Biobusinesses Program). Additionally, two AFOCAT trusts (Central Region and Altiplano) were set up in coordination with the SBS.
- The balance of trusts and trust commissions managed by COFIDE has grown by 19.6% this year, totaling PEN 20.12 billion. The Mivivienda Fund was the central trust managed with a 53% interest. This is a vivid example of synergies between public companies.

## OUR CONTRIBUTION TO CLOSING GAPS

### MSEs, Infrastructure, and Productive Investment

- To consolidate the microfinance system, we generated approximately USD 921.8 million in new loans through our traditional intermediation line.
- We continued to support the closing of infrastructure and productive investment gaps, ending 2023 with a loan balance of USD 333.8 million. It’s worth noting that, throughout the year, USD 5.4 million in credits were granted for the modernization of road infrastructure through Autopista del Norte.
- Through the CRECER Fund’s guarantees and loans, we have mainly provided significant support to 11,157 MSMEs and exporting companies in 2023. The fund issued guarantees totaling PEN 1.06 billion and credits exceeding PEN 57 million. Most beneficiaries were

<sup>3</sup> It includes direct and indirect loans

enterprises (98%), with 51% located in regional areas. Among the beneficiaries, 59% sought funding for working capital, 39% for fixed assets, and 2% for exports. Various sectors, including manufacturing, commerce, transport, agriculture, and aquaculture, benefited from these initiatives.

## GROWING WITH SUSTAINABILITY AND RESPONSIBILITY

### Balance sheet structure and results

- Three short-term bonds were issued for PEN 276.1 million at rates ranging from 6.38 to 7.81. The demand for these instruments exceeded 1.7 times the amount placed.
- Our gross loan balance stood at USD 1.63 billion. Of this amount, 52% comes from traditional intermediation, 38% from infrastructure and productive investment, and the remaining 10% from Impulso MYPERU, FAE, and PAE-Mype programs.
- At the end of December 2023, our investment portfolio reached USD 567.5 million.
- We recorded a global capital ratio of 34.5%, 26.8% higher than last year.
- Our net income was PEN 19.4 million, higher than in 2022 (PEN 8.8 million). Therefore, we surpassed the 2023 goal of USD 10.9 million, achieving 177% compliance.
- COFIDE, in its role as a public policy executor, successfully implemented the Impulso MYPERU program, through which we provided guarantees to 105,545 micro and small enterprises (MSEs) for a total of PEN 2.20 billion through 29 financial institutions.

## SOUNDNESS, COMMITMENT, AND RESPONSIBILITY

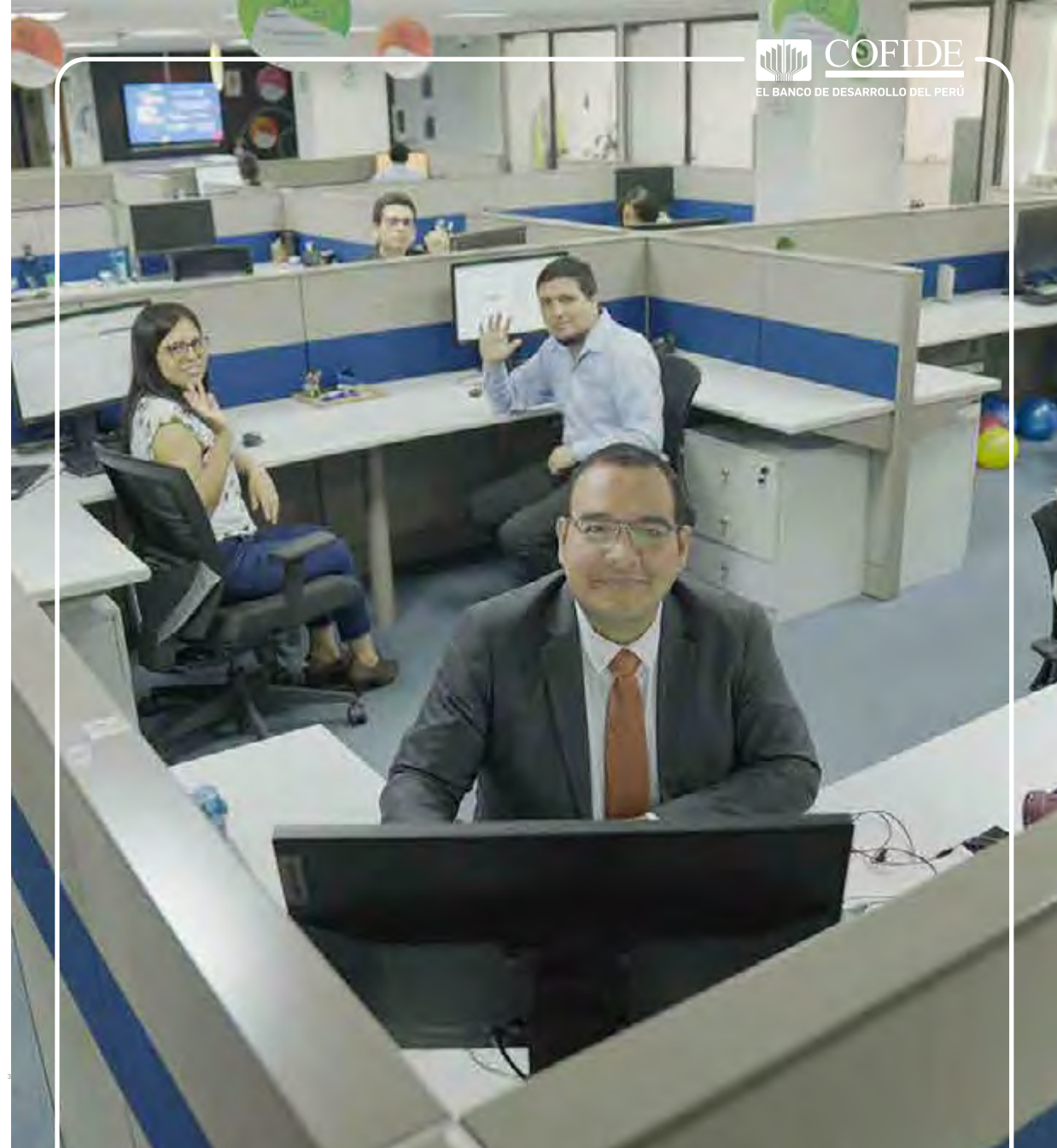
### Management Model with Excellence

- **Good Corporate Governance:** We continued strengthening our Corporate Governance, focusing on transparency, an effective risk management system, and ongoing interaction between the Board of Directors and Management. As a result of the monitoring processes, and in accordance with FONAFE's validation criteria for the 2023 Good Corporate Governance System self-assessment, COFIDE increased its compliance level by 2.17% compared to the assessment at the end of 2022 (from 93.75% to 95.92% this year). This indicates an improved position in the maturity level compared to previous years, ranking as a "Leader" enterprise.

- **Sustainability:** For the seventh year in a row, we transparently communicated our sustainable impact through the Sustainability Report, which follows the GRI standards. Our report was actively distributed through all our internal and external communication channels. Together with our stakeholders, we defined 12 new material topics, including gender, inclusion, and environment.
- Continuing our commitment to continuous improvement, we conducted a thorough assessment of our carbon footprint, verified by SGS. The results revealed 263.6 metric tons of carbon dioxide equivalents (tCO<sub>2</sub>e). To offset our impact, we invested in carbon credits from the Cordillera Azul National Park project, the fourth-largest national park in the country, spanning the regions of Loreto, Ucayali, San Martín, and Huánuco. This effort has earned us recognition as a carbon-neutral company, with a two-star rating on the Carbon Footprint Peru (HCP) platform administered by the Ministry of the Environment (MINAM).
- **Our communications:** Keeping the lines of communication wide open, we actively engaged with our stakeholders and the broader public, spotlighting the achievements of our economic revitalization programs and COFIDE's product and service offerings. Our senior management played an instrumental role by appearing in prominent local media outlets and participating in critical national and international forums. As a development bank, we are steadfast in our mission to position ourselves as a driving force behind the country's sustainable development, using a robust digital marketing strategy. In 2023, our social media presence flourished across platforms such as LinkedIn, Instagram, Twitter, and Facebook, reaching 120,000 followers—a 13% increase from the previous year.
- **Our team, our strength.** Throughout 2023, our employees enthusiastically embraced initiatives aimed at fostering digital and cultural transformation. Through experiential workshops, we deepened our understanding of and internalize cultural principles, reinforcing the fabric of our KAY culture and the rollout of our "KAY Principles" cultural recognition program to promote and strengthen desired behaviors in our organization. It is also important to mention that, for the fifth consecutive year, since 2019, the FONAFE Corporation has been recognizing COFIDE for its solid people management, as evidenced by the execution and alignment of its corporate human management model.



- **Heading to digital transformation:** Through our new leadership aligned with digital and cultural transformation, our team members demonstrated openness and strong commitment to the challenges of a management model that enhances the adoption and impact of digital transformation. Thus, throughout 2023, employees actively participated in the Digital Transformation Program, which served as a cross-functional indicator for COFIDE. Additionally, the Agile Project Management Office (APMO) was established, consolidating a single project agenda for the entire institution and providing a holistic, transparent, and collaborative view of initiatives, and allowed us to align efforts to accelerate execution and maximize COFIDE's value delivery.





**GLOBAL MARKET  
SITUATION**



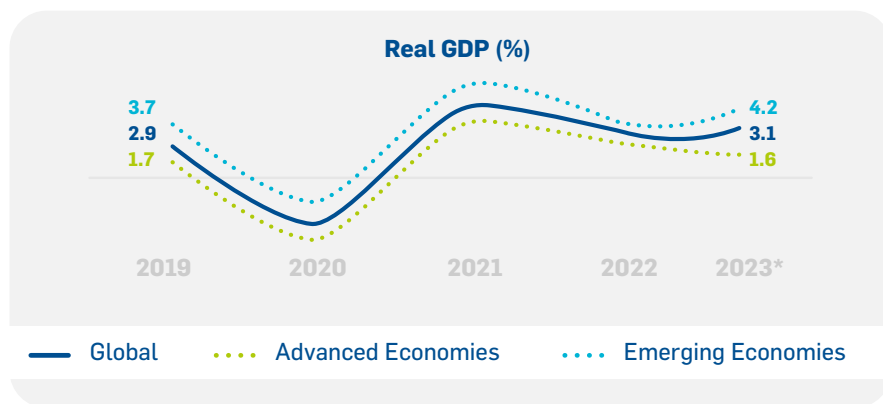
## INTERNATIONAL ECONOMIC OUTLOOK

Various events in 2023 significantly impacted the global economy. Tight monetary and financial conditions, alongside declining worldwide trade and investment, presaged, according to the World Bank, another slowdown for 2023.

Moreover, developing and emerging economies faced many challenges, including conflicts in the Middle East, financial tensions, persistent inflation, disruptions to international trade, and the adverse effects of climate change.

### 1. Economic Activity

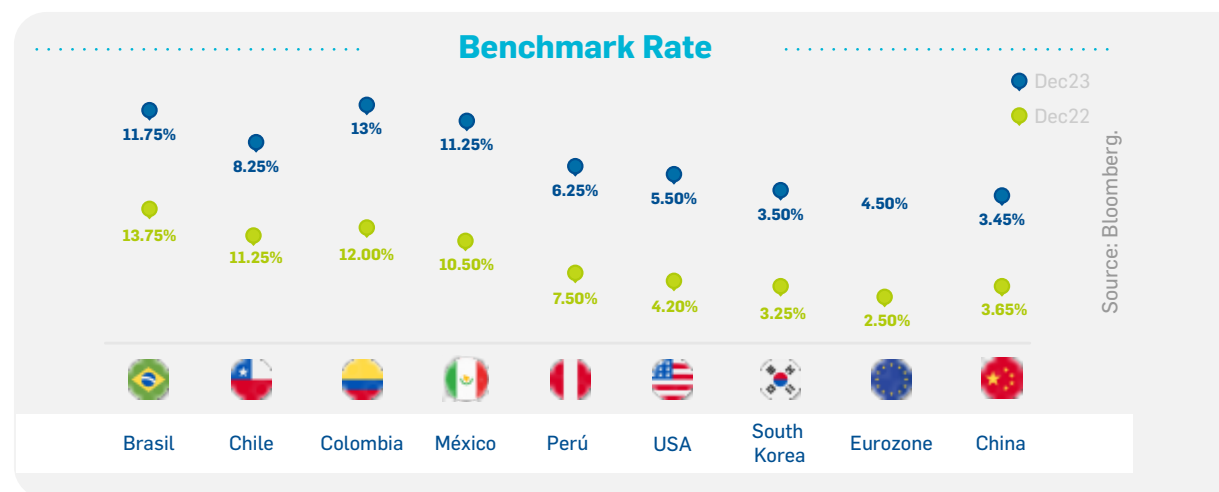
The global economy continued to decline in 2023 due to decreasing world trade and tighter monetary and fiscal policies. Additionally, recent conflicts in the Middle East could also hurt global growth, particularly in commodity markets. These events happen when the world economy is still recovering from the past four years' shocks, including the COVID-19 pandemic, Russia's invasion of Ukraine, rising inflation, and the subsequent tightening of global monetary conditions. The IMF forecasts global growth of 3.1% in both 2023 and 2024. International cooperation is critical to address issues like high debt, climate change, trade fragmentation, and food insecurity. Appropriate policies are also essential to encourage a sustained increase in investment.



Source: Macroeconomic Context, Ministry of Economy and Finance, February 2024  
\*, Forecast

## 2. Monetary Policy and Exchange Rate

The global economy faced challenges in 2023, but central banks played an important role in containing inflation, which appears to be stabilising, although still above target. In addition, the US Federal Reserve has kept its interest rate unchanged for the last four months and has no plans to ease monetary policy until the 2.0% target is reached. Furthermore, at the end of 2023, central bank policy rates worldwide were heterogeneous compared to the previous year.



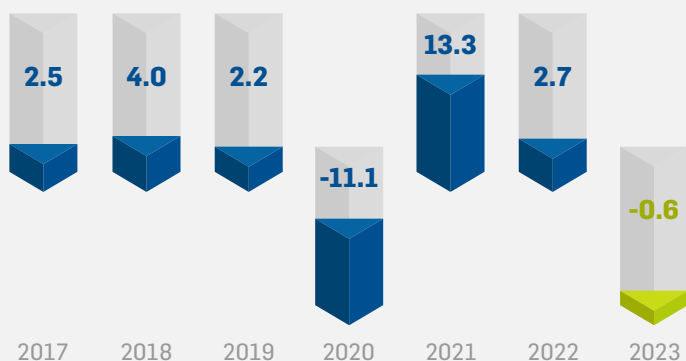
## II. LOCAL ECONOMIC OUTLOOK

The Peruvian economy was affected by unusual weather patterns and political and social unrest at the start of the year. Challenges faced by the economic environment led, in turn, to a restriction on private investments. Furthermore, the change of authorities in local and regional governments, which usually leads to a decrease in investment at these levels, also contributed to a stoppage in local productive activities.

## 1. Economic Activity

Peru closed 2023 with a drop in its national production of 0.55%, mainly due to declines in manufacturing, construction, finance and insurance, telecommunications, agriculture and livestock, fishing industries, and taxes.

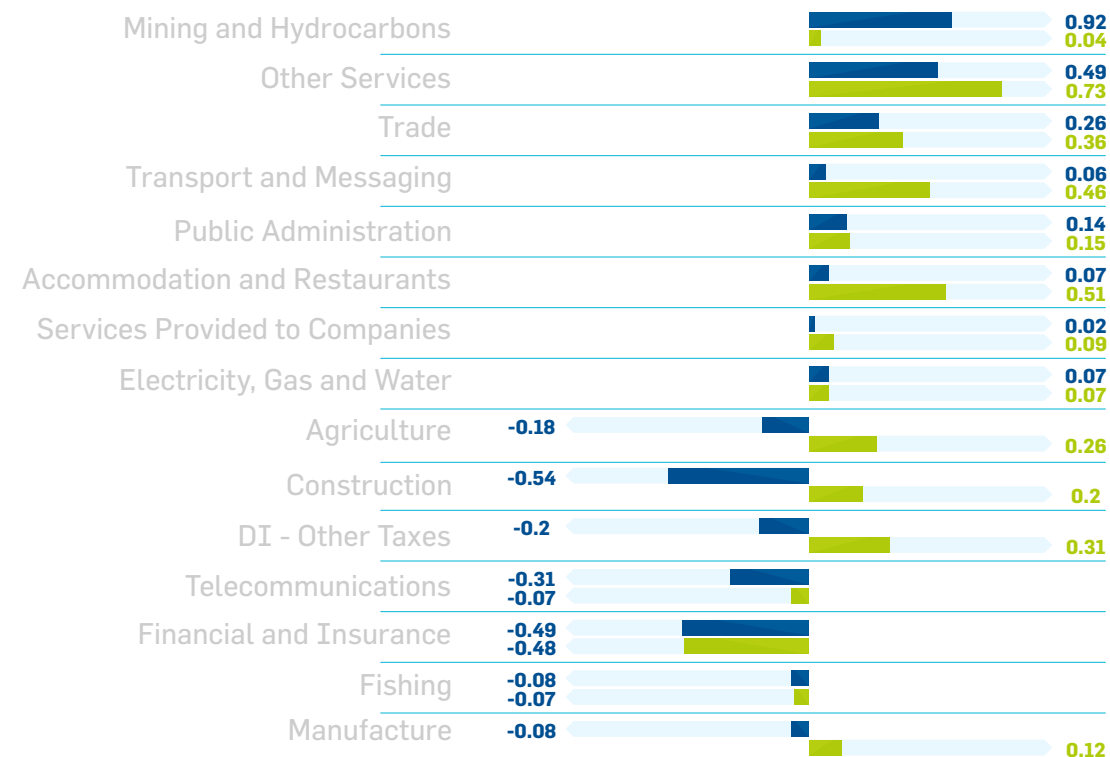
Peru's GDP Growth (var %)



Source: National Institute of Statistics and Informatics (INEI, in Spanish)

Breaking down the industries, the Mining and Hydrocarbons sector has made a significant contribution to the economic activity compared to the previous year, increasing to 0.92% in 2023 from 0.04% in 2022. However, compared to 2022, most industries did not perform well this year, with some sectors experiencing significant drops. For instance, the construction industry dropped 0.54%, while manufacturing fell 0.8%.

Contribution pp. to National Production by sector

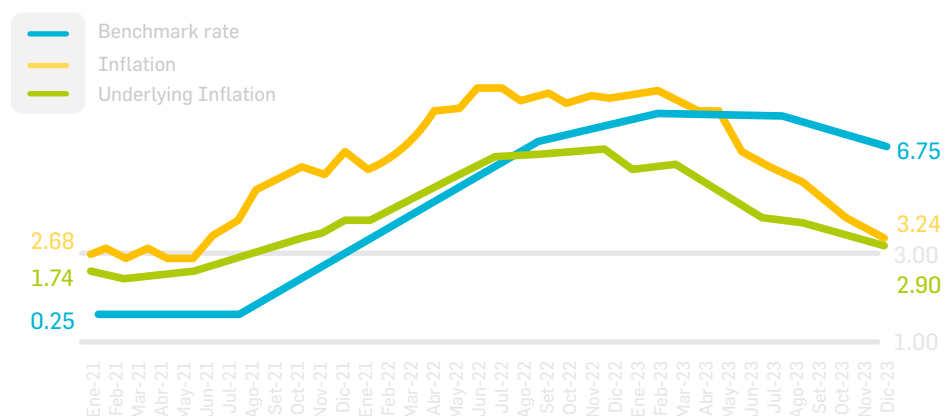


Source: National Institute of Statistics and Informatics (INEI).

## 2. Inflation, monetary policy, and exchange rate

As of December 2023, the annual inflation rate of the Consumer Price Index in Metropolitan Lima (CPI) stood at 3.24%; while the inflation rate, which excludes food and energy, was 2.90 %. Both indicators continue to decline to the point that inflation expectations are within the target range of 3.0 %.

**Inflation and annualized underlying inflation (var. %)**



Source: Central Reserve Bank of Peru [BCRP]

## 3. Economic Reactivation Measures

In 2023, the Peruvian economy felt the effects of a series of adverse weather conditions caused by Cyclone Yaku, Niño Costero, and Niño Global. This situation then expected poor results, ultimately affecting the country's growth. Additionally, the national economy was challenged by socio-political conflicts, restrictions on private investment, an increase in poverty, and changes in regional and municipal governments.

To counteract these adverse effects, the Ministry of Economy and Finance presented the following plans for economic reactivation.



As part of the new "Unidos" plan, Programa Impulso MYPERU's scope has been expanded to safeguard the payment chain. The credits have now increased from PEN 5.0 billion to PEN 15.0 billion, intended for businesses that generate formal employment and impact the payment chain. This measure also includes special payment conditions for industries that were most affected by the El Niño phenomenon, and it aims to improve auctions to include new beneficiaries financially.



This plan focuses on boosting economic reactivation amid a complex environment for the Peruvian economy. Its objective is to mitigate the rise in poverty, which has increased to 27.5% in 2022 from 25.9% in the previous year. Additionally, the plan proposes to address and tackle the risks associated with adverse weather conditions caused by the El Niño phenomenon.

Con Punche Peru 2 maintains the three lines of action of Con Punche Peru 1 but adds a specific line to reactivate MSEs and broaden the Impulso MYPERU Program.





**OUR IMPACT ON PERU'S  
DEVELOPMENT**



## WE PROMOTE INCLUSION AND ENTREPRENEURSHIP

### INCLUSIVE RURAL BUSINESS DEVELOPMENT PROGRAM (PRIDER)

PRIDER formed a strategic alliance with the State through the Ministry of Agrarian Development and Irrigation (Midagri) and AGRORURAL

*(Implementation of Credit and Savings Unions (UNICA) in the departments of Amazonas, Áncash, Cajamarca, Lima, and San Martín, within the framework of the "Project for the Improvement and Expansion of Public Services for Local Productive Development in the Area of the Highlands and Rainforest of Peru – AVANZAR RURAL")*

In early 2021, COFIDE and the Executing Nucleus of the Avanzar Rural Project entered a five-year collaboration agreement. The goal is to establish collaboration and cooperation mechanisms between the parties to implement up to 120 UNICAs framed in the Avanzar Rural project using the PRIDER methodology of COFIDE.

Later, in August of that year, Fondo Internacional de Desarrollo Agrícola (FIDA) and COFIDE signed a Letter of Understanding to explore areas of mutual interest for potential cooperation. This cooperation sought, among other actions:

i) exchanging information and knowledge about project opportunities related to economic inclusion, sustainable agricultural development, local economic development, market integration for small farmers, local capacity building, and financial literacy; ii) supporting political commitment and dialogue to achieve the 2030 agenda.

Throughout 2022, the project made efforts to improve the low-capacity building of small agricultural producers in terms of productive innovation and the development of profitable and sustainable rural businesses. Such a situation constrains their competitiveness and resilience to climate change. Consequently, small agricultural producers in the targeted area still face the following situations: (a) lack of optimal productivity values; (b) inability to compete in more demanding markets than the local ones; (c) lack of sufficient assets to achieve the economic sustainability of their businesses; (d) food insecurity; and (e) vulnerability to climate change and natural disasters. As a result, these conditions redound in their low economic and social development. The causes and sub-causes are divided into three groups: (i) inadequate exploitation of natural resources (water and forestry); (ii) low productive, business, commercial, and financial inclusion capacity; and (iii) low access to and use of financial and production support services.

The project is expected to be completed in five years, starting from 2021. The objective is to establish 120 Credit and Savings Unions (UNICAs) to increase small-scale producers' capacity building to save, obtain credit, and manage financial resources to support their productive endeavors. Our role is to provide technical assistance in financial literacy and inclusion, and accompany these associations using our PRIDER methodology, thus contributing to the sustainability of each organization and promoting gender equality.

By the end of 2022, 102 UNICAs were formed (7 in Amazonas, 12 in Ancash, 59 in Cajamarca, 7 in Lima, and 17 in San Martín), accumulating PEN 920 290.00 and granting 2 271 credits for PEN 2 205 775.50. Thus, 1 523 individuals residing in rural areas were incorporated to the program with 58.77% being women and 41.23% being men.

The UNICA made significant progress in 2023. Key indicators show an increase in savings of PEN 1.2 million, improved access to credit by PEN 4.7 million, and greater profits by PEN 589 thousand.

Similarly, the UNICAs have exceeded expectations and demonstrated their building capacity and commitment to improving financial conditions and promoting sustainable economic development for small producers. These positive results support their importance.

As of the end of 2023, 122 UNICAs had been established: 18 in Amazonas, 13 in Ancash, 62 in Cajamarca, 10 in Lima, and 19 in San Martín. These UNICAs have accumulated PEN 2.18 million and provided 5 482 loans, for a total of PEN 6.78 million. The number of rural inhabitants incorporated is 1 819, 60% of whom were women.



## 2. PRIDER formed a strategic alliance with international cooperation through the United Nations Development Program (UNDP)

*Implementation of Credit and Savings Unions (UNICAs) in the departments of Ucayali and Huánuco under the "Sustainable Productive Landscapes in the Peruvian Amazon" Project).*

The Sustainable Productive Landscapes in the Peruvian Amazon project (PPS, for its Spanish acronym) is an initiative of the Peruvian State led by the Ministry of the Environment (MINAM), using technical cooperation from the United Nations Development Program (UNDP). The Global Environment Facility (GEF) is in charge of its financing. This project integrates with the GEF Regional Program Amazon Sustainable Landscapes (ASL), which comprises initiatives in Peru, Colombia, and Brazil.

The main purpose of the PPS project is to generate global environmental benefits by applying an integrated approach to the management of Amazonian landscapes. These benefits are evident in managing productive landscapes, biodiversity conservation, climate change mitigation, and promoting sustainable forest management.

One of the main strategies of the project is to encourage environmentally sustainable production by making it easier to access differentiated markets and establishing partnerships with the private sector that values deforestation-free production. The project also provides financial incentives to help improve producers' practices. Another important aspect of the project is to promote financial inclusion for both indigenous and non-indigenous producers by providing technical assistance to ensure their practices are environmentally sustainable.

In October 2022, in collaboration with COFIDE, the project initiated the formation of twenty (20) Credit and Savings Unions (UNICAs) within productive organizations in Ucayali and Huánuco. The aim is to strengthen these communities' savings and financial inclusion capabilities.

By the end of 2023, 21 UNICAs had been formed (11 in Ucayali, 10 in Huánuco), accumulating PEN 252 360.00 and granting 822 loans for PEN 762 885.20. A total of 368 rural inhabitants had been incorporated, of which 48% were women.



## 3. PRIDER supports the Organizations of Artisanal Fishermen (OSPAS) in Northern Peru

The dwellers working in the black shell and crab value chain have been demonstrating leadership, punctuality, responsibility, a savings culture, and commitment to payment in their UNICAs. As they attend meetings with their partners every month, they are gaining a better understanding and strengthening their organizational and financial building capacities.

The Nature Conservancy (TNC) is collaborating with the National Service of Natural Areas Protected by the State (SERNANP, for its Spanish acronym) to promote the Improving the Effective Management of Marine Protected Areas and Responsible Fishing in Peru project. This project aims to strengthen the management of marine-coastal Natural Protected Areas (NPAs) by providing technical and financial support to the head offices and management committees and promoting formal and sustainable economic activities.

As part of the Coastal Fisheries Initiative (CFI) global program, 12 Credit and Savings Unions (UNICAs) were established within the 6 Artisanal Fishermen’s Organisations (OSPAS, for its Spanish acronym) of the Tumbes Mangroves National Sanctuary. TNC considers it imperative to continue this initiative to revive the economic activity of the coastal artisanal fisheries of this Sanctuary. UNICAs have contributed to conservation initiatives and the development of alternative livelihoods.

Essential gaps in access to commercial financing were identified in the area, and it was deemed necessary to promote capacity building for capitalization and access to finance for productive purposes. For this reason, the creation of UNICAs was encouraged under the PRIDER methodology, which is an effective tool to strengthen the culture of financial inclusion, capitalization capacities, and the social fabric of communities seeking to improve their productive activities.

The main objective of the project is to provide technical assistance to artisanal fishermen and fisherwomen, as well as their families, who participate in economic activities through the fishing organizations grouped in the Consorcio Los Manglares del Noroeste del Perú within the Tumbes Mangroves National Sanctuary and its areas of influence. The Credit and Savings Unions’ (UNICAs) financial evolution is monitored, facilitating access to collective financing for productive investments and alternative livelihoods.

Currently, the project enhances organizational and financial capabilities by promoting a savings culture and empowering women, mainly in their entrepreneurship. Using the PRIDER methodology, the project transforms lives and creates a better future for UNICA members, their families, and the community.

By the end of 2023, 12 UNICAs have been formed, amounting to PEN 320 410.00, granting 1 060 credits for PEN 2 266 472.40. A total of 207 rural inhabitants have been incorporated, of which 55% are women and 45% are men.

To date, PRIDER operates in 10 departments of Peru, working with strategic alliances such as Los Andes de Cajamarca Association (ALAC—Yanacochoa), TechnoServe Perú (TNS), Avanzar Rural Program (MIDAGRI—AGRORURAL), the United Nations Development Program (UNDP), Ayuda en Acción Foundation (AeA), The Nature Conservancy (TNC), and Quellaveco Association of Anglo American.



## II. My Yunta Financiero: an app designed to offer financial guidance to help users achieve financial well-being

With the support of CAF, Development Bank of Latin America, COFIDE launched “Mi Yunta Financiero” [My Financial Buddy], a free mobile application that helps people to better manage their personal finances. The app offers a number of tools and resources to assist individuals in saving money, making sound financial decisions, and preparing for the future.

Mi Yunta Financiero offers a range of features to help users improve their financial literacy, and strengthen their financial health. With the Budget Manager tool, they can make informed decisions and have better control over their expenses, allowing them to manage their finances more efficiently. In addition, the Interest Rate Comparator acts as an ally when searching for the most beneficial options in savings and credit products, and ensures that financial decisions are backed by accurate information.

Additionally, Mi Yunta Financiero is committed to helping people achieve better financial control by promoting savings for emergencies. The Credit Simulator is an essential tool that provides users with detailed information on installments, and loan conditions. It allows them to fully understand their financial obligations before committing to a loan. Furthermore, the Financial Tips and Videos provide practical guidance that promotes healthy financial habits and empowers people to make sound financial decisions. Overall, Mi Yunta Financiero is a reliable ally for those looking to improve their financial well-being.

Although Mi Yunta Financiero App is designed to attract individuals between the ages of 25 and 40, who typically have monthly income and financial responsibilities, anyone who wants to manage their finances and improve their financial habits can also benefit from the app. It is available on both Google Play and the App Store and, as of the end of 2023, has been downloaded by a total of 3 041 users.



## III. Fondo Inclusivo de Desarrollo Empresarial Rural (FIDER) [Inclusive Fund for Rural Business Development]

The Fondo Inclusivo de Desarrollo Empresarial Rural (FIDER) was established by Law No. 31912 in October 2023, following COFIDE’s proposal. Its primary goal is to promote the economic development of rural organizations through financial inclusion, which involves financial literacy, savings culture, credit, and sustainable rural entrepreneurship. FIDER has a duration of eleven (11) years from the effective date of such Law.

To access FIDER’s counterpart resources, private entities must enter into agreements with COFIDE. These resources aim to cover 50% of the costs of hiring technical, financial, and productive assistants and their commuting expenses.

FIDER has a total of PEN 50 million. Projects that seek financing must conform to COFIDE’s PRIDER intervention model and have an intervention period of 48 months.

The departments eligible to participate in FIDER are Amazonas, Ancash, Apurímac, Ayacucho, Cajamarca, Cusco, Huancavelica, Huanuco, Loreto, Madre de Dios, Pasco, Puno, San Martín and Ucayali. Beneficiaries must be in rural areas and have productive and commercial activities.



## IV. Business Development Center (CDE) and Technical Assistance in Rural Credit Program

### COFIDE's Business Development Center (CDE)

Our Business Development Center (CDE) fosters free training for MSE entrepreneurs to enhance their business skills and bridge any knowledge gaps they may have regarding management techniques and information. Such gaps could otherwise impede their growth and sustainability in the market.

The CDE is a platform of business services to support MSEs. It aims to improve the productivity of Peruvian entrepreneurs through free talks and advice, reinforce their competencies for efficient business management, and promote financial inclusion. A team of independent professionals who share their knowledge and work experience as Joint Consultants through tailored consultancies, talks, and training workshops offer these services.

Our CDE has been offering virtual services since May 2020, which has enabled us to enhance our services to MSEs and widen our reach to other regions of the country. Indeed, in 2023, we offered 19 404 services, making a 20% growth from the previous year. Furthermore, our services have catered to entrepreneurs from various regions, including Piura, Arequipa, Cusco, Lambayeque, and La Libertad.

Entrepreneurs and businessmen have benefited from various services, including 1 006 MSE consultancies, and 18,398 talks, and workshops, among which 8 754 were training sessions held on “Financial Wednesdays” and 7 248 sessions on “Business Thursdays.” In addition, there were 1 114 training sessions as part of the “Advance, Finance to Grow” workshop, which offered basic, intermediate, and advanced levels of training. Lastly, there were 1 282 participants in training cycles.

These figures represent the services that were offered in 2023.

CDE Beneficiary in 2023 (in figures)	
INDICATOR	TOTAL
<b>Total CDE services</b>	<b>19,404</b>
<b>MSE advising sessions</b>	<b>1,006</b>
<b>Business training</b>	<b>18,398</b>
Financial Wednesdays	8,754
Business Thursdays	7,248
Advance, Finance to Grow workshop	1,114
Training cycles	1,282

According to user records, 32% of participating entrepreneurs had incorporated companies, while in terms of gender, 44% of CDE users were women, 49% were men, and 7% were N/A.

On the other hand, in order to join efforts to develop and consolidate the entrepreneurial ecosystem, and widen the scope of CDE services to other Peruvian regions, we entered into cooperation agreements with Cooperativa de Ahorro y Crédito Kori [Kori Savings and Loans Cooperative] in Arequipa, the Regional Bureau of Production in Ucayali, and the Pontifical Catholic University of Peru’s Association of Alumni and Graduates (AEG-PUCP). In addition, the Legal Consultancy – Company’s incorporation service was launched face-to-face.

In June 2023, a mentoring program was launched in partnership with Universidad del Pacífico as part of the Social Outreach course offered by the Academic Department of Social and Political Sciences. The program aimed to strengthen the business management skills of a group of entrepreneurs trained by the CDE to improve the productivity of their enterprises. The mentoring program benefited 16 entrepreneurs in nine sessions.

In August, the “Advance, Finance to Grow” workshop (basic level) underwent recertification with an SGS audit. Additionally, the advanced level of this workshop was launched with the participation of an officer from the Superintendency of Banking, Insurance, and AFP (SBS) as a speaker.

Finally, considering the substantial number of services provided to entrepreneurs by the CDE (over 170,000 since 2010), a consultancy was commissioned to develop an impact evaluation methodology. The objective is to determine the extent of the CDE's services in developing MSEs. The results of this evaluation will be presented in 2024.

## V. Enhancing productivity and competitiveness of companies through innovation

COFIDE has focused on two key areas to boost the Peruvian entrepreneurship and innovation community. Firstly, we manage the Innovative Venture Capital Fund (FCEI), and secondly, we organize entrepreneurial events that showcase success stories, share lessons learned, and provide advice for innovative entrepreneurs. These events also serve to connect and coordinate various actors within the ecosystem.

### Innovative Venture Capital Fund (FCEI)

For this year, FCEI has formalized commitments with two new venture capital investment funds. As of December 2023, the total portfolio of three investment funds amounts to USD 10 million:

1. Salkantay Exponential Fund (USD 4 million) is currently Peru's largest venture capital fund. It focuses on investing in Latin American startups that offer solutions to regional problems.
2. Alaya Capital Fund III (USD 3 million) is a team of entrepreneurs and investors. Its objective is to help Latin American startups expand their business globally, i.e., it seeks to take Peruvian startups abroad and attract foreign startups to Peru.
3. ALIVE Early Growth Fund II (USD 3 million) aims to invest, under a thematic impact approach, in startups with innovative solutions whose goal is to close the main Latin American social gaps.

These three funds operate in Peru and actively invest in Peruvian startups that have operations in Peru. FCEI plays a crucial role in catalyzing investment in Peru and the development of the entrepreneurial ecosystem in the local market. Thanks to FCEI's investments, there is now a portfolio of 29 startups, of which 15 (nearly 50% of the portfolio) are Peruvians (5) or have operations in Peru (10). This has led to significant economic benefits, including more than USD 16 million in additional revenue, and creating over 730 jobs.

 **29** STARTUPS BENEFITED

USD 6 million invested in 5 Peruvian startups

**GENERATING**

More than USD 13 million in revenues

&

More than 530 jobs generated

### ADDITIONALLY

10 startups operating in Peru

**GENERATING**

More than USD 3.6 million in revenues

&

More than 200 jobs generated

It is important to mention that investment funds take social and environmental impact generation methodologies into account during their investment process. This approach helps to promote greater well-being for end consumers, as well as sustainability for the economy. Measuring the impact generated in the entrepreneurial ecosystem is one of the main objectives of the FCEI's role as an essential agent in the country's development.

## 2. Launch and Repercussions of COFIDE Pitch Days

The Pitch Days are events organized by COFIDE with the aim of exposing Peruvian startups to potential investors. These events showcase emerging Peruvian entrepreneurs and provide them with feedback from experts in the entrepreneurial ecosystem. The second edition of "COFIDE Pitch Days" was held in July with an "Investment Readiness" training program. It received the support of UTEC Ventures, Salkantay Ventures, and Seedspace as allied entities and was offered to a select group of startups, achieving excellent results.

As expected, these are the main impacts achieved by the startups that benefited from the program:

- AYPHU connected with two potential clients.
- LABORAL AI arranged meetings with Endeavor and Salkantay Ventures.
- TUMI ROBOTICS connected with an investment fund scout.
- DAIREL connected with two potential clients.
- COBOX arranged meetings with Salkantay Ventures and The Board.
- The Brasil Venture Capital investment fund requested to review the LABORAL AI and CICLO pitch decks.



**1.3K**

Connected via Zoom and LinkedIn live



**31**

Co-organizing institutions



**17**

Participating regions



**18**

Investors as jurors



**5** female founders and **10** female investment-specialist jurors





**PROMOTING DEVELOPMENT  
OF MSEs**



In 2023, we maintained a leading role in developing the Peruvian economy and continued as administrators of the programs implemented by the National Government.

In this regard, the Executive Branch developed and implemented several actions and measures to achieve the recovery and development of micro and small businesses (MSE) in the country. The first of these actions was to launch different programs that could ensure financing for companies such as Impulso Empresarial MYPE – Impulso MYPERU, in which COFIDE participates as a trustee.

### Impulso MYPERU Program

The purpose of the Impulso MYPERU Program (created on December 30, 2022, by Law No. 31658) is that the National Government guarantees the credits granted to micro and small businesses (MSE) and rewards good payers with bonuses.

The program intends to support MSEs' economic recovery and growth, promote their inclusion in the financial system, and encourage a culture of timely payment.

The initial amount allocated to the program was PEN 2 billion, which increased to PEN 10 billion at the end of 2023 due to its high demand and acceptance.

### Modifications of the MYPERU Impulse program

On June 29, 2023, the program was modified by Emergency Decree No. 023-2023, increasing the amount by PEN 1 billion. Subsequently, on September 19, 2023, a further modification was enacted through Emergency Decree No. 033-2021, allowing for an additional increase of PEN 2 billion in the program's funding and expanding eligibility to include medium-sized companies. Following this, Emergency Decree No. 039 was issued, further increasing the Program's financing by PEN 10 billion, extending the inclusion period until June 30, 2024, and broadening the scope to encompass all companies in the country.

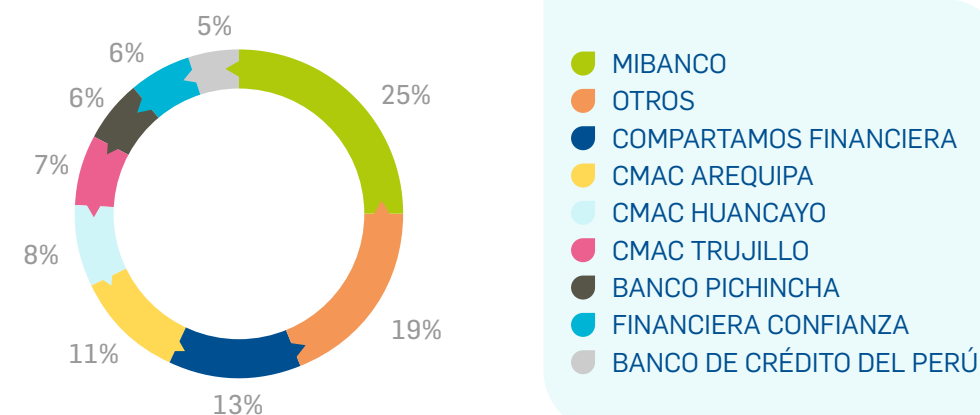
### Impulso MYPERU detailed guarantee auctions

Number of auctions	Weighted average allocation rate for clients (%)	Awarded amount (PEN)	Amount claimed (PEN)
13	13.03	4,501	6,372

#### Amount in PEN million

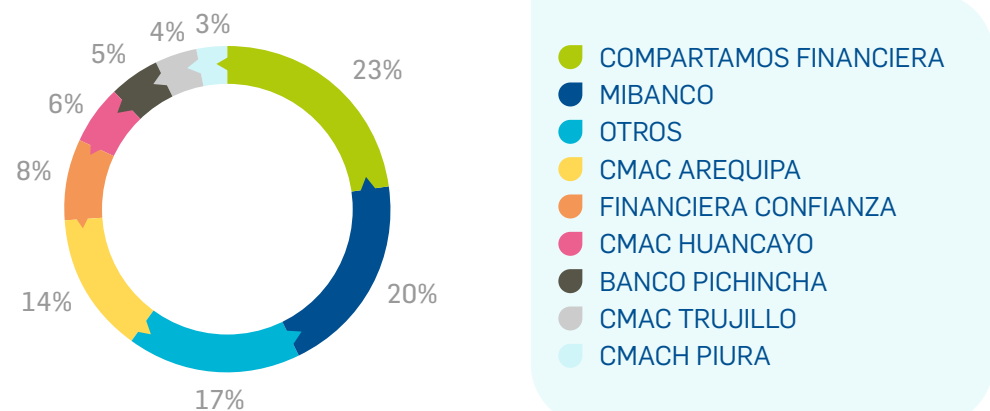
Based on the awarded amounts, we provided guarantees to 105 545 MSEs for an amount of PEN 2 201 million through 29 financial institutions (25 financial system companies, ESF, for its Spanish acronym, and 4 Savings and Credit Cooperatives, COOPAC, for its Spanish acronym).

### Share of guarantees by amount of guarantees per financial intermediary (%)

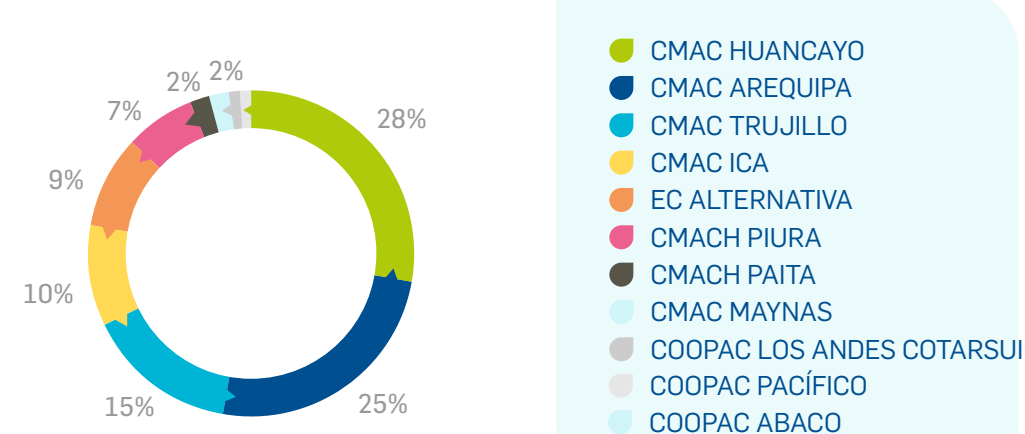




### Share of MSE beneficiaries by financial intermediary (%)



### Share of credits disbursed by COFIDE by intermediary (%)

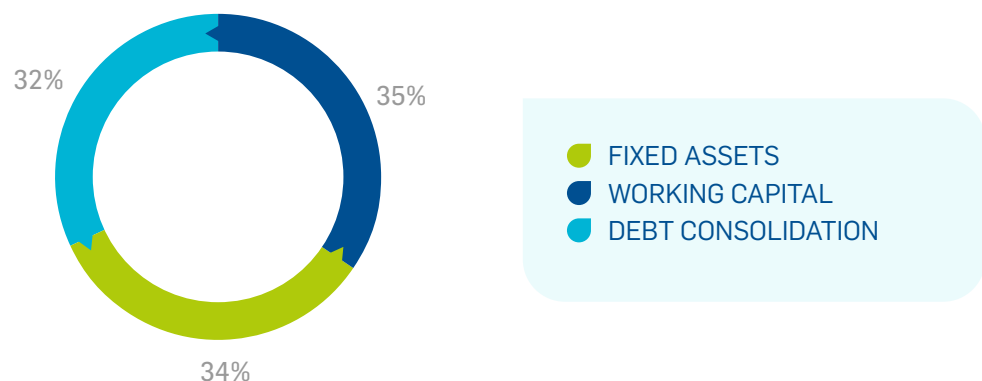


Most of the loans were addressed to small businesses, in PEN 1.30 billion, while micro companies accounted for PEN 1.06 billion of the total.

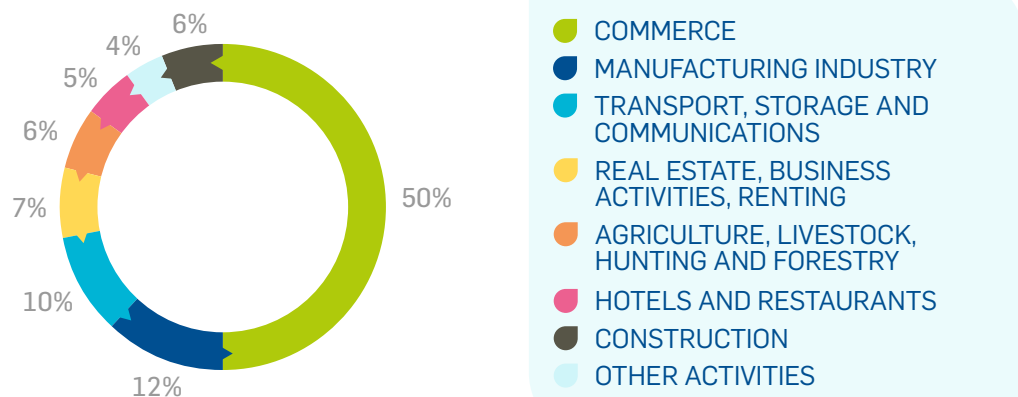
Additionally, backed by the guarantees granted, COFIDE disbursed PEN 461.7 million to 11 financial intermediaries that provided financing to 18 041 MSE.

It is important to highlight that more than 66% of the loans granted were intended to finance the production activity and growth of companies, using the resources for the acquisition of fixed assets and as working capital.

### Share of credits by type of destination (%)



On the other hand, the sectors that received the largest amounts of credit were commerce (PEN1,156 million), the manufacturing industry (PEN 270 million), transportation, storage, communications (PEN 234 million), and others such as real estate activities, agriculture, and hospitality.



The average disbursement ticket was PEN 22,560, coming from all economic sectors in the 25 regions of the country. The largest share of program beneficiaries was in Lima (22 809), Puno (11 840), Piura (10 920), Arequipa

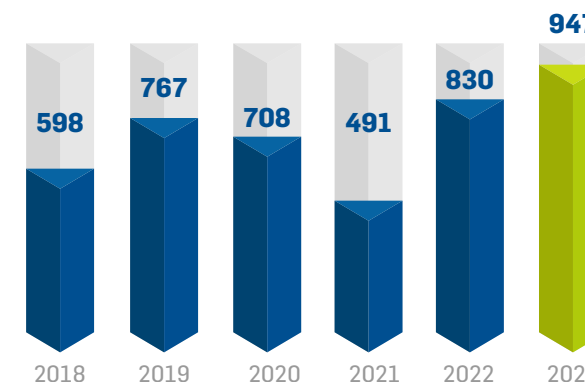
## 2. Financial Intermediation

### 1.1.Approvals

Approvals against our credit facilities and programs totaled record figures of USD 947 million, compared to the amount of USD 830 million approved the previous year. What stands out in these approvals is that USD 461 million (49%) was allocated as loans to micro and small companies. This sector was significantly affected during the COVID-19 pandemic, and by some social issues at the beginning of the year. In this way, MSEs could have access to financing to boost their business growth and improve the quality of life of Peruvian families.

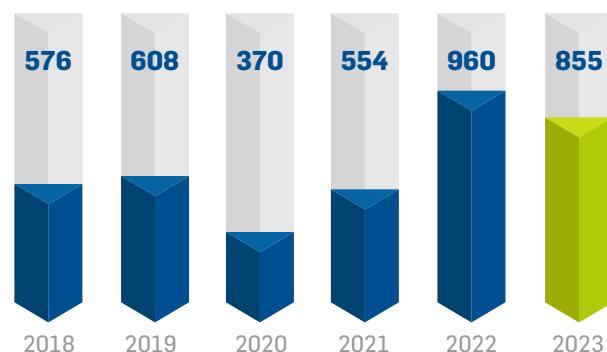
Regarding the funding structure, it returned to its trend of previous years, with 86% placed in short-term debts. This showed that COFIDE's role of supporting MSEs has been thoroughly fulfilled.

### Approvals for intermediation (in USD million)



The significant level of disbursements in 2023 allowed us to maintain high levels of loan balances in the Financial Intermediation portfolio.

### Balances of financial intermediation at period-end (in USD million)

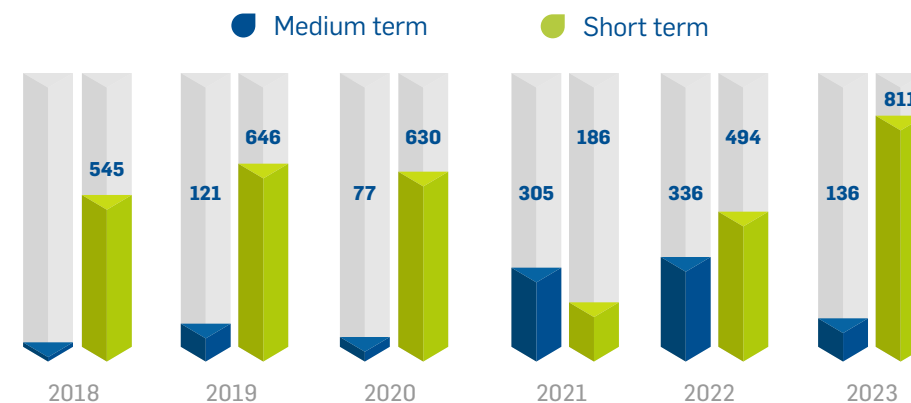


#### 1.2 Breakdown of the financial intermediation portfolio (%)

Within the financial intermediation portfolio, credits were disbursed from the lines of short-term working capital, multisector, subordinated loans, Propem, and own resources.

Of total annual approvals, USD 811 million (88%) were allocated to short-term operations, while USD 136 million (12%) were allocated to medium and long-term operations.

### Approvals by modality (in USD million)

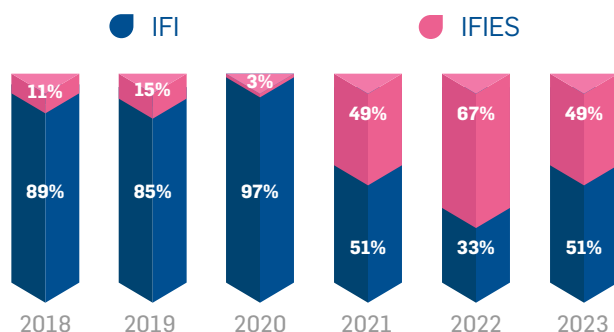


Regarding currency, 66% of the debt was disbursed in local currency and 34% in US dollars.

#### 1.3 Financial Intermediaries

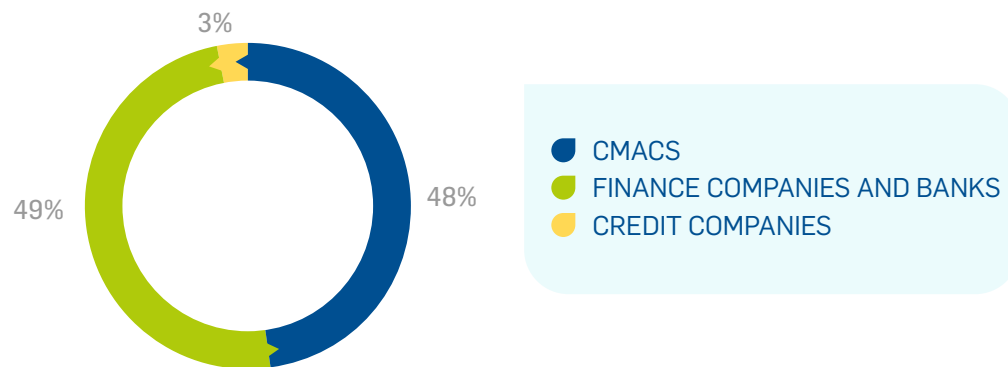
During 2023, our total loans were channeled through 17 financial institutions, mainly those specialized in microfinance, which reaffirms our role as a development bank. In this regard, participation by type of intermediary was led by institutions specialized in the micro and small business sector with 49% (USD 461 million) and, to a lesser extent, by banks and consumer finance companies with 51% (USD 486 million).

### Approvals by financial intermediary (%)



The group of institutions specialized in the micro and small business sector (IFIE) consisted of municipal savings and credit banks (CMACs), credit companies, banks, and finance companies aimed at serving the MSE sector.

### Approvals to IFIE 2023 (in USD thousand)



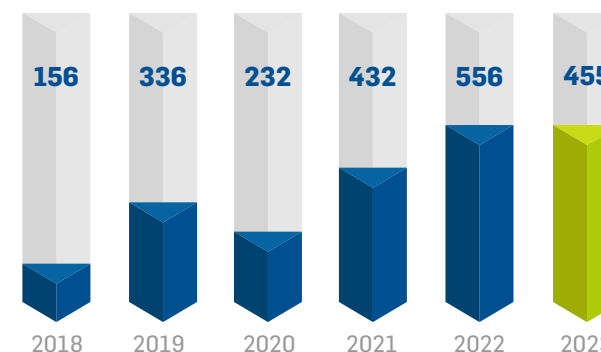
The financial institutions that intermediated the largest loans were:

- Banks: Santander, Pichincha and MIBANCO.
- Finance companies: Compartamos, Crediscotia, Mitsui Auto Finance and Financiera OH.
- CMAC: Arequipa, Huancayo, Piura, Cusco, Maynas and Trujillo
- Credit companies: Santander Consumer and Total Servicios Financieros.

### 1.4 Support to the microfinance sector

In line with our commitment to supporting the growth of micro and small companies (MSEs), we approved loans for this sector totaling USD 455 million, an average figure compared to previous years.

### MSE Approvals (in USD million)



Likewise, at the end of this year, 2023, we maintained a balance of PEN 390 million in subordinated loans granted to the municipal savings banks of Arequipa, Huancayo, Sullana, Trujillo, and Cusco. We also approved lines for the IFIEs to grant subordinated loans of up to PEN 192 million, which will be used in accordance with the capital-strengthening needs of entities specialized in MSEs.



**WE ENHANCE THE  
FIDUCIARY MARKET TO  
FOSTER DEVELOPMENT**





By the end of 2023, COFIDE managed a portfolio of USD 5.52 billion worth of trusts. Some of these trusts included Mivivienda (support for social housing), FISE (Energy Social Inclusion Fund), Reactiva Perú (support for companies affected by the COVID-19 pandemic), Impulso MYPERU (reactivation of MSMEs) and PROFONANPE (support for Amazonian communities affected by environmental issues).

The Fondo Crecer is a trust established with resources from the Ministry of Economy and Finance (MEF) that has benefited 41 071 MSMEs and exporting companies through its guarantee and credit instruments. From June 2019 to December 2023, the Fondo Crecer has issued guarantees worth PEN

4.61 billion and granted credits worth PEN 262.5 million. The fund has made a significant impact in reducing the total average rate of the system by 16.35%, with a stronger emphasis on short-term credits (working capital). During 2019-2023, 10 387 MSEs were served, and 47% were eligible for the good payer bonus (PEN 17.8 million).

Together with the Ministry of Environment (MINAM) and the Inter-American Development Bank (IDB), the Bio-Business Program was implemented to foster the financing of bio-businesses in the Peruvian Amazon. This program has resources from the IDB for USD 20.0 million and a non-reimbursable investment of USD 2.0 million from Capital Natural Lab.

In 2023, six trusts, both public and private, were established. The public trusts include Impulso MYPERU, aimed at reactivating post-pandemic MSMEs; FIDER, focused on financial inclusion; Equity Strengthening II, supporting microfinance businesses; and the Biobusinesses Program, helping companies in the Amazon region engaged in bio-business activities. Additionally, two AFOCAT trusts (Central Region and Altiplano) were set up in coordination with the SBS.

## TRUST MANAGEMENT

### 1. Mi Vivienda Fund Trust

On March 31, 1999, a trust was established by executing a contract with the Ministry of Economy and Finance (MEF). In addition, contracts have been executed with financial intermediaries to channel resources from the Mivivienda Fund. In 2023, the trust offered nine types of credits or products. These credits are specifically designed to facilitate the acquisition of housing, whether it is a finished property, subsequently acquired property, construction on one's own land, or home improvement. It is worth mentioning that the Mivivienda Fund approved a Bono de Integración [Integration Bond] subsidy in December. This subsidy is designed to support vulnerable populations, including the elderly, displaced, and disabled people. Its objective is to provide more flexible access to homeownership for disadvantaged communities.

On average, there were 878 monthly disbursements, totaling PEN 1.9 billion in disbursed loans. At the end of December 2023, the outstanding loan portfolio amounted to 143 364, equivalent to PEN 11.08 billion.

### 2. INFOGAS Trust

It was established 18 years ago. Its primary function is to ensure the comprehensive safety of the vehicular natural gas (VNG) system by controlling the participants' information registry on the technological platform. The actors involved in the VNG process are gas stations, conversion workshops, complete equipment suppliers, certifying entities, financing entities, Cylinder Periodic Checkup Centers (CRPC), integrated transportation systems, direct consumers, dealers, assemblers, and other importers, cylinder testing centers, which provide services and NGV supply to the end user.

This trust also manages payments to ensure compliance with the financing of conversions and other types of credits from financial institutions and financing entities. Amounts are collected and transferred via the Infogas control system and technological platform.

At the end of 2023, there were 829 principal members of the INFOGAS System.

### 3.Trusts with Regional Governments

The Ministry of Economy and Finance's General Bureau of Indebtedness and Public Treasury, along with the Amazonian Regional Governments [REGO] of Ucayali, Amazonas, Madre de Dios, and San Martín, have requested the formation of a guarantee and payment trust in accordance with Law No. 30896. This law promotes investment and development in the Amazon Region. Additionally, by means of Law No. 30712, which restores the validity of Law 29285 and establishes a compensation to promote connectivity in the Department of Loreto, this Bureau requested the creation of the guarantee and payment trust with the participation of the Regional Government of Loreto.

According to Article 7 of Law No. 30896 and Article 4 of Law No. 30712, the funds are intended for the execution of public investments that prioritize investment projects, such as infrastructure, transportation, productive activities, teaching capacity building, and promotion of technological innovation, among others.

Consequently, in 2023, we processed 1 979 payment instructions for the amount of PEN 200.1 million.

Trusts	Number of Instructions	Amount (PEN)
Trust SAN MARTÍN REGO	133	81,554,970.17
Trust UCAYALI REGO	1,703	64,835,315.56
Trust MADRE DE DIOS REGO	7	15,134,915.00
Trust AMAZONAS REGO	70	12,194,744.41
Trust LORETO REGO	66	26,462,361.23
<b>TOTAL</b>	<b>1,979</b>	<b>200,182,306.37</b>

### 4.Trust commission to manage the Fund for the Financial Inclusion of Small Agricultural Producers (FIFPPA).

FIFPPA TRUST COMMISSION AGREEMENT




EL BANCO DE DESARROLLO DEL PERÚ

HERITAGE  
**s/149 MM**

FIFPPA TRUST COMMISSION AGREEMENT




EL BANCO DE DESARROLLO DEL PERÚ

The FIFPPA Bond is a monetary incentive that helps reduce the financial cost the Agrobanco's beneficiary must afford.

In 2023, PEN 54 million was disbursed as a FIFPPA Bond, benefiting 32 323 small agricultural producers.

#### FIFPPA Bond Disbursement

YEAR	PEN	BENEFICIARIES NO.
2020	1,762,857.00	1,312
2021	34,410,197.00	25,405
2022	52,544,697.14	33,987
2023	54,024,632.25	32,323
<b>TOTAL</b>	<b>142,742,383.39</b>	<b>93,027</b>

### 5.Equity Strengthening Program Trust

COFIDE, as administrator of the Program, as authorized by the DU 037-2021, is responsible for making viable the National Government's mechanisms to implement the Program and making available the resources in favor of the microfinance institutions.

### Subprogram 1

This subprogram was created to strengthen the equity of municipal savings and loans by allowing the State to temporarily hold a stake in the capital stock in the form of preferred shares. CMAC Sullana, CMAC Del Santa, and CMAC Tacna have joined this subprogram.

### Subprogram 2

This subprogram is responsible for strengthening the equity of Private Institutions specialized in Microfinance (IPEM) according to Section 2 of the Emergency Decree. It involves the temporary acquisition of subordinated debt instruments by the State. CRAC del Centro, Financiera Qapaq, Financiera Credinka, and CRAC Raíz have joined this subprogram.

### Subprogram 3

This subprogram consists of facilitating the corporate reorganization for eligible municipal savings and loans of the Program according to subsection 8.2, Section 8 of its operating regulations. Similarly, the same criteria apply to eligible Private institutions specialized in Microfinance of the Program under subsection 9.2 of Section 9 of the operating regulations of the Equity Strengthening Program for Institutions Specialized in Microfinance (IEM, in Spanish), as the case may be.

Institutions Specialized in Microfinance	SUBPROGRAM 1	SUBPROGRAM 2
CMAC SULLANA	420 498.00	
CRAC CENTRO		5 270 724.00
FINANCIERA QAPAQ		10 527 173.00
FINANCIERA CREDINKA		31 464 508.00
CMAC DEL SANTA	11291 025.00	
CRAC RAIZ		12 494 895.00
CMAC TACNA	32 023 844.00	
<b>TOTAL</b>	<b>PEN 245 735 367.00</b>	<b>PEN 59 757 300.00</b>

## 6.EQUITY STRENGTHENING PROGRAM TRUST II

On December 20, 2023, the trust administration contract for the Equity Strengthening Program for Microfinance Specialized Institutions was approved through Ministerial Resolution No. 426-2023-EF-41 within the Emergency Decree No. 013-2023 framework. This was created to protect the stability of the microfinance system. As a result, COFIDE has been assigned the crucial role of program administrator for the benefit of microfinance institutions.

A few days later, on December 29, PEN 479,000,000.00 was transferred to the trust fund's accounts. Therefore, the trust was operationally implemented to attend to eligibility requests from microfinance institutions.





**OUR CONTRIBUTION  
TO CLOSING GAPS**



## I. PRODUCTIVE INVESTMENT

In the last three years, COFIDE has financed productive investment worth PEN 682 million (USD 188 million), mainly for agricultural sector companies (Agrovisión, Danper, Agroaurora, etc.), education, and the commerce sector (shopping centers for population center development).

Regarding the agricultural sector during 2023, these companies generated approximately 23,000 formal jobs during harvest peaks with a total of positions (Danper: +4,000 on the campaign, Agrovisión: +12,000 on the campaign, Agroaurora: +3,000 on the campaign and Gandules +4000 on campaign) in Lambayeque.

## II. INVESTMENT IN INFRASTRUCTURE

### Limitations and difficulties

Delays in the awarding and closing processes of public-private partnerships prevented the financial structuring process from beginning.

In addition, new energy generation projects slowed down due to excess installed capacity.

### Road Network No. 4 Project - Autopista del Norte Concessionaire (Aunor)

The execution of the “Road Network No. 4” project is mainly aligned with COFIDE’s strategic objective of contributing to reducing the country’s infrastructure deficit.

This 356 km project corresponds to the concession of the road sections of Network No. 4 (Pativilca-Santa-Trujillo and Salaverry—Splice R01N). It will help increase connectivity between the city and provinces in northern Peru.

The amount awarded to us in the syndicated loan was USD 45 million.

In 2023, USD 5.38 million was disbursed. Therefore, at year end, COFIDE had already disbursed a total of USD 30.28 million and had a pending disbursement of USD 14.72 million, which will be used to complete the works on the Chimbote Beltway.

## III. WE CONTINUED CONTRIBUTING TO REDUCING GAPS

### a. MO Trust – Initiative development

COFIDE, after some coordination with the Presidency of the Council of Ministers (PCM) and the Department of Economy and Finance (MEF, for its Spanish acronym), submitted to Congress the initiative to incorporate the “PMO Trust” mechanism into the ANIN Law. Under article No. 14 of Law No. 31841, a law that creates the National Infrastructure Authority (ANIN, for its Spanish acronym), published on July 21, 2023, ANIN is authorized to contract and subscribe to trust agreements with COFIDE, who intervenes as fiduciary and administrator of the trusts under which investment projects or programs are executed and developed through project management structures (PMO), hereinafter called PMO Trust.

PMO Trusts include contracting technical assistance from project management structures, called PMOs, which would be responsible for managing the formulation, approval, execution, and development of public works, projects, or investment programs. This proposal will consider the advantages of Project Management Office (PMO) Management Systems, collaborative agreements with international standards, and other good technical practices to efficiently execute investment projects assigned, strengthen their governance, and accelerate public investment. This PMO could have different structures and costs depending on the complexity, number of projects, and scope of the assignments.

The PMO Trust comes out as an additional and complementary tool that would allow ANIN to delegate to COFIDE the responsibility for the execution of medium- or low-complexity projects. Contracting the PMO Trust with COFIDE would also mitigate the variety and volume of project management for ANIN, enhancing its effectiveness and scope in the assigned task. Furthermore, this would allow ANIN to focus on managing projects of greater relevance and complexity.

On the other hand, assignments to COFIDE are an efficient alternative in terms of costs and deadlines in projects of low to medium complexity and medium amounts (PEN 100 to PEN 1.0 billion). In fact, under a G2G contract, those assignments would be more expensive and require a longer hiring process. Moreover, COFIDE already has experience in the administration of Trusts focused on the execution of Infrastructure Projects such as the “Amazonian Trusts” under Law 30896 and Law 30712, and is also acquainted with the appropriate institutional infrastructure (administrative, legal, accounting capacity, among others) necessary to meet the requirements during the development of infrastructure works.



As fiduciary, COFIDE may also provide profitability services of the budgets for the projects that were assigned to it. This would enable to generate surpluses that will cover part of the costs of the fiduciary services and those related to the project management structure.

#### b. Distributed generation – Development of the initiative

COFIDE has been evaluating different financing mechanisms to enhance distributed generation, decentralize electricity generation, and transform electricity consumers into active market agents who can fully or partially respond to their electricity demand through self-production.

Such financing mechanisms consider the structure, regulations, and policies identified in the market, making strengthening the renewable energy and distributed generation industry more challenging. In this regard, COFIDE has also been working to promote a set of actions enabling a decentralized, distributed, and affordable electricity network for all Peruvians.

In September 2023, COFIDE entered into an inter-institutional cooperation agreement with ELECTROPERÚ. This important company has been successfully working in the area of social management in developing renewable energy. This agreement seeks to contribute to developing, massifying, and installing photovoltaic plants for self-consumption nationwide. In this way, we can contribute to reducing greenhouse gas (GHG) emissions in compliance with the Paris Agreement and Peru's Nationally Determined Contributions (NDC), and the objectives of the 2030 Agenda.

This inter-institutional collaboration will help to i) pool knowledge and resources to identify opportunities, evaluate the technical and economic feasibility of projects, as well as the design of implementation plans focused on distributed generation; ii) exchange experiences, research, and best practices in the field of distributed generation to learn from the successes and challenges of different implemented projects, thus driving continuous improvement and efficiency in new projects.

## IV. WE IMPLEMENTED STATE POLICIES BY SECTOR

### 1. Crecer Fund (FC)



The Crecer Fund (FC, for its Spanish acronym) was created by Legislative Decree No. 1399 in September 2018. Consequently, the following trusts are consolidated: Fund for Strengthening MSEs (FORPRO, for its Spanish acronym) MSMEs, the Export Credit Insurance for SMEs (SEPYMEX, for its Spanish acronym) and the Business Guarantee Fund (FOGEM, for its Spanish acronym). Its Operating Regulations were approved in January 2019, and the trust agreement with the MEF was entered into in 2019.

Within the economic growth model, this Fund seeks to boost the productive development of MSME companies and export companies, promote the formalization of companies, expand access to funding under better financial conditions, increase the development of sustainable projects in high-impact sectors in Peru, and contribute to the regional and sectoral development of the country through hedging and credit instruments offered to the financial market.

In 2023, the CRECER Fund benefited 11 157 MSMEs and export companies, mainly through its guarantee and credit instruments, through 14 companies of the financial system (ESF, for its Spanish acronym) incorporated into the CRECER Fund.

The Crecer Fund guaranteed PEN 1,069 million (accounting for 68% of the guaranteed amount) and financed loans for PEN 57 million. The following table shows the details by type of instrument:

### CRECER Fund Results 2023

	Security Instrument	Crédit* Instrument	Total
 <b>Credit amount (PEN MM)</b>	<b>1,523</b>	<b>57</b>	<b>1,580</b>
<b>Secured amount (PEN MM)</b>	<b>1,069</b>	<b>N/A</b>	<b>1,069</b>
 <b>Number of beneficiaries</b>	<b>9,285</b>	<b>1,872</b>	<b>11,157</b>

Out of 11 157 final beneficiaries:

- 98% of them are MSEs.
- 51% of them are in regions.
- 59% of them focus their demand on working capital, 39% on fixed assets, and 2% on exports.
- Beneficiaries concentrate their activities on commerce, manufacturing, transportation, agriculture, aquaculture, among others.

COFIDE, with the collaboration of resources from the SeCompetitivo program (Phase II), had the following objectives:

- **Strengthening the development of financial instruments for investments, securitization, stock exchange, and counter-guarantees:** 4 FC Operational Manuals – first version prepared with the support of program consultants.
- **Improvement of the SFC:** social and gender indicators, reporting, and operational functionalities.
- **Communication Plan** to promote the use of FC instruments through the Chambers of Commerce in Lima, Arequipa, and Piura.
- **Relaunch the FC** event through a strategic association with ADEX, the partner of the SeCompetitivo program, to promote the growth of MSMEs and export companies in Peru.

Upon evaluating the fund, it was determined that the Crecer Fund effectively fulfills its objective of fostering MSMEs inclusion and development, particularly in the short term. Additionally, under the framework of the Crecer Fund, various initiatives were successfully implemented:"

### Inclusive and Sustainable Value Chains Program

- **Field visits by consultants** by consultants to agricultural value chain pilots were conducted, supporting the **development of productive investment, resulting in:**
  - **Three agricultural sector chains financed:** Gandules in the south (peppers), EGA Agroindustrial in the north (pomegranate), and Procesadora Tropical in the east (banana).
  - **Three chains pre-approved for financing:** Inkacrops in the highlands (white potatoes), Green Coffee in the jungle (coffee), and Intipa Foods in the north (holantao and blueberries).

### Financial Education Program with SBS

- MSMEs and export companies were provided with financial education tools and skills.
- Comprehensive training to serve the prioritized sectors:
  - Analysis of the microentrepreneur profile
  - Preparation of educational materials
  - Training for 253 entrepreneurs



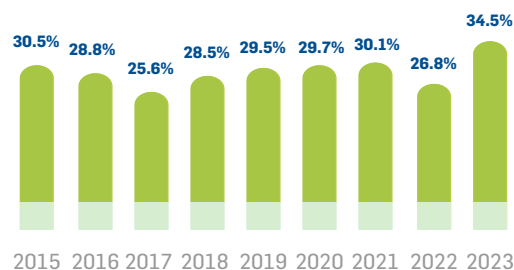
**GROWING IN A SUSTAINED  
AND RESPONSIBLE WAY**



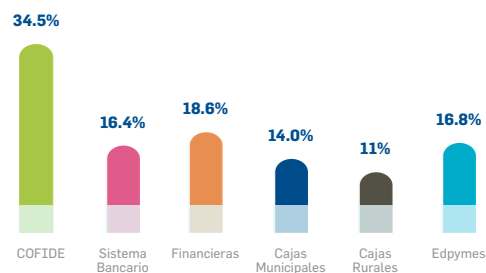
## INSTITUTIONAL PROFILE

One of our priorities for being sustainable in the long term is maintaining adequate financial solvency indicators. Likewise, one of the main elements of financial soundness is our main shareholder's equity support, our good global capital ratio (34.5% as of December), which is well above the banking system's average (16.4%) and the minimum required by the SBS.

### COFIDE Overall capital ratio



### BENCHMARK\*



\*SBS as of December 2023

### International Rating: "Investment grade"

During 2023, the risk rating agencies, Standard & Poor's and Fitch Ratings, made modifications to the risk classifications of Peru and COFIDE, as follows:  
 International rating: "Investment grade"

	S&P	FITCH
Perú	<b>BBB</b> (Negative)	<b>BBB</b> (Negative)
COFIDE	<b>BBB-</b> (Stable)	<b>BBB</b> (Negative)

## COFIDE's institutional category

We maintain the A rating for the institution's economic strength, AA+(pe) for debt instruments and CP-1+(pe) and ML A-1+(pe) for short-term debt instruments according to the rating agencies Apoyo & Asociados and Moody's Local, respectively.

Such ratings show that our institution has outstanding financial strength, the capacity to meet its financial obligations promptly, and sound risk management.

In turn, the rating received for debt instruments reflects a high capacity to repay the obligations within the agreed terms and conditions without being significantly affected by adverse circumstances or changes in the economic environment. Regarding short-term instruments, the rating shows that COFIDE has the highest payment capacity for an institution in Peru.

Regarding the classification of our financial instruments, the current category is summarized in the following table:

	Moody's Local	Apoyo & Asociados
COFIDE's third, fourth and fifth Debt Instruments Programs	AA+(pe)	AA+(pe)
COFIDE's third Short-term Debt Instruments Program of	ML A-1+(pe)	CP-1+(pe)

## HOW DO WE MANAGE OUR ASSETS AND LIABILITIES?

### Gross Loans Balance

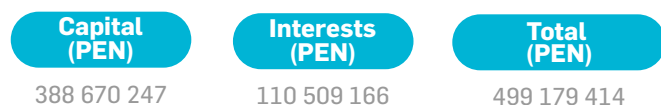
At the end of 2023, our gross loan balance amounted to USD 1.063 billion. Within this total, the balance of our second-tier portfolio reached USD 1.33 billion, and the balance of the assigned portfolio reached USD 129.2 million.

The second-tier portfolio includes current intermediation loans accounting for USD 1.01 billion, Specialized, Business, and Structured Financing (FEEE, for its Spanish acronym) loans for USD 174.4 million, and participation agreements<sup>4</sup> for USD 146.9 million. It should be noted that the following FEEE operations are part of the transferred portfolio: Lis Argentis (USD 94.6 million), Minera IRL (USD 70 million) and COSAC (USD 67.7 million).

From the total gross portfolio, 62.1% corresponds to intermediation, mainly to support MSEs (includes the FAE-MYPE, Tourism, and Impulso MYPERU programs); 10.7% to transportation and road infrastructure projects; 10.7% to agroindustrial projects; and 5.1% to infrastructure development in the energy sector, among others.

Breaking down the gross portfolio by currency, the balance in soles was PEN 4,053.9 million (67.0%), and the balance in dollars was USD 537.3 million (33.0%).

### Critical portfolio management



### COSAC:

- On September 14, 2023, COFIDE and the MEF signed the Payment Agreement for Obligations Transferred to the Department of Economy and Finance (Law 31640-Fifth Final Complementary Provision), whereby the MEF recognizes an account payable of PEN 364 093 023.91 in favor of COFIDE, as a result of the obligations assumed from the ATU.
- The amount was applied for accounting purposes to the obligations of two COSAC operators as follows:

<sup>4</sup>As requested by SBS, participation agreements have been reported as of August 2017 in accordance with article 4 of the Credit Portfolio Transfer and Acquisition Regulations (SBS Resolution No. 1308-2013). In this regard, the final debtor, not the financial intermediary, was recorded in COFIDE's accounting and in the "Debtor" field of the Debtor Credit Report (RCD).

- Peru Masivo: PEN 103 709 411 was applied to the debt principal.
- Transvial: PEN 151 281 821 was applied to the debt principal, and PEN 109,101,796 to debt interest.

- On December 6, 2023, Law 31955, the Public Sector Debt Law for fiscal year 2024, was promulgated. Article 16 provides for the payment of obligations transferred to the MEF within the framework of Law 31640, the Public Sector Debt Law for the Year 2023, to be charged to the distributable profits annually generated by COFIDE and corresponding to FONAFE.
  - On December 27, 2023, COFIDE and the MEF entered into a Payment Agreement for Obligations Transferred to the Department of Economy and Finance that regulates the terms, conditions, and schedule under which the MEF cancels the obligations corresponding to the payment of indemnities established by the arbitration awards in favor of Transvial and Perú Masivo companies.
  - On December 29, 2023, the MEF made the first payment to COFIDE for a total of PEN 29 170 620.84, corresponding to the payment of dividends to FONAFE for the 2022 period.
- On the other hand, it was agreed to authorize entering into transitional agreements with the COSAC operators until December 2024 through Board of Directors Agreement No. 112-2023 of 11/22/23. It should be noted that the agreements are renewed on a quarterly basis.

### TERMOCHILCA:

- CELEPSA, as a bidder, was awarded on December 29, 2022, (i) the shares issued by Termochilca and (ii) the debts that the company has against COFIDE, BCP, and SBP.
- In accordance with the contractual provisions, USD 30 583 193 was received on May 9, 2023.



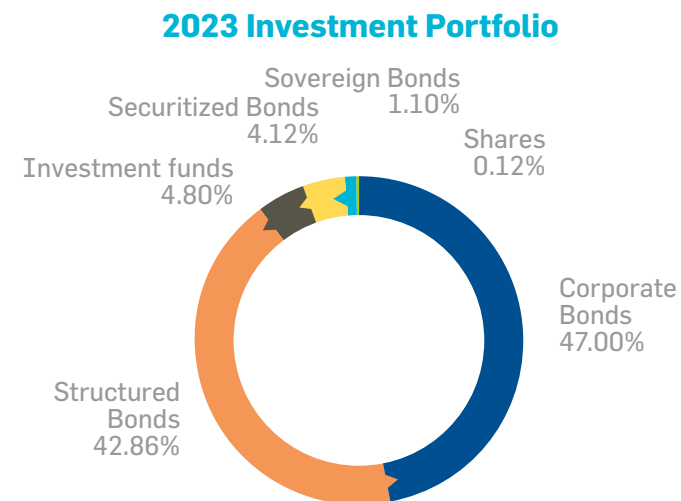
## Treasury Management

Throughout 2023, we have maintained adequate levels of liquidity in dollars and access to resources in Peruvian soles. This has allowed us to ensure financial stability, meet obligations, and continue contributing to channel financing to the small and medium-sized enterprise sector through intermediary financial institutions. We have also been supporting the economy's recovery by financing programs promoted by the government, such as Impuso MYPERU.

Cash resources have been invested mainly in short-term instruments with a high degree of liquidity that allows us to meet our disbursements and obligations. At the end of December 2023, we had a total available funds (including restricted available funds) of USD 130.7 million and PEN 232.2 million.

## Investment Management

On the investment front, at the end of the year, our own managed portfolio amounted to USD 574.3 million, up from USD 554.3 million in 2022. In terms of currency breakdown, PEN 549.9 million corresponds to the local currency bond portfolio, and USD 425.9 million to the foreign currency portfolio. The foreign currency portfolio mainly comprises corporate bonds (47.0%) and structured bonds (42.9%). The bond portfolio also includes investments in sovereign bonds, investment funds, mutual funds, short-term instruments, and shares (interest in Bladex). Please refer to the following chart for more details:



## Management of Third-Party Investment Portfolio

In our role as a fiduciary entity, we provide treasury services and manage other institutions' portfolios, mainly in the public sector. As of December 2023, COFIDE managed resources under a profitability portfolio in local and foreign currency for PEN 2.21 billion and USD 81.1 million, respectively, corresponding to trusts and trust commissions.

In accordance with each fund's investment mandate, managed funds' assets are invested at different maturity terms in money market instruments such as time deposits and mutual funds, as well as in short- and medium-term fixed-income instruments under conservative portfolios. Consequently, by the end of December 2023, 81.8% was invested in time deposits, 8.6% in fixed-income instruments, 5.8% in mutual funds, and the remainder in other instruments.

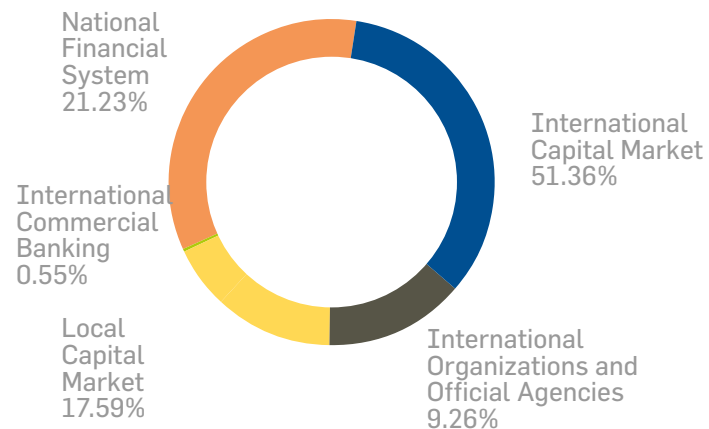
## Liabilities Management

### Financing Sources

We resort to different markets to obtain funds at the best financial conditions to continue financing the country's development.

The breakdown of our different financing sources as of year-end, with a total amount owed of USD 2.27 billion, is shown below.

### 2023 Debt According To Financing Source



### Financing for Containment and Economic Reactivation

In 2023, we continued to support the country's economic recovery process through guarantee programs such as Reactiva Perú, COVID Guarantees, FAE Turismo, PAE Mype, FAE Agro, PAE Texco, and Impulso MYPERU and as a provider of funds to small and medium-sized enterprises. Through the Impulso MYPERU program, we have financed disbursements totaling PEN 461.2 million with our resources, accessing various sources of financing.

### International Capital Market

Financing in this market represents 51.4% of the total amount owed, which amounts to USD 1.16 billion as an outstanding balance. This financing primarily comprises senior bonds with maturity in 2025 (USD 412 million), senior bonds maturing in 2027 (USD 500 million), and subordinated bonds maturing in 2029 (USD 255 million). These funds have facilitated our provision of medium- and long-term loans.

### National Financial System

Diversifying funding sources and obtaining competitive costs is made possible by the local financial system, which accounts for 21% of the total amount due (equivalent to USD 482.2 million). This is primarily obtained through credit lines with local commercial banks, Banco de la Nación, and repurchase agreements with the Central Reserve Bank of Peru. It also allows for indirect financing access through currency swaps. The funds are agreed mainly in soles and are intended to finance COFIDE's own operations, including disbursements for the Impulso MYPERU program in 2023.

### Local Capital Market

At the end of 2023, the balance of outstanding securities from issuances made in the local capital market amounted to PEN 1.48 billion (equivalent to USD 399.5 million), representing 17.6% of the total amount due. Of this, PEN 1.20 billion corresponded to medium- and long-term corporate bond issuances, and PEN 347.5 million to short-term instruments. Likewise, we continue to be recurring issuers in the local capital market, and we consolidated our position as the primary issuer of thematic bonds with five thematic issues at the end of 2023 for more than PEN 540 million. In 2024, we will continue to promote sustainable investments and our involvement in projects that have a social and environmental impact.

It is essential to highlight that three issues were made in 2023 under the Fourth Short-Term Debt Instruments Program:

**1.First Issue - Serie A:** – Made on July 18, 2023, for the amount of PEN 76.1 million for a 359-day term and an interest rate of 7.8125% (88 basis points over the BCRP Certificate of Deposit (CDBCRP) for that term). The demand was 1.42x, and the successful bidders were a) pension funds (39.4%), b) public sector entities (36.8%), c) brokerage firms (13.1%), d) mutual funds (9.3%), and e) insurance companies and health care providers (1.3%).

**2.Second Issue** – Social Short-Term bond according to the new thematic bond framework developed by the Global Green Growth Institute (GGGI), under a non-reimbursable technical assistance agreement with the Government of Korea through the Lima Stock Exchange.

a.A Serial: Auction held on October 12, 2023, for PEN 100 million with a one-year term. The institutions awarded were as follows: a) pension funds (30.3%); b) public sector entities (27.5%); c) mutual funds (20.4%), d) brokerage firms (15.0%); e) financial entities (4.8%); and f) insurance companies and health care providers (2.0%). The aim of this auction was to promote financing to micro, small, and medium enterprises (MSMEs) through intermediary financial institutions (IFIs). The interest rate obtained was 7.34375% (84 bps over the CDBCRP), and the demand over the value was 1.76x.

b.B Serial: Auction held on December 20, 2023 for the amount of PEN 100 million for a 358-day term and an interest rate of 6.375% (90 bps over the CDBCRP), the demand was 1.39x and the bidders were a) pension funds (54.6%), b) public sector entities (27%), c) mutual funds (14.6%); d) financial entities (2.5%), e) insurance companies and health care providers (1.1%), and f) brokerage firms (0.23%).

The outstanding balance of our debt instruments at the end of 2023 is as follows:

#### Fourth Short-Term Debt Instruments Program - USD 200 MM

Issuance	Series	Issuance Date	Amount (PEN MM)	RATE n.a	Type of rate	Redemption Date
First	A	19/07/2023	76.1	7.8125 0%	Fixed	12/07/2024
Second	A	13/10/2023	100	7.3437 5%	Fixed	4/10/2024
Second	B	21/12/2023	100	6.3750 0%	Fixed	13/12/2024
<b>TOTAL OUTSTANDING</b>			<b>276.1</b>			

#### Third Debt Instruments Program - USD 200 MM

Issuance	Series	Issuance Date	Amount (PEN MM)	RATE n.a	Type of rate	Redemption Date
Ninth	A	27/04/2012	150.0	6.6500%	Fixed	27/04/2027
Tenth	A	28/06/2012	100.0	6.2000%	Fixed	28/06/2037
Eleventh	A	30/10/2012	90.0	5.6250%	Fixed	30/10/2042
<b>TOTAL OUTSTANDING</b>			<b>340.0</b>			

Issuance	Series	Issuance Date	Amount (PEN MM)	RATE n.a	Type of rate	Redemption Date
Second	A	30/04/2013	100.0	5.3500%	Fixed	30/04/2043
Tenth	A	6/10/2016	150.0	6.8750%	Fixed	6/10/2026
Tenth	B	28/10/2016	50.0	6.6750%	Fixed	28/10/2026
Eleventh	A	20/12/2016	300.0	7.8438	Fixed	20/12/2046
<b>TOTAL OUTSTANDING</b>			<b>600.0</b>			

#### Fifth Debt Instruments Program - USD 500 MM

Issuance	Series	Issuance Date	Amount (PEN MM)	RATE n.a	Type of rate	Redemption Date
Second	A	19/07/2019	121.8	VAC + 3%	Fixed	19/07/2019
Fourth	A	28/01/2021	143.9	1.84375%	Fixed	28/01/2024
<b>TOTAL OUTSTANDING</b>			<b>265.7</b>			
<b>TOTAL BONDS OUTSTANDING</b>			<b>1481.8</b>			

## International Organizations and Government Agencies

This section includes:

**a)** Loans granted to the Republic of Peru through funds transfer agreements, and we act as the Executing Agency for these loans. As of December 2023, we have active credit programs with the Japan International Cooperation Agency (JICA) of Japan for the Assistance Program for Energy Renewal Infrastructure, and with the Kreditanstalt für Wiederaufbau (KfW) of Germany for the Renewable Energy Program and Energy Efficiency - Phase II. Additionally, COFIDE's participation was approved as the Executing Agency for the Financing Program for Women Entrepreneurs, with a total financing of USD 100 million from IDB. A transaction worth USD 12.5 million has already been executed.

**b)** Direct loans granted by the Corporación Andina de Fomento (CAF) for USD 5 million; the Official Credit Institute of Spain (ICO, for its Spanish acronym) for USD 40 million, by the KfW for EUR 250 million "Covid 19 - Green Reactivation Program".

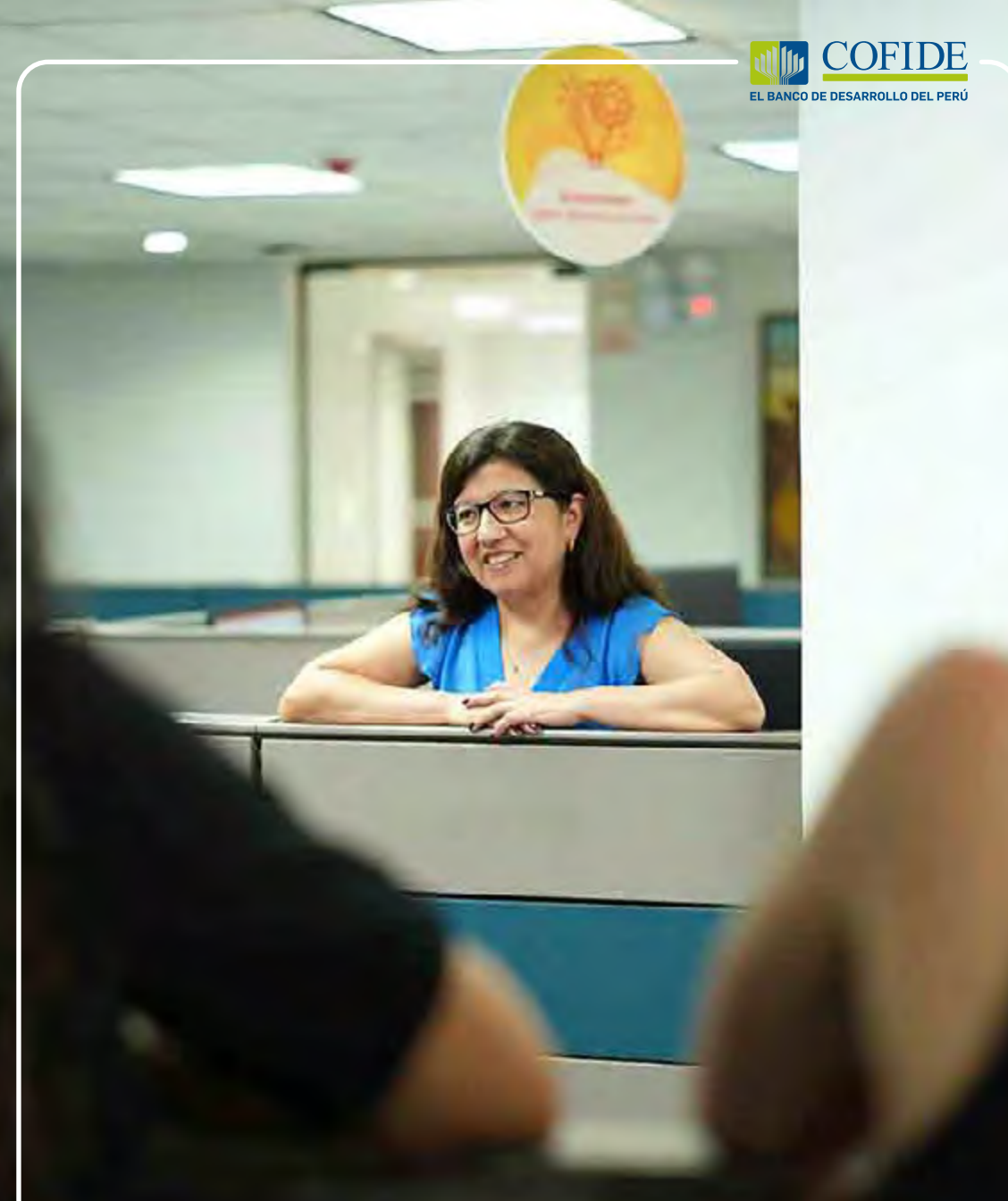
The financing source balance was USD 210.4 million, equivalent to 9.3% of the total amount due.

## Evolution of liabilities

By the end of 2023, our total liabilities expressed in dollars amounted to USD 2.27 billion, equivalent to PEN 8.42 billion, a USD 275.8 million drop from the previous year-end. This decline in our liabilities was primarily due to the maturity of bonds issued in the international market.

Long-term structural funding aligns with our long-term financing operations. We manage our funding by matching terms, currencies, and interest rates. Our non-current liabilities, which are maturities exceeding twelve months, amount to USD 2.06 billion and represent 91% of our total liabilities.

As of the end of 2023, 62% of our debt is contracted in US dollars, while the remaining 38% is in Peruvian soles.





**HOW DO WE  
MANAGE RISKS?**





Our risk management model utilizes a comprehensive approach to identifying, assessing, measuring, and controlling COFIDE's exposure to risks. It aligns with the Risk Appetite Framework, which includes risk appetite levels and risk limits.

The main risks to which we are exposed are detailed below:

### Credit Risk

Credit risk represents the potential loss if a borrower, issuer, or counterparty of COFIDE's operations defaults on a loan that they are unable or unwilling to repay.

Our Credit Risk management seeks to ensure adherence to the Superintendency of Banking, Insurance, and Pension Fund Administrators (SBS) standards, taking into account the best practices of the financial system. For this purpose, we implement the following processes: (i) development of risk management policies and methodology, (ii) selection and evaluation of counterparties/operations in accordance with the established policies and methodologies, (iii) approval of credit risk exposures in accordance with the established levels of autonomy, (iv) monitoring of compliance with established policies and limits, as well as portfolio monitoring, and (v) credit risk management reports.

In 2023, the Credit Risk Policy with Intermediaries, the Credit Risk Policy with Debtors, and the Autonomy Policy were updated as part of the management optimization process. Likewise, the following methodologies for credit risk management were updated: the internal risk classification of financial intermediaries and the methodology for the evaluation of financial intermediaries.

COFIDE's admission activities, which include selecting, evaluating, and approving exposures with counterparties, aim to ensure the financing portfolio's quality by identifying the operations' eligibility. The Management Committee is responsible for evaluating the appetite and alignment with COFIDE's goals. Applicable policies and methodologies were used to assess the risk of financing proposals, which were later submitted to decision-making bodies, such as the General Management, Risk Committee, and the Board of Directors, for approval. In 2023, the risks associated with new credit facilities and existing ones were assessed to guarantee operational continuity. The exposure limits of financial intermediaries were also reviewed to verify consistency between the current exposure limit and the financial intermediary's risk level.

Similar to what has occurred in recent years, guidelines were prepared for State programs in which COFIDE grants financing (Impulso MYPERU) to assign individual limits to financial intermediaries based on their level of risk.

COFIDE's monitoring process for its credit portfolio seeks to identify potential alerts in a preventive manner. The process involves individual monitoring of intermediary financial institutions, operations with debtors and issuers, and the overall status of the portfolio using different tools. The results are then brought to the attention of the Risk Committee and Board of Directors. Additionally, a Monitoring Committee receives information about intermediary financial institutions, operations with debtors, and issuers of investment portfolios identified with alerts. This committee proposes actions to mitigate the potential deterioration of the portfolios.

COFIDE has policies, methodologies, and procedures adapted to the best practices and international standards to manage environmental and social risks. These environmental and social management mechanisms are integrated into the lending process and aligned with COFIDE's strategic objectives. It should be noted that COFIDE began the accreditation process with the Green Climate Fund (GCF) in 2021, which is still in progress. Also, as part of the process of optimizing social and environmental risk management, the methodology, tools, and exclusion list were updated in 2023.

### Market Risk and Structural Balance-Sheet Risk

COFIDE has specific policies for market risk and balance-sheet structural risk management.

Market risk refers to the chance of incurring losses due to positions held in the trading portfolio arising from unfavorable changes in various risk factors or market prices that impact their valuation.

On the other hand, structural balance sheet risk is the potential loss that may arise from adverse movements of interest rates, exchange rates, or liquidity mismatches on the structural positions of assets and liabilities. This risk applies to both on- and off-balance sheet items, except for the trading portfolio.

## Market Risk

COFIDE currently holds positions in the trading portfolio comprising derivative instruments (currency forwards) and sovereign bonds. Exposures are maintained in dollars, euros, and yens (considering spot and term exchange positions) regarding foreign currency positions.

Market risk in the trading portfolio and foreign currency positions is measured using value-at-risk (VaR) models. Risk management employs established alerts and limits aligned with our risk appetite.

## Structural Balance-Sheet Risk

In terms of liquidity risk, the probability that COFIDE may not be able to meet its obligations or may face difficulties in obtaining financing at competitive market rates or from a reliable funding source is evaluated.

Regarding interest rate risk, the analysis of potential loss focuses on the impact on the net financial margin (profits at risk within a year) and the discounted value of assets and liabilities (equity at risk in the long term).

Market risk and structural balance-sheet risk management includes identifying new financial instruments and external market factors that may impact them. We evaluate positions exposed to these risks based on the SBS regulations and our internal regulatory framework (policies, methodologies, procedures). We continuously monitor these positions and provide risk management reports, annexes, and regulatory reports to ensure ongoing monitoring.

Likewise, we updated the Manual for Asset and Liability Management Policies (investment policy) as part of the management optimization process. We also reviewed the Liquidity Contingency Plan and the Market Risk Contingency Plan.

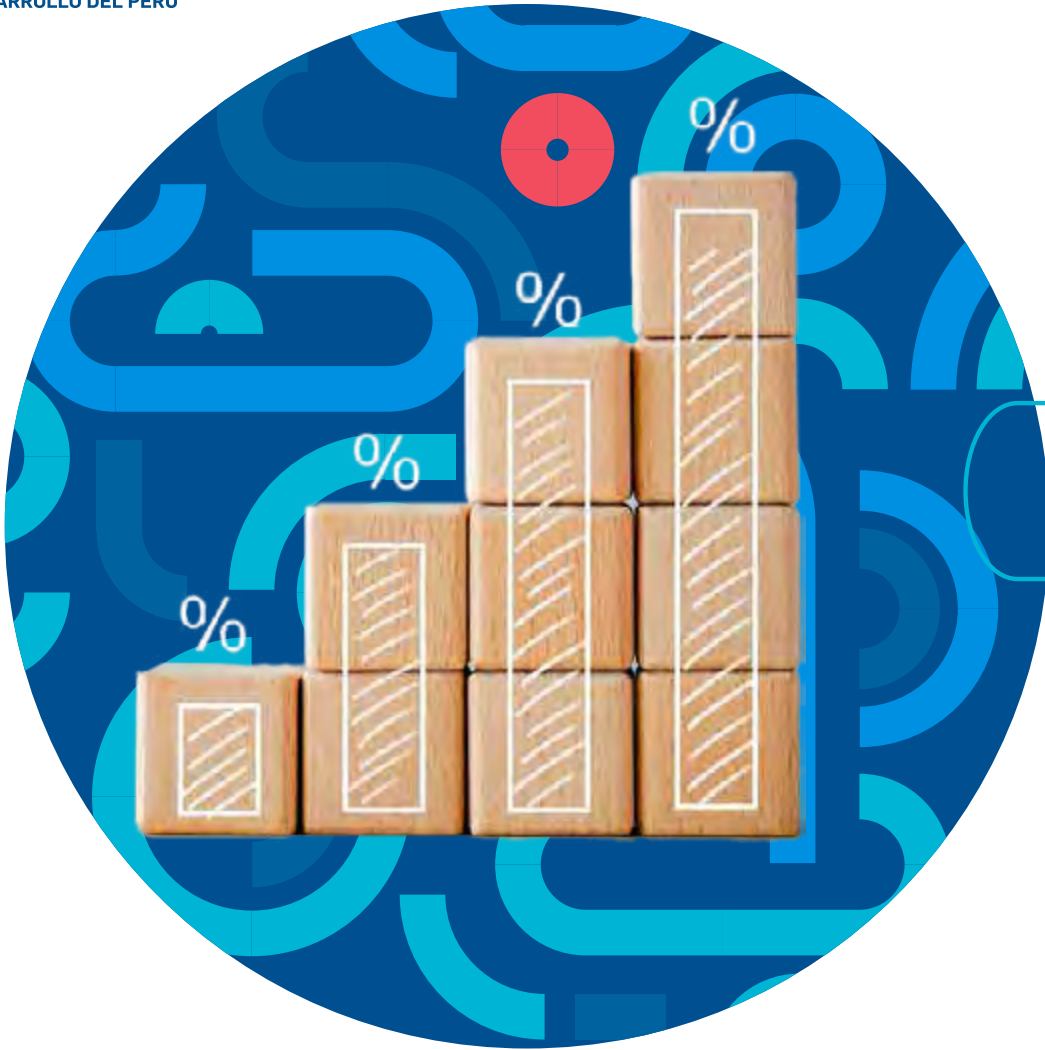
## Operational Risk, Information Security, and Business Continuity

COFIDE has established a robust framework grounded in best practices and compliance with the regulator's requirements. This framework encompasses policies, methodologies, and procedures outlined in the Operational Risk Management Manual, which serves as a cornerstone for achieving our objectives. The primary aim is to mitigate potential losses stemming from process or control failures, inadequate information systems, human-related issues such as fraud or errors, legal shortcomings, and external events. On the other hand, it establishes functions and responsibilities for information security management, forming a multidisciplinary team to assist with cybersecurity incidents and safeguard the confidentiality, integrity, and availability of information.

This is achieved by implementing an Information Security and Cybersecurity (SI-C) Strategic Plan, designed to effectively manage information security and cybersecurity risks, enhance the protection of COFIDE's information assets, and ensure business continuity by enabling swift recovery from disruptive events affecting business operations.

## Model risk management

The model risk management aims to mitigate the possibility of facing losses caused by weaknesses in the development, validation, implementation, use, and monitoring of models. In 2023, we began implementing the governance system for model risk management, which involved developing a plan with the necessary actions to comply with SBS regulations. The first inventory of models was submitted, and we are currently drafting internal regulations that will enable proper management of model risks (model risk management policies, development guidelines, validation, and model monitoring).



**HOW IS OUR FINANCIAL  
PERFORMANCE?**



As of December 2023, the asset balance amounts to PEN 10.81 billion (USD 2.91 billion), which is PEN 1.02 billion less than the result in December 2022 (PEN 11.84 billion or USD 3.10 billion). This decrease is primarily explained by the decline in the loan portfolio balance (lower by PEN 1.05 billion) and the reduced cash balance (PEN 274.9 million less), despite the increase in accounts receivable balance (PEN 240.9 million) associated with the application of COSAC awards.

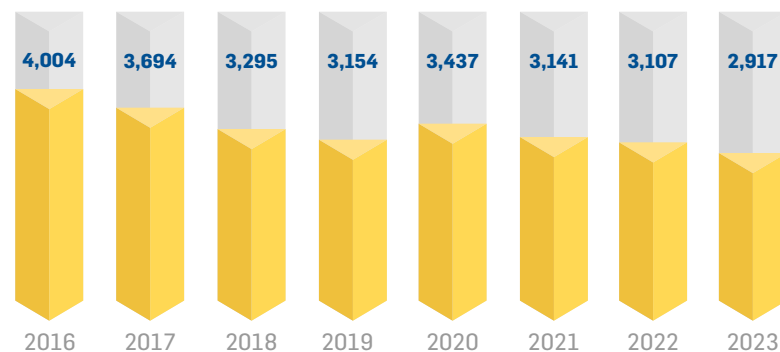
The gross portfolio consists of traditional intermediation loans (62.3%), loans of Specialized, Corporate, and Structured Financing (FEEE) (10.7%), participation agreements (9.0%), and transferred portfolios (18.0%).

The total liabilities amount to PEN 8.61 billion (USD 2.32 billion), a decrease of PEN 1.11 billion compared to the December 2022 closing balance (PEN 9.73 billion or USD 2.55 billion). This decrease is primarily due to the reduction of debt and financial obligations balance (PEN 607.7 million less) and a lower accounts payable balance (PEN 280.9 million less) despite increasing provisions (higher by PEN 19.1 million).

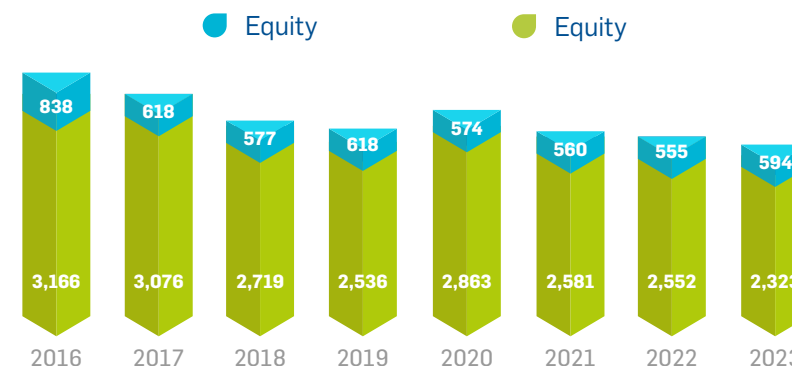
By currency, 62.9% of the resources raised correspond to obligations in dollars, 36.8% to transactions in Peruvian soles, while 0.2% to obligations in yen.

Meanwhile, the net equity stands at PEN 2.20 billion (USD 594.4 million), which is PEN 88.2 million higher than the December 2022 levels due to an increase in equity adjustment balance (PEN 46.6 million) and higher net income for the period (PEN 38.2 million).

### Total Assets (In USD million)



### Liabilities & Equity (In million of USD)



### Financial Results

At the close of 2023, interest income amounted to PEN 562.8 million, PEN 96.7 million higher than that recorded in the same period in 2022 (PEN 466.1 million), due to higher revenues stemming from the growth in the average loan portfolio balance.

As for interest expenses (PEN 474.7 million), they increased by PEN 48.3 million compared to FY2022. This increase is attributed to higher debts and obligations (up by PEN 60.6 million) and obligations to the public (PEN 1.9 million more), despite reduced accounts payable (PEN 1.8 million less).

Thus, the gross financial margin stands at PEN 88.1 million, equivalent to a ratio of 15.7% of revenues, a significant increase compared to the margin in December of the previous year (PEN 39.8 million).

On the other hand, net income from financial services totaled PEN 67.1 million, a reduction of PEN 28.6 million compared to FY2022. This result is due to lower revenues from trusts (down by PEN 32.1 million) despite a decrease in various expenses by PEN 3.4 million.

Regarding financial services expenses, there is an annual cut of PEN 3.4 million due to a decrease in costs associated with FAE-MYPE coverage fees.

It should be noted that a positive balance of PEN 39.7 million was obtained from financial operations, an increase of PEN 49.7 million compared to December of the previous year (-PEN 9.6 million).

Administrative expenses amounted to PEN 75.9 million, showing an increase vs PEN 65.6 million FY 2022. Thus, administrative expenses as a percentage of financial income increased from 13.5% to 14.1%.

Regarding income tax, the income is PEN 45.7 million, which is PEN 47.4 million higher than in 2022 (PEN 1.7 million). This increase is mainly associated with the effect of NIC12.

As a result, net profit amounts to PEN 71.9 million, a higher amount than the level reached in 2022 (PEN 33.7 million) due to the higher gross financial margin and the result of financial operations, despite the decrease in income from financial services and the increase in provisions.

## Financial Indicators

Indicator	Dec-22	Dec-23
Delinquency (Past-due portfolio / Gross loans)	5.6 %	7.9 %
Coverage (Provisions / Past-due portfolio)	361 %	278 %
CAR coverage (Provisions / High-risk portfolio)	78.6 %	96.2 %
Return on equity (ROE)	1.6 %	3.4 %
Global capital ratio	26.8 %	34.5 %

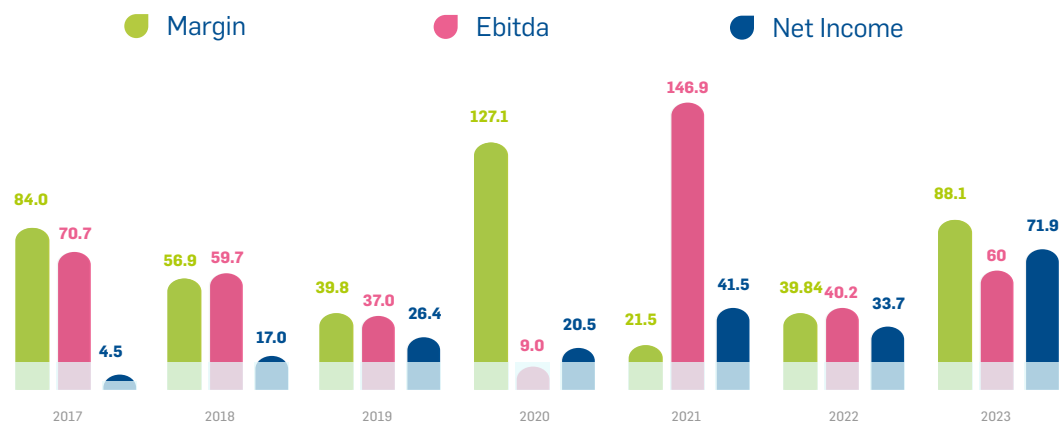
Our delinquency ratio, which represents the past-due portfolio with respect to gross loans, increased compared to the end of 2022, reaching 7.9%. This increase was mainly associated with the overdue status of the Minera IRL loan for USD 70 million in November 2023.

The CAR (high-risk portfolio) coverage ratio improved significantly, from 78.6% in 2022 to 96.2% in 2023, due to the positive impact of the application of COSAC awards, reducing the overdue portfolio by PEN 364 million (formalization through the Public Debt Law), and the effort to build provisions.

In terms of net income, the Return on Equity (ROE) indicator reached 3.4%, more than doubling the profitability achieved in 2022, which stood at 1.6%."

The capital requirement for credit, market, and operational risks was equivalent to PEN 834.1 million, while the regulatory capital recorded was PEN 3,176.3 million. With these figures as of December 2023, we registered a global capital ratio of 34.5%, higher than the 26.8% of the same period the previous year.

## Net Income & EBITDA, 2017-2023 (In million of PEN)







**WE ARE COMMITTED TO  
THE HIGHEST STANDARDS**



## SUSTAINABILITY

At COFIDE, our commitment to sustainability is foundational, integral to our identity and purpose, and exemplified in our Sustainability Policy and Corporate Social Responsibility (CSR) management. Through our policy, we reaffirm our dedication to spearheading sustainable development efforts to make a meaningful contribution to the welfare of our society.

If there is something that we can first highlight with respect to the 2023 management, it is the creation of the Sustainability and Good Corporate Governance Committee, which is a strategic instance that will allow us to continue strengthening our management with ESG criteria. To this end, this committee is made up of five members of COFIDE's Board of Directors, including the Chairman of the Board, as well as four managers, one of them the General Manager.

Likewise, during 2023, we continued designing and executing actions that reaffirmed our commitment as a company responsible to society. As part of our self-assessment, FONAFE's CSR maturity level tool measured and evaluated these actions, with a result of over 90% with respect to CSR 2023.

We continued strengthening COFIDE's image associated with sustainability and management with ESG criteria. This action implied the outstanding participation of our leaders in national and international forums, where we were able to explain our experience of positive impact on the social and environmental areas.

For the second consecutive year, we were recognized with the Sustainable Management Company distinction, granted by Perú Sostenible (Sustainable Peru), thanks to our compliance with ESG indicators and Global Reporting Initiative (GRI) standards and our contribution to achieving the United Nations Sustainable Development Goals (SDGs).

To maintain transparent communication with our stakeholders about our sustainable impact, in 2023, we produced our Sustainability Report for the seventh consecutive year, including an updated analysis and prioritization of material issues per the new GRI guidelines. Thus, together with our stakeholders, we defined 12 new material topics, including gender, inclusion, and environment.

As part of our efforts for continuous improvement, we calculated our carbon footprint and verified it with SGS. The result was 263.6 tCO<sub>2</sub>e, and, as part of our offset management, we acquired carbon credits from the Cordillera Azul National Park project, which is the fourth largest national park in the country, covering the regions of Loreto, Ucayali, San Martín, and Huánuco. For this reason, we have been recognized as a carbon-neutral company, obtaining two stars in the Huella de Carbono Perú – HCP (Carbon Footprint Peru) platform of the Department of Environment (MINAM, for its Spanish acronym).

On the other hand, as part of our sustainable culture, we held our V Sustainability Week, which brought together some of our allies, such as the representatives of the UN Global Compact, UNDP, Mibanco, Aequales, IKIGAI Laboratorio Social, and Libélula, on the main day. They shared their experiences and expectations regarding financial inclusion, social impact, and gender equity. In this line, we developed experiential workshops focused on waste management, circular economy, and agents of change for our employees.

Another one of our ongoing programs is the corporate volunteering campaign, which featured four activities: a) "Juntos, nos hacemos cargo" [Together, we take charge], involving the collection of non-perishable food items to support families affected by cyclone YAKU in some towns of Piura and Lambayeque; b) "Voluntarios por la Educación" (Volunteers for Education), which provided workshops on financial education and academic reinforcement in Mathematics, and self-esteem reflection sessions for students from two schools in San Juan de Luringancho; c) "Navidad PRIDER" (Christmas PRIDER), a campaign that gathered toys for 213 children of our UNICA members in Huánuco and Ucayali. On average, 121 employees enrolled in the "Voluntariado para todos" (Volunteering for All) program, representing 47% employee participation.

## OUR BEST PRACTICES IN CORPORATE GOVERNANCE

Good Corporate Governance (GCG) practices protect a company's shareholders, investors, and stakeholders, ensuring greater transparency and value generation. The adoption of GCG practices reflects efficient management and contributes to achieving optimum performance.

COFIDE has been following these Good Corporate Governance practices since 2007. The first step in this direction was the approval of the Good Corporate Governance Code (CBGC) and its implementation guidelines. Since then, the institution has continuously improved its governance practices by undertaking various initiatives and action plans.

In January 2015, COFIDE joined a working group comprising 34 multilaterals and development financial institutions worldwide. Its exemplary corporate governance practices earned it various recognitions.

Likewise, in 2019, COFIDE achieved the first position in FONAFE's ranking of financial companies. This accomplishment reflects significant progress in COFIDE's corporate governance standards over the years.

On the other hand, in 2022, FONAFE automated SISMAD (Maturity Level Measurement System), an integrated assessment tool they implemented in 2020. This tool provides a comprehensive overview of the implementation and maintenance of good corporate governance practices of the companies under FONAFE's supervision and of COFIDE's other management systems.

That same year, Grant Thornton, an external validator subcontracted by FONAFE, rated COFIDE's compliance level at 84.26%, equivalent to an "Advanced" maturity level. Its annual validation report focuses on the self-assessment of the implementation of the Good Corporate Governance Code of the companies of the FONAFE corporation and the corporate center. This report follows the Integrated Methodology Manual for the evaluation of compliance with the Corporate Social Responsibility (CSR), Internal Control System (ICS), Integrated Management System (IMS), Service Quality Management (SCM) and Good Corporate Governance (GCG) systems. Furthermore, COFIDE's compliance level increased by 4.63% (to 93.75% from 89.12%) due to the CBGC implementation monitoring process and considering FONAFE's validation criteria. As a result, COFIDE's score rose to 348.75, maintaining an "Advanced" maturity level compared to the evaluation at the end of 2021.

In 2023, COFIDE's compliance level showed improvement in the self-assessment of the implementation of its Corporate Governance System as compared to the evaluation at the end of 2022. As a result of the monitoring process and based on FONAFE's validation criteria, it has increased by 2.17% (to 95.92% from 93.75%). This represents a higher level of maturity compared to previous years and places COFIDE as a "Leader" company.

Likewise, as part of its commitment to enhancing its corporate governance management, COFIDE has established the following objectives within its work plan for compliance with the Corporate Governance Principles for 2024: (i) To periodically inform the Board of Directors about compliance with the GCG Corporate Governance, ICS and IMS indicators that constitute the Institutional Operating Plan according to the Corporate Management Directive (requirements of the SISMAD tool); (ii) To periodically inform the Board of Directors of the level of execution of the Succession Plan.

## WE ENHANCE OUR INTERNAL CONTROL SYSTEM

Our Internal Control System (ICS) has undergone external and internal evaluations since 2009, which have helped define and implement action plans for its maintenance and improvement. Furthermore, since 2016, and in line with the guidelines set out in the “Internal Control System for Companies under FONAFE’s scope of authority,” COFIDE has been conducting annual self-assessments of the ICS based on the COSO 2013 framework. The purpose of this evaluation is to assess the design, scope, and operation of the ISC and to determine the level of maturity of the five components of the COSO Internal Control model: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Starting in 2020, FONAFE established a new Integrated Evaluation Tool that is now automated in the SISMAD app (2021) to assess the ICS. As mentioned above, this tool provides an overview of the ICS and our other management systems. It’s worth noting that, after the 2022 and 2023 self-assessments, COFIDE obtained a “Leader” maturity level (validated by FONAFE for two consecutive years), ranking it among the top ten state-owned companies under FONAFE’s scope and as the first financial company in FONAFE’s ranking. This significant improvement was a result of key actions: the implementation of, and 100% compliance with, our ICS Annual Work Plan; and the development and implementation of our ICS Strengthening Plan since 2021.

Similarly, since 2020, we have adopted Directive No. 011-2019-CG/INTEG “Implementation of the Internal Control System in the Central Reserve Bank of Peru, Petroperú S.A., SBS, FONAFE and entities that are under their supervision,” issued by the Comptroller General of the Republic, complementing ICS assessments. In this regard, we highlight the implementation of some key actions in 2023 that have contributed to the proper management and improvement of our ICS, such as a) educational and sensibilization activities addressed to the personnel about different components of internal control, b) the standardization of reports to the General Management and the Management Committee (COFIDE’s ICS Committee) on the results, follow-up and advances identified in the ICS management; c) the review of the validity of policies, methodologies and other internal regulatory documents; d) the significant improvement in the document management of our processes, which allowed us to appoint the responsible officers of the processes and risks; and e) the collection and monitoring of process indicators for ten macro-processes, including the five core processes, the strategic processes, and the support processes.

On the other hand, COFIDE has implemented a Money Laundering and Terrorist Financing (ML/FT) Risk Prevention and Management System, which provides a framework for defining policies, methodologies, and due diligence procedures. In addition, it has enabled COFIDE to adequately manage the exposure risks associated with each operation carried out with clients, counterparties, suppliers, and third parties. With the support of Senior Management, the Compliance Officer monitors the prevention system regularly. A new SPLAFT computer platform was designed in 2023 as part of COFIDE 's continuous improvement process. This platform automates the registration of operations, allowing for the timely detection of warning signals for various transactions. In addition, specialized training was provided to deepen the culture of prevention with respect to ML/FT.

As a good practice, COFIDE has developed the Crime Prevention Model to reduce the risk of corruption crimes. This model follows national and international regulations to carry out timely controls to minimize the risk of exposure. Furthermore, this year, we have continued to train and sensitize our employees on the Code of Ethics and Conduct. This training aims to internalize the guiding principles, promote a Compliance culture, and emphasize the importance of adopting preventive measures. All activities are reported to senior management.

The Internal Audit Unit strives to objectively and independently improve and safeguard the implementation of the institutional internal control model, verifying its adequacy and effectiveness. To this end, it must report its plans, budget, activities, progress, results, and actions to the Audit, Ethics, and Compliance Committee. To keep itself up-to-date, this year, it updated its internal work framework in line with the International Framework for the Professional Practice of Internal Auditing (MIPPPI) by incorporating risk-based evaluations and applying the COSO framework for each assessment. This framework is designed to assess whether Integrated Risk Management can effectively identify potential events that might affect it, manage those events based on the level of risk appetite, and provide reasonable assurance about the achievement of institutional main objectives and specific process objectives.

As part of the continuous improvement process, the internal audit management system was updated using the Team Mate Plus tool to support the entire flow of internal audit sub-processes. Another significant change is the implementation of COFIDE's "Ethics Line" channel: a formal communication channel for any employees, suppliers, or external clients with whom COFIDE has a relationship

or interacts to report in a confidential, anonymous, and secure manner any non-compliance and possible irregular, unethical, or unusual conduct that violates COFIDE's Code of Ethics and Conduct, the Internal Work Regulations, or internal regulations/procedures.

In addition, the Internal Control Body (OCI, in Spanish), headed by a leader appointed by the Comptroller General of the Republic (CGR), evaluates the implementation of the internal control system under the CGR scope, among other independent control activities.

Finally, the Comptroller General of the Republic selects an independent auditing firm for COFIDE in compliance with the relevant regulations. This firm, which maintains a clear separation from the Institution, is responsible for examining COFIDE's annual financial statements. As a result of the control activities carried out by the Superintendency of Banking, Insurance, and AFP, the Internal Control Body, independent auditors, and the Internal Audit Unit, any recommendations and action plans as a response to their findings are managed through an internal monitoring app, and their status is reported to the Audit, Ethics, and Compliance Committee.

## OUR POSITIONING AS A DEVELOPMENT BANK

In our endeavors to achieve a more significant position as Peru's development bank, COFIDE has maintained a constant presence in the most important media outlets. The topics that have attracted the most interest are the activities and lines of business that benefit the entire Peruvian population.

This objective is supported by strategic actions to expand knowledge about COFIDE's performance and reach a wider audience, i.e., our stakeholders. By telling them what we do and how we do it, we create an informed and favorable opinion that has a direct impact on our positioning and reputation.

COFIDE's efforts have resulted in over 600 media appearances, nearly 70% in Tier 1 media outlets. The total amount of coverage was over PEN 1.6 million. The main media outlets that reported on COFIDE were Gestión, El Comercio, El Peruano, Andina, La República, and Semana Económica, both in print and online versions.

In this manner, information was curated, and content was prepared on pertinent subjects. For instance, the Impulso MYPERU Program, overseen by COFIDE, highlighted the impactful role of its advancements, auctions, and placements in driving economic revitalization for myriad entrepreneurs.

Moreover, comprehensive documentation was crafted concerning various initiatives and business lines, including the Inclusive Rural Entrepreneurial Development Program (PRIDER), the mobile application "Mi Yunta Financiero," two thematic editions in 2023, the second investment round of the Capital Fund for Innovative Entrepreneurship (FCEI), as well as the COFIDE Talent and Bio-business programs, alongside several inter-institutional alliances.

Additionally, the strategic objective of bolstering our profile encompasses enhancing the visibility of our key spokespersons through interviews, opinion pieces, and engagements as speakers or panelists in industry events related to our core. In alignment with this goal, we orchestrated and disseminated our executives's presence in approximately 20 interviews across prominent national media outlets, leveraging these platforms to underscore our role as a development bank. Furthermore, their active participation in a number of national and international forums provided apt venues to showcase the array of products and services we offer.

COFIDE actively engaged in events such as the General Assembly of the Latin American Association of Financial Institutions for Development (ALIDE), the International Congress on Digital Transformation, and the Finance in Common 2023 both hosted by ALIDE, international microfinance congresses and symposiums organized by the Peruvian Federation of Municipal Savings and Credit Banks (FEPCMAC), the Women Leader Summit 2023, and the Peru Banking & Finance Summit 2023 organized by the International Finance Corporation. Additionally, we participated in the IV Corporate Governance Meeting of FONAFE, the II International Financial Inclusion Congress of the Superintendency of Banking and Insurance (SBS), the International



Economic Development Congress of the Pontificia Universidad Católica del Perú (PUCP), and the State Policy event organized by CAF, the Development Bank of Latin America. Furthermore, we engaged in the Peru Venture Capital Conference 2023, organized by the Peruvian Association of Seed Capital and Entrepreneurship (PECAP), and the Innovation Week, organized by Concytec, among other notable gatherings.

Regarding our presence in digital media, COFIDE has had a notable performance in social networks, increasing its participation remarkably on Facebook, LinkedIn, Instagram, and Twitter, the first two being the most relevant for COFIDE.

As a development bank, COFIDE aims to solidify its position as a committed entity to the country's sustainable development through a digital marketing strategy. In this regard, metrics reveal that in 2023, COFIDE's digital reach grew by 13% compared to the previous year, amassing over 120,000 followers.

It's noteworthy that COFIDE's social media platforms serve as a vital channel to showcase its societal role and involvement in various projects. COFIDE also seeks to expedite investment and sustainable development within the country through its presence on these platforms.





**OUR OPERATIONAL  
EXCELLENCE**



## HEADING TO DIGITAL TRANSFORMATION

Since 2019, COFIDE has directed the digital transformation through a Governance and Digital Transformation Committee chaired by the General Management and the application of a model of digital document management aligned with best practices. However, digital transformation has gained even greater strategic relevance since it was included as an integral part of our strategic objectives in the 2022-2026 Strategic Plan, thus highlighting the leading role of the Board of Directors and the General Management to boost the cultural digital transformation process. The two Institutional Strategic Objectives (OEI, for its Spanish acronym) set are the following:

- **OEI6:** Achieve operational excellence through digital transformation.
- **OEI7:** Ensure talent management through cultural digital transformation.

COFIDE is committed to digital transformation to promote the country's sustainable development by enabling access to resources and opportunities for people and companies. To do this, we seek to deploy new capabilities and technological and cultural enablers to review our business approach and processes deeply and how we provide value, always focusing our actions on our clients and final beneficiaries. In this regard, from 2022 to 2023, we have been working with strategic partners that helped us advance in our Digital Transformation process. Also, in 2023, the first version of the Government and Digital Transformation Plan was approved, setting five key pillars for our transformation process: Agility and Innovation, Data, Processes, Talent and Culture, and Technology. Furthermore, during 2023 we began strengthening our internal team with new roles and profiles that sustain an ongoing transformation process from within.

## TRANSFORMACIÓN >>> DIGITAL



### 4. Implementation of Agile Project Office (APMO)

In 2023, the Agile Project Office (APMO, for its Spanish acronym) was established, consolidating a single project agenda for the entire institution as a first step. This action provided a holistic, transparent, and collaborative view of initiatives and allowed us to align efforts to accelerate execution and maximize COFIDE's delivery of value.

This agile project governance model operates on quarterly work cycles. We conduct prioritization sessions each quarter to assess key criteria such as business value, time criticality, and mitigated risks or opportunities. Based on the established priorities, each department plans its projects, allocates resources, and sets quarterly objectives. After each cycle, we evaluate the results achieved and share them with stakeholders.

This approach has enabled us to expedite project execution by fostering practices such as increased involvement of project owners and timely communication of obstacles and risks during implementation. Consequently, these practices have streamlined project management through an escalation process. Furthermore, in 2023, we successfully established the first two agile teams operating under the Scrum framework to execute the organization's top-priority projects, yielding promising results and valuable insights.

## 5. New Information Systems

### 5.1. Trust Base Platform

A platform is currently being developed to help COFIDE operate various credit and coverage programs for the economic reactivation of the country more efficiently and securely.

This platform's goal is to automate standard processes in a trust fund program, which can then be easily customized for each new program that COFIDE is entrusted with.

### 5.2. Reactiva Peru System

In the year 2023, the automation of Reactiva's processes was successfully implemented, thereby reducing the operational burden and mitigating any associated risks. These are

- Guarantees Request Process
- Commission Calculation Process
- Recovery Process
- Reprogramming Process

### 5.3. Impulso MYPERU

In response to the intensive volume of operations associated with the new Impulso MYPERU program, a set of ETL (Extract, Transform, Load) processes was developed to effectively evaluate the admission rules regarding coverage requests.

## 6. IT service management

The successful implementation of the following security services ensures COFIDE's business continuity by aligning with the minimum security controls.

- New IPS
- Perimeter Firewall
- Internal Firewall
- NAC (Network Access Control) Platform.
- Vulnerability Analysis Service

## 7. Data and Analytics Strategic Plan

COFIDE has formulated its inaugural Data and Analytics Strategic Plan, which will facilitate its transformation into a data-centric institution in the next five years (2024-2028). To accomplish the plan's objectives, the initiatives must be executed in the first half of 2024, ensuring consistent progress.

This plan outlines a comprehensive data strategy, a data governance operating model, planning for advanced analytics, machine learning, and artificial intelligence projects, and the generation of efficiencies through data analytics. Additionally, it covers data ingestion, data storage, and processing, data delivery, and information consumption. The strategic plan also involves re-evaluating COFIDE's current way of consuming data and proposing a complete change to modernize its data operations based on three critical components for data-driven transformation: data, cloud, and AI.



A significant milestone has been achieved with the initial deployment of the Data Governance Operating Model. The first use case was the "Online Data Records System for the FCEI and Mypime Entrepreneur Trusts," where the initial deliverables included control artifacts for the data governance of each use case. To initiate the data-driven transformation, we have started gathering information to identify key data management capabilities and competencies throughout the institution. Each employee will be assigned a data-driven profile; the goal is to raise everyone's data-driven profiles as we transform ourselves. The measurement will take three years, until 2026, and the first results will be released in March 2024.

## THE IMPORTANCE OF TALENT

### 1. Strengthening the Human Resources Management Model

Throughout 2023, we have strengthened the Corporate Human Management Model, keeping in line with COFIDE's strategic objectives and FONAFE's Corporate Guidelines for People Management. The most relevant aspects of this model include performance management, talent management, knowledge management, organizational culture management, work environment management, and, as a new component, internal communication.

As a result of our joint efforts to enhance our company brand, broaden our talent attraction coverage, improve our work environment management, and strengthen our cultural transformation management, we were awarded the Great Place To Work (GPTW) certification once again, along with recognition from the Association of Good Employers (ABE). It represented a great challenge for developing the Talent Management process, where bold targets were set to support this vital management process. Thus, the project sought to unify a mapping of critical positions, have a potential mapping (by position category and total), establish career lines (groups and subgroups of positions), and receive proposals for development and succession plans, which will allow COFIDE to carry out various talent actions, such as:

- Constantly update the mapping of critical positions and redefine success profiles according to changing business requirements.
- Cross-reference critical positions with high-potential employees and define development plans for specific gaps.
- Implement mentoring and coaching programs to accelerate the preparation of successors.
- Establish agreements with training centers specialized in the skills required for strategic positions.
- Communicate growth and promotion opportunities linked to critical positions, increasing employee commitment.

It is essential to mention that COFIDE has maintained strong talent management for the fourth year in a row (2020-2023), as evidenced by the implementation and alignment of its Corporate Human Management Model. This reaffirms COFIDE's status as a leading company within the FONAFE Corporation. We are committed to continue implementing methodologies and improvements in management practices focused on organizational development and human talent.

### 2. Improvements in Performance Evaluation

The Strategic Plan for Cultural Transformation is based on a Management Model supported by a scheme consisting of four essential instruments: a training plan, a communication plan, a cultural measurement model, and a dictionary of competencies. The latter highlights behaviors aligned with our cultural principles to identify needs that will allow us to redefine and enhance the competency framework.

These improvements have effectively linked the transversal competencies with the cultural principles and with the segmentation by occupational and managerial levels of our organization, which has allowed us to optimize the performance evaluation process regarding our employees' competencies. Furthermore, we have been able to maximize the contribution level to the organization's strategic objectives, strengthen and promote COFIDE's merit-based model, and develop talent management.



### 3. Continuation of the COFIDE Talent Program - Developing Leaders

COFIDE, the Development Bank of Peru, is committed to promoting sustainable development and empowering young talents. Our goal is to ensure that our high-quality training, delivered by a team of highly specialized instructors, reaches as many universities and regions as possible, reducing the education gap among young people. Additionally, we aim to provide them with greater employment opportunities by connecting them with young people from all over the country. By doing so, we hope to improve their quality of life and that of their families and contribute to building a better society.

The impact of the COFIDE Talent Program on our society remains remarkable. Over the course of its four editions (2021, 2022, 2023, and 2024), the program has reached nearly 2,000 students across the country. Our commitment to providing more and better opportunities for young talents from all regions of Peru remains strong. Additionally, the last three editions of the program (2021, 2022, and 2023) have trained more than 125 students from 12 different departments in Peru. This has contributed to reducing educational disparities in our country.

At the organizational level, the “Talento COFIDE, Developing Leaders” is a highly valuable program that strengthens our identity and allows us to live our purpose. As a result, more than 50% of graduates have been incorporated into the various management positions in our organization. This milestone has impacted operational management and benefited the investment demanded by the development and deployment of the program in the organization's results. For this reason, we created the COFIDE Talent Bank.

The COFIDE Talent program was designed with a comprehensive approach to providing education and generating greater employment opportunities. However, we understand that change is constant, and we must revise the program's primary objectives to achieve better results. Therefore, we aim to expand our program by reaching more regions and universities nationwide. This will help more young talents find better employment opportunities, strengthen the public and private sectors' administrative management, and boost young people's professional careers through our Talent Bank. The Talent Bank will allow talented individuals to contribute their skills to FONAFE Corporation companies and other leading organizations in our country.

### 4. Strengthening the culture and relationship with employees and leaders

As strategic business partners, we address our processes from a holistic perspective of human resources management. We strive to promote digital and cultural transformation while constantly adapting to the needs of our ever-changing environment. We understand the importance of internal communication as a management tool and catalyst for change. As a result, we have defined a clear cultural framework to guide us towards our desired culture and strategic goals.

In 2023, we put into action the Cultural Transformation Management Model. This model comprises a roadmap of sixteen strategic initiatives supported by four essential tools to help us achieve our cultural objectives: a training plan, a communication plan, a cultural measurement model, and a dictionary of competencies. These initiatives are designed to reflect our long-term vision and address the specific dynamics and challenges we face. In 2023, we plan to implement the following initiatives:

- 1. Communication Plan 2023**
- 2. Process adjustments (Dictionary of New Competencies)**
- 3. Training Plan 2023**
- 4. Leadership Program 2023**
- 5. Empowering KAY culture**

The connection between the human resources management departments is crucial in establishing and reinforcing our desired cultural direction. It sends a clear message to our employees about the values and principles we uphold as an organization and helps us embody the COFIDE culture.

## QUALITY MANAGEMENT SYSTEM AND INTEGRATED MANAGEMENT SYSTEM


COFIDE has a quality management system and has been certified under the ISO 9001 standard since 2010. In 2023, we received the ISO 9001:2015 recertification, which covers the following key processes: a) Trusts and Trust Commission Management; b) Preparation of Payment and Collection Schedules for Financing Lines and Programs; c) Business Training Program Management; and d) Management, Control, Support, and Improvement Processes. It is worth noting that with this 2023, we sum up fourteen years of successful external audits performed by SGS del Perú, with no “non-conformities” found in any of these audits.

Additionally, we continued putting into practice our Integrated Management System (IMS), which involves three subsystems: Quality Management System, Environmental Management System, and Occupational Health and Safety System, under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards, respectively. On the other hand, we've been using an agile governance methodology to manage COFIDE's project portfolio. This has resulted in significant progress, such as collecting and analyzing suggestions for continuous improvement. We're proud to say that we completed 100% of our annual work plan, which shows a substantial improvement in our self-assessment of the IMS maturity level. This self-assessment followed the guidelines and the SISMAD App developed by FONAFE, achieving a “Leader” maturity level.





**EXHIBIT 1**

**COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES  
(online version)** 



PERÚ

DECADE OF PERSONS WITH DISABILITIES IN PERU - YEAR OF PROMOTING RESPONSIBLE INDUSTRY AND CLIMATE COMMITMENT

**REPORT ON THE COMPLIANCE OF THE GOOD CORPORATE GOVERNANCE CODE  
FOR PERUVIAN COMPANIES (10150)**

**Corporate Name:**

CORPORACIÓN FINANCIERA DE DESARROLLO S.A. - COFIDE

**Fiscal year:**

2023

**Website:**

[www.cofide.com.pe](http://www.cofide.com.pe)



## METHODOLOGY:

Companies holding securities listed in the Public Registry of the Securities Market must disclose their good corporate governance practices to the public. Accordingly, they report their adherence to the Good Corporate Governance Code principles *for Peruvian Companies*<sup>1</sup>.

The following information refers to the period ending December 31 of the previous calendar year, so any reference to “the fiscal year” should be understood as the abovementioned period. Such information is to be attached as an appendix to the Company’s Annual Report according to the electronic forms provided by the Superintendency of Securities Market (SMV, for its acronym in Spanish) for uploading through the MVnet System.

**Section A** includes the Company’s letter of presentation highlighting the main achievements related to corporate governance during the fiscal year.

**Section B** shows the degree of compliance with the principles of the Code. To this end, this report is organized into five pillars:

- I. Shareholders’ rights
- II. General Shareholders Meeting
- III. Board of Directors and Senior Management<sup>2</sup>
- IV. Risk and Compliance, and
- V. Information Transparency

Each principle is assessed following these parameters:

- a) **“Comply with or explain”**: if the company complies with the principle, the Yes/No box is marked “x”.

The principle is fully fulfilled: Yes

The principle is not fulfilled: No

**Explanation:** If “No” was marked, the company should explain why it failed to adopt such a principle or take appropriate actions to comply—partially or totally—with the principle. If “Yes” is marked, the company may provide additional information.

- b) **Support information:** Detailed information on how the company implemented the principle is provided.

**Section C** lists the corporate policies, procedures, and/or other relevant information related to these principles.

**Section D** includes additional information -not detailed in the previous sections- or other relevant information that the company freely decides to disclose so that investors and stakeholders may better understand the good governance practices implemented.

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<sup>1</sup> The *Good Corporate Governance Code for Peruvian Corporations (2013)* can be checked in section: Orientación– Gobierno Corporativo [Guidance - Corporate Governance] at the Securities Market website: [www.smv.gob.pe](http://www.smv.gob.pe).

<sup>2</sup> The term “Senior Management” includes the Chief Executive Officer and the other senior managers.



**SECTION A:****Letter of Presentation<sup>3</sup>**

COFIDE is a Peruvian State-owned company incorporated as a private shareholding corporation. Its capital stock is divided into three types of shares: "A", "B Preferred", and "C". The National Fund for Financing State Enterprise Activity [FONAFE, the Spanish acronym], a public-law company under the scope of the Ministry of Economy and Finance representing the Peruvian State, is COFIDE's majority holder of its capital stock, i.e., 99.37% of the total shares.

FONAFE owns COFIDE class "A" and "C" shares: Class "A" shares represent 69.369010% of the capital stock, while Class "C" shares represent 30.00% and may be listed in the stock exchange and/or any other bourse to be traded in a trading session. The Development Bank of Latin America (CAF), as the minority not-related-to-the-Peruvian-State shareholder, holds Class "B Preferred" non-voting shares with preferred dividends, representing 0.473242% of the capital stock.

Additionally, it should be noted that 3'127,953 (three million one hundred and twenty-seven thousand nine hundred and fifty-three) Class "B Preferred" shares, representing 0.157747% of the capital stock, are currently in the institutional portfolio.

Concerning good governance practices, COFIDE introduced its Good Corporate Governance (GCG) practices in March 2007 upon the approval of the Good Corporate Governance Code (GCGC) and its implementation guide (ESME).

In January 2015, the Lima Stock Exchange [BVL, for its acronym in Spanish] published a new methodology and parameters for assessing the good governance practices in the New Code for Peruvian Corporations (currently, there are 31 principles for evaluation with 87 recommendations).

Under the BVL/IBGC [Good Corporate Governance Index] methodology, COFIDE has been recognized for the fourth consecutive year (2013-2016) by the BVL after having exceeded the minimum score, according to the assessment carried out by a certified independent consultant (Capital Markets, Investments, and Finance -MC&F- for the years 2013, 2014 and 2015; and Pacific Credit Rating -PCS- for the years 2016 and 2017). On the other hand, to strengthen COFIDE's Corporate Governance, we have carried out considerable improvements such as strengthening risk management and a greater segregation of duties, the creation of the Compliance Office, the implementation of an anonymous ethical line, strengthening the Audit, Ethics, and Compliance Committee, improvements in the Board of Directors Regulations, the creation of Eligibility Committees and Monitoring Committee, among other substantial improvements. Thus, in 2019, COFIDE ranked 34<sup>th</sup> out of 37 top companies in *La Voz del Mercado* [the Market Voice] ranking (BVL/EY), occupying the best position among other public companies. Similarly, according to FONAFE GCGC self-evaluation methodology, COFIDE reached a leadership maturity level (95.92%) in the 2023 self-evaluation, whose results were then validated by FONAFE. It should be noted that it reached a high partial maturity level for ten consecutive years (2013-2023).

<sup>3</sup> The main actions implemented during the fiscal year in terms of good corporate governance practices are described. COFIDE deems it relevant to highlight such actions in accordance with the five pillars included in the *Good Corporate Governance Code for Peruvian Corporations (2013)*: Shareholder's rights, Shareholders' Meetings, Board of Directors and Senior Management, Risk and Compliance, and Information Transparency.



PERÚ

DECADE OF PERSONS WITH DISABILITIES IN PERU - YEAR OF PROMOTING RESPONSIBLE INDUSTRY AND CLIMATE COMMITMENT

Furthermore, in April 2015, COFIDE officially joined the Corporate Governance Development Framework and became the 34th signatory institution, whose commitment is to be an important actor and promoter of corporate governance in Peru and the region.

**SECTION B:****Assessment of Compliance with the Principles of the Good Governance Code for Peruvian Companies****PILLAR I: Shareholder's Rights****Principle 1: Parity treatment**

Question I.1	Yes	No	Explanation:
<i>Does the company recognize that it gives all shareholders belonging to the same class and sharing the same conditions an egalitarian treatment<sup>(*)</sup>?</i>	X		The company fully adheres to the standard contained in the Principle, as evidenced by the following: <ul style="list-style-type: none"> <li>- Corporate bylaws</li> <li>- COFIDE GCG Code (Principle 12, Equitable Treatment for Minority Shareholders).</li> <li>- COFIDE Minority Shareholders Policy.</li> <li>- Verifiable absence of any statement contrary to parity treatment. The Bylaws do not contain any clause related to differentiated treatment between shareholders.</li> </ul>

(\*) The same conditions are understood to be those characteristics that distinguish the shareholders or cause them to have a common characteristic in their relationship with the company (institutional investors, non-controlling investors, etc.). It should be noted that this under no circumstances implies using inside information.

Question I.2	Yes	No	Explanation:
<i>Does the company promote only the existence of voting share classes?</i>		X	The company also has non-voting shares. COFIDE also has Class "B Preferred" shares in accordance with Section 8 of the Bylaws.

a. Regarding the company's capital, specify:

Subscribed capital by the end of the fiscal year	Paid-in capital by the end of the fiscal year	Total number of shares representing the capital stock
1,982,887,162	1,982,887,162	1,982,887,162



b. List the following information for each class of shares held by the corporation:

Class	Number of shares	Par value	Economic Rights (*)
Class "A"	1,375,509,201	S/ 1	In addition to the provisions of Section 8 of the Corporate Bylaws, as stated in the Dividend Policy approved at the Annual Shareholders' Meeting held on 05.24.2023, the company's general policy is to distribute, as dividends, 100% of the distributable profits of each fiscal year to its shareholders.
Class "C"	594,866,149	S/ 1	In addition to the provisions of Section 8 of the Corporate Bylaws, as stated in the Dividend Policy approved at the Annual Shareholders' Meeting held on 05.24.2023, the company's general policy is to distribute, as dividends, 100% of the distributable profits of each fiscal year to its shareholders.
Class "B Preferred"	12,511,812	S/ 1	Under the Dividend Policy, approved at the Annual Shareholders' Meeting held on 05.24.2023, dividends to Class "B Preferred" shareholders will be paid as stipulated in Section 8 of the Corporate Bylaws.

(\*) This field shall indicate the special rights of each class, such as participation and voting at shareholders' meetings, share subscription, treatment in corporate reorganizations, transfer of rights, etc.

Question I.3	Yes	No	Explanation:
<i>If the company has investment shares, does it promote a redemption policy or voluntary exchange of investment shares for ordinary shares?</i>		X	Not Applicable. The company has no investment shares.



**Principle 2: Shareholder’s interest**

**Question I.4**

	Yes	No	Explanation:
1. <i>Does the company establish the forms of share representation, and appoint the person responsible for registering the shares in the stock ledger in its corporate documentation?</i>	X		The company establishes the form of share representation in Section 8 of the Bylaws. Additionally, such section states that the Chairman of the Board and one Director of the company are responsible for signing the share certificates.  Neither COFIDE Bylaws nor any other internal corporate document imposes limitations on representations at the shareholders’ meeting.
2. <i>Is the stock ledger permanently updated?</i>	X		The company fully adheres to the standard outlined in the Principle, as evidenced in the stock ledger.

Mention how often the stock ledger is updated after an amendment is adopted.

<b>Frequency:</b>	Within the forty-eight hours	
	Weekly	
	Other / Describe (in days)	The company updates the stock ledger for no longer than 15 business days approximately from the registration of the amendment to the Bylaws (Section 7, Capital stock).  Legal Basis: - FONAFE’s Executive Management Resolution No. 077-2013/DE-FONAFE, which approved the “Guidelines for the Issuance and Control of Shares representing the Capital Stock issued to FONAFE by companies under FONAFE’s scope of authority” (Subsections 5.1 and 5.2.).





Principle

3: Non-dilution in Equity Interest

Question I.5

	Yes	No	Explanation:
1. <i>Is it a policy of the company that the Board's proposals regarding corporate operations impacting on the shareholders' non-dilution right (i.e., mergers, spin-offs, equity increase, among others) shall be previously explained by the Board through a detailed report containing the independent opinion of a recognized, professional external advisor appointed by the Board?</i>	X		The company has not been involved in any corporate operations that affect the non-dilution rights of the shareholders. However, Sect. 26, subparagraph o) of the Bylaws refers to the anti-dilution right of shareholders as a function of the Board of Directors: "To inform all shareholders before the Shareholders' Meeting about any corporate operations that the company may carry out and affect the shareholders' anti-dilution right."
2. <i>Is it a policy of the company that they must make the reports mentioned above available to the shareholders?</i>	X		Sect. 26 of the Bylaws sets the communication policy. Moreover, as there is only one minority shareholder, all the necessary information and explanations are directly provided to the shareholder.

Indicate whether the company has carried out corporate operations throughout the fiscal year as per Question I.5, item 1, and has independent directors<sup>(\*)</sup>; say yes in all cases:

	Yes	No
Did all independent directors vote positively in favor of appointing an independent advisor?		
Did all independent directors clearly express their approval of the previously mentioned report and support, when pertinent, the rationale for their unconformity?		

(\*) Independent directors are selected based on their professional experience, reputation, sufficiency, economic independence, and non-relationship with the company, its shareholders, or directors.

Principle 4: Information and communications to shareholders

Question I.6

	Yes	No	Explanation:
<i>Does the company appoint the staff or determine how the shareholders receive or request timely, reliable, and accurate information?</i>	X		The company fully adheres to the standard outlined in the Principle.  According to the Organization and Function Regulations (ROF, for its acronym in Spanish) and Organization and Function Manual (MOF), the office of the Chief Legal Officer is responsible for submitting information upon request and



		<p>managing the transparency website according to the applicable regulations.</p> <p>On the other hand, according to Sect. 17 of the Bylaws: "Shareholders have the right to receive and to request timely, reliable and accurate information, which enables them to protect their rights suitably, including continuous permanent access mechanisms to express their opinion about the company."</p>
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a. Specify the means through which shareholders receive and/or request information about the company.

Means of Communication	Receiving Information	Requesting Information
At the company's offices	X	X
E-mail	X	X
Telephone	X	X
Corporate website	X	X
Mail	X	X
Informative meetings (face-to-face or virtual)	X	X
Social media	X	X
Others / Specify	FONAFE Electronic Data Exchange System (SIED)	

b. Does the company have a deadline for answering shareholders' information requests?

Yes  No

If the answer is Yes, specify the deadline:

Deadline (business days)	5
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Question I.7	Yes	No	Explanation:
Does the company have any mechanisms in place for shareholders to express their opinion on its performance?	X		<p>The company fully adheres to the recommendations outlined in the Principle, as evidenced in the following:</p> <ul style="list-style-type: none"> <li>- With the majority shareholder: Electronic Data Exchange System (SIED) between FONAFE and COFIDE.</li> </ul>



			<p>Evidence: Executive Management Resolution 073-2019/DE-FONAFE approving the Guidelines for the Electronic Data Exchange System (SIED) for using digital signatures and Electronic Data Exchange between FONAFE and the companies under Fonafe's scope of authority.</p> <p>- With the minority shareholder: Email.</p> <p>Evidence: Sect. 17° of the Bylaws states, "Shareholders have the right to receive and request timely, reliable and accurate information that allows them to adequately protect their rights, including permanent access mechanisms to express their opinion about the company."</p>
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If the answer is Yes, specify the company's mechanisms for shareholders to express their opinion on its performance.

Means of Communication	Expressing their opinion
At the company's offices	X
E-mail	X
Telephone	X
Corporate website	X
Mail	X
Informative meetings (face-to-face or virtual)	X
Social Media	X
Others / Specify	FONAFE Electronic Data Exchange System (SIED)

**Principle 5: Dividend Participation****Question I.8**

	Yes	No	Explanation:
1. Is the compliance with the dividend policy evaluated over a defined period?	X		<p>The company fully adheres to the recommendation outlined in the Principle.</p> <p>The Annual Shareholders' Meeting is held to inform shareholders of the company's annual results, approve the dividend policy, or perform any pertinent evaluations.</p> <p>Additionally, the Annual Shareholders' Meeting, held on May 24, 2023, unanimously ratified COFIDE's current Dividend Policy, valid for the fiscal year 2023.</p>
2. Are shareholders aware of the dividend policy?	X		<p>The company fully adheres to the recommendation outlined in the Principle.</p> <p>The Dividend Policy is included in the Annual Report, which is disclosed on the corporate website. Furthermore, it is reported to the SMV as a Significant Event [<i>Hecho de Importancia</i>].</p>

- a. If the answer to item 2 of Question I.8 is Yes, specify the means by which the company informed the shareholders of its dividend policy.

Means of Communication	Expressing their opinion
At the company's offices	X
E-mail	X
Telephone	X
Corporate website	X
mail	X
Informative meetings (face-to-face or virtual)	X
Social media	-
Others / Specify	FONAFE Electronic Data Exchange System (SIED). This was reported to the stock market as a Significant Event through the SMV website.

- b. Has the company's dividend policy been complied with during the reporting fiscal year?

Yes  No



If the answer is No, provide the grounds or reasons why the company did not comply with its dividend policy during the fiscal year.

c. Specify the company's dividend policy applicable to the fiscal year.

Approval Date	05/24/2023
Dividend policy (criteria for the distribution of profits)	<p>The company's general policy is to allocate all distributable profits from each fiscal year as dividends to its shareholders. Dividends to Class "B Preferred" shareholders will be distributed in accordance with Section 8 of the Bylaws.</p> <p>The total amount of profits obtained, the amount to be deducted for taxes, and the constitution of reserves, among other things, in accordance with applicable regulations, will be disclosed at the Annual Shareholders' Meeting, resulting in the total amount of dividends to be distributed in cash to shareholders.</p> <p>Cash dividends to shareholders of the company will be paid within thirty (30) calendar days after the Annual Shareholders' Meeting approves the distribution. The Board is responsible for ensuring the distribution process runs smoothly.</p> <p>The Annual Shareholders' Meeting may delegate to the Company's Board of Directors the power to determine and inform the dates for the Registration and Distribution of Dividends following the rules of the Superintendency of the Securities Market and with this Dividend Policy.</p>

d. Mention the cash dividends and stock dividends distributed by the company during the current fiscal year and the previous one.

Per share	Dividends per share			
	Current fiscal year 1/		Previous fiscal year 2/	
	Cash dividends	Stock dividends	Cash dividends	Stock dividends
Class A and C	62,790,372.13		29,170,620.84	
Class B Preferred	1,885,164.74		1,153,168.93	

1/ Dividends to be paid in cash in 2024, corresponding to the profit for the fiscal year 2023.  
2/ Dividends to be paid in cash in 2023, corresponding to the profit for the fiscal year 2022.



**Principle 6: Takeover or change of control**

Question I.9	Yes	No	Explanation:
<i>Does the company have policies or agreements regarding not adopting any take-over mechanisms?</i>	X		Not applicable. According to COFIDE's share structure, it is very unlikely that a third party will take control of the company. The Peruvian State (represented by FONAFE) is responsible for decisions regarding changes or takeovers. However, COFIDE has implemented an internal control change procedure in the event that the State ceases to be the owner, which has been duly approved and disseminated on its internal platform.

Specify if your company has taken any of the following measures:

	Yes	No
A minimum number of shares is required to become a director.		X
A minimum number of years as a director in order to be appointed as Chairman of the Board.		X
Compensation agreements for executives/officers due to changes following a takeover and/or corporate reorganization.		X
Other similar measures, describe (example: establishment of super-majorities with the purpose of approving mergers, stock option plans for employees, among others).		

**Principle 7: Arbitration to solve disputes**

Question I.10	Yes	No	Explanation:
<i>1. Do the company's Bylaws include an arbitration agreement section that acknowledges that in case of any disputes among shareholders or between shareholders and the Board, as well as any challenge to the GSM and Board resolutions by the company's shareholders will be subject to arbitration in law?</i>	X		The company deems sufficient the enforcement of applicable laws and regulations.
<i>2. Does that section enable an independent third party to settle the disputes, except in the case of the confidentiality required by law in ordinary courts?</i>	X		The company deems sufficient the enforcement of applicable laws and regulations.



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If any shareholders or any persons involved in the corporation have challenged to the GSM or Board resolutions during the fiscal year, specify how many.

Number of challenges to the GSM resolutions	Not applicable
Number of challenges to the Board resolutions	Not applicable



## PILAR II: General Shareholders Meeting [GSM]

### Principle 8: Function and competence

Question II.1	Yes	No	Explanation:
<i>Is the GSM the sole and non-delegable responsible for the approval of the remuneration policy of the Board?</i>	X		According to Section 19 of the Bylaws, the sole and non-delegable function of the GSM is to approve the Board's remuneration policy.

Indicate if the following functions are exclusive and non-delegable of the GSM; if the answer is No, specify the organ responsible for it.

	Yes	No	Body
Conducting special investigations and audits		X	Board of Directors/ GSM / Office of the Comptroller General of the Republic
agreeing to amend the Bylaws	X		
agreeing to increase the capital stock	X		
agreeing on the distribution of interim dividends	X		
appointing external auditors		X	Office of the Comptroller General of the Republic

### Principle 9: Regulations of the General Shareholder's Meeting

Question II.2	Yes	No	Explanation:
<i>Does the company have binding Regulations for the GSM, whose non-compliance will give rise to liabilities?</i>	X		<p>In October 2020, FONAFE approved the Guidelines for the Formulation and Approval of the GSM Regulations for State-owned enterprises (SOE) under its scope of authority.</p> <p>In December 2022, COFIDE GSM approved the COFIDE GSM Manual.</p> <p>In addition, the Bylaws include the main aspects that should be considered in the GSM Regulations.</p>

- a. Specify if the following procedures are included in the GSM Regulations; if not, indicate in which document such procedure is embraced, if applicable:



	Yes	No	Document name
Calling for face-to-face GSMs	X		COFIDE General Shareholders' Meeting Manual.
Calling for virtual GSMs, according to Bylaws or Regulations that allow that form of meeting.	X		COFIDE General Shareholders' Meeting Manual.
Adding agenda items by shareholders	X		COFIDE General Shareholders' Meeting Manual.
Providing shareholders with additional information for GSMs	X		COFIDE General Shareholders' Meeting Manual.
The course of GSMs	X		COFIDE General Shareholders' Meeting Manual.
The appointment of members of the Board	X		COFIDE Bylaws / FONAFE White Book
Representation of shareholders at GSMs	X		COFIDE General Shareholders' Meeting Manual.
Participation of shareholders at GSMs	X		COFIDE General Shareholders' Meeting Manual.
Remote voting via electronic or postal communication	X		COFIDE General Shareholders' Meeting Manual.
Specify other relevant procedures in the Regulations of the GSM	GSM competences and powers GSM structure Quorum		

b. Indicate if the procedure that regulates the development of the GSM establishes the mechanisms for the shareholders to express their opinion on the following matters:

	Yes	No
1. On the company's management and economic results of the company.	X	
2. On a new agreement proposal concerning one or more items on the agenda.	X	



**Principle 10: Calling mechanisms**

**Question II.3**

	Yes	No	Explanation:
<p><i>In addition to the calling mechanisms established by law, does the company have calling mechanisms that allows to contact the shareholders, particularly those who do not participate in the control or management of the company?</i></p>	X		<p>CAF holds class "B Preferred" non-voting shares; therefore, they do not count for quorum purposes. FONAFE is the only shareholder with voting shares (A—and C-type) participating in GSM. Since it owns 100% of the shares, it can hold meetings without prior notice. Regarding GSMs that include items such as capital increase/reduction (transfer of shares) in the agenda, holders of the "B Preferred" shares are promptly informed by the company.</p> <p>Another calling mechanism is the submission of information via e-mails and letters to the sole holder of non-voting shares and to the holder of voting shares.</p> <p>The company fully adheres to the recommendation outlined in the Principle, as evidenced in the Good Corporate Governance Code and the quorum required for holding general meetings. Similarly, the GSM minutes record CAF's attendance and expression of will regarding the agreements.</p>

a. Complete the following information for each GSM held in the fiscal year:

Date of calling notice	Meeting Date	Form of GSM (*)	Type of meeting		Universal meeting		Quorum (%)	N° of attending shareholders	Participation (%) on the total amount of voting shares		
			Special	General	Yes	No			By proxy	Direct exercise (**)	Did not exercise voting right





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01/24/2023	01/24/2023	General Shareholder's meeting (Universal meeting) –non face to face	X		X		100	2	100		
02/01/2023	02/01/2023	General Shareholder's meeting (Universal meeting) –non face to face	X		X		100	1	100		
02/13/2023	02/13/2023	General Shareholder's meeting (Universal meeting) – face to face			X	X	100	1	100		
03/07/2023	03/07/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	1	100		
05/24/2023	05/24/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	2	100		
11/03/2023	11/03/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	1	100		
11/22/2023	11/22/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	2	100		
12/13/2023	12/13/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	2	100		
12/19/2023	12/19/2023	General Shareholder's Meeting (Universal meeting) – face to face			X	X	100	1	100		



(\* ) Specify whether the meeting was face-to-face or not.

(\*\* ) Direct exercise includes voting by any means or forms, not implying representation.

- b. In addition to Peru’s General Law of Corporations, Section 43, and the Regulations on Significant Events and Reserved Information provisions, what other means did the company use to publish the callings to the Shareholders Meetings during the fiscal year?

<u>Means of Communication</u>	<u>Callings</u>
At the company’s offices	
E-mail	X
Telephone	X
Corporate website	X
Mail	
Informative meetings (face-to-face or virtual)	X
Social media	
Others / Specify	SIED

- c. In the notices made by the company during the fiscal year

	Yes	No
Has the place where the information on agenda items to be discussed at the GSMs been specified?	X	
Has the place where the information on proposed resolutions to be adopted (motions) at the GSMs been specified?	X	
Were “other topics,” “miscellaneous issues,” or similar included as agenda items?		X
Has the place where to find the available sample representation letter before the GSMs specified?	X	

**Question II.4**

	Yes	No	Explanation:
<i>Does the company provide shareholders with all the information regarding the agenda items on the GSM and the proposed resolutions (motions) to be adopted?</i>	X		<p>The company fully adheres to the recommendation outlined in the Principle.</p> <p>Notwithstanding all GSMs include the holders of all classes of shares (Sec. 15 of COFIDE bylaws), two shareholders (FONAFE and CAF) are directly informed of the agenda items through letters and other means. These agenda items are fully consistent with the matters of discussion.</p>



a. If the answer is Yes, specify the media of the documentation supporting the agenda items and the motions of the GSM held during the fiscal year.

<u>Means of communication</u>	<u>Callings</u>
At the company's offices	X
E-mail	X
Telephone	X
Corporate website	X
Mail	X
Informative meetings (face-to-face or virtual)	X
Social media	
Others / Specify	Electronic Document Exchange System FONAFE - SIED

b. Select the documents used as supporting evidence or motions disclosed for the GSM to be held within the fiscal year (you can choose multiple options).

Resumes of candidates for the position of Director.	
Proposed text for amending Bylaws Sections and reason for the amendment.	X
Proposed text for amending Sections of the GSM Regulations and the reason for the amendment.	
Proposed text for amending the dividend policy and the reason for the amendment.	X
Proposal on the allocation of profits.	X
Proposal of services and experience of the external auditing company.	
Other relevant information (specify):	



**Principle 11: Proposals for agenda items**

Question II.5	Yes	No	Explanation:
<i>Do GSM Regulations include mechanisms that enable shareholders to exercise their right to propose agenda items for discussion at the GSM and procedures to accept or refuse those proposals?</i>	X		<p>The GSM Manual establishes a procedure for formulating proposals to add items to the GSM agenda.</p> <p>The General Shareholders' Meetings include holders of all classes of shares; however, at any stage of the meeting, CAF may formulate proposals as agenda items to be discussed at the meeting.</p>

a. Indicate the following information related to the procedure for the formulation of proposals for agenda items to be discussed at the GSM:

Minimum share percentage required to be represented by the shareholders in order to submit proposals	Deadline (in working days) before the GSM to propose an agenda item.	Deadline (in working days) in which the corporation responds (accepts or rejects) to the submitted proposal	Means by which the company responds (accepts or rejects) to the submitted proposal
Not applicable	3 days after the notice of call	7 days	Simple letter

b. Indicate the number of requests submitted by shareholders during the fiscal year to include items on the agenda to be discussed at the GSM and their results.

Number of requests		
Received	Accepted	Rejected
0	0	0

c. In case requests for including items in the agenda of the GSM have been rejected during the fiscal year, state if the company justified this decision to the requesting shareholders.

- In all requests
- In some requests
- In none of the requests



**Principle 12: Procedures for voting**

Question II.6	Yes	No	Explanation:
<p><i>Has the company implemented mechanisms to enable shareholders to vote remotely using safe means, online or by mail, which guarantee that the person casting the vote is really the shareholder?</i></p>	X		<p>The company fully adheres to the recommendation outlined in the Principle.</p> <p>FONAFE is the only shareholder who holds voting shares, with an equity interest of 99.369010%. Its corporate headquarters and domicile are located in the province and department of Lima. To enable remote attendance and real-time participation for shareholders, the company has implemented technological mechanisms in compliance with Section 21-A of the General Law of Corporations.</p> <p>These mechanisms are implemented according to Executive Management Resolution No. 073-2019/DE-FONAFE, which approves the Guidelines and the Internal Procedure for the Electronic Data Exchange System (SIED). This document is valid and applicable to all FONAFE companies within its scope of authority.</p>

a. If applicable, specify the mechanisms or means the company has in place for remote voting.

Voting by electronic means	X	Voting by mail	
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b. In case remote voting was used during the fiscal year, provide the following information:

Meeting date	Remote voting (%)				Remote voting (%) / total
	e-mail	Corporate website	Mail	Others	
01/24/2023				100	100%



Question II.7	Yes	No	Explanation:
<i>Does the company have corporate documents that clearly specify that shareholders may vote separately on substantially independent matters so that they may exercise their voting preferences separately?</i>	X		It is not applicable because FONAFE was the only holder of voting shares in fiscal year 2023.

State if the company has corporate documents that clearly specify that shareholders may vote separately for:

		Yes	No
	The appointment or ratification of directors by voting individually for each of them.		X
	The amendment of the Bylaws for each article or group of articles that are substantially independent.		X
Others/ Describe	Not Applicable. In 2023, FONAFE was the only shareholder in COFIDE.		

Question II.8	Yes	No	Explanation:
<i>Does the company enable proxies representing several shareholders to cast differentiated votes for each shareholder so that they comply with the instructions of each principal?</i>	X		<p>As of the end of 2023, COFIDE has implemented the GSM Manual, which follows the Guidelines for the Formulation and Approval of GSM Regulations for State-owned enterprises (SOE) under its scope of authority. These Guidelines were approved in October 2020.</p> <p>There is no restriction regarding this matter in the bylaws. As mentioned above, in 2023, FONAFE was the only holder of 100% of voting shares.</p>





**Principle 13: Proxy vote**

Question II. 9	Yes	No	Explanation:
Do the company's Bylaws allow its shareholders to vote by proxy?	X		The company fully adheres to the recommendation outlined in the Principle.  Notwithstanding the company has only one holder of voting shares, neither COFIDE's bylaws nor any other corporate internal document limits votes by proxy.

If the answer to the previous question was No, indicate if the Bylaws restrain the right of representation to any of the following persons:

	Yes	No
Another shareholder		
A director		
A manager		

Question II.10	Yes	No	Explanation:
1. Does the company have in place procedures that describe the conditions, means, and formalities to be complied with votes by proxy?	X		FONAFE is the only holder of voting shares and uses technological tools to exercise its rights.
2. Does the company make available to the shareholders with a template for a proxy, which should include data on the proxies, the issues for which the shareholder appoints a proxy to vote, and when applicable, how the vote should be cast for each proposal?	X		FONAFE is the only holder of voting shares and appoints its representatives through institutional official letters. There is a template for the minority shareholder.

a. If the answer is Yes to question II.10 item 2., indicate the means by which the company made available the aforementioned template for proxy at the GSM held during the fiscal year:

<u>Means of communication</u>	<u>Callings</u>
At the company's offices	X
E-mail	X
Corporate website	X
Mail	X
Informative meetings (face-to-face or virtual)	X
Social media	
Others / Specify	Electronic Data Exchange System FONAFE - SIED



- b. Mention the minimum content and formalities required for a shareholder to act by proxy at the Meeting:

Minimum content (e.g., information on the representatives, voting preference for each agenda item, or others).	Representative's information, and voting preference for each agenda item.
Formality (state if the company requires a simple letter, notarized letter, notarial instrument, or other).	Simple letter
Advance notice (number of days for the submission of proxies previous to the GSM).	Not defined, since in 2023 there was only one holder owning 100% of the voting shares.
Cost (state if the company demands payment for these purposes and how much is it).	None

Question II.11	Yes	No	Explanation:
1. <i>Does the company have a policy on limiting the percentage of votes by proxy to members of the Board and Senior Management?</i>		X	In 2023, FONAFE was the only shareholder that owned 100% of the voting shares and exercised its vote without proxy.
2. <i>Whenever Board or Senior Management members are appointed as proxies, does the company have a policy establishing that shareholders voting by proxy should clearly instruct how their votes should be cast?</i>		X	In 2023, FONAFE was the only shareholder that owned 100% of the voting shares and exercised its vote without proxy.



**Principle 14: Monitoring GSM agreements**

Question II.12	Yes	No	Explanation:
1. Does the company monitor the agreements reached at the GSM?	X		<p>The company fully adheres to the recommendation contained in the Principle.</p> <p>COFIDE's Regulatory Compliance Officer monitors the resolutions adopted at the General Shareholders' Meeting.</p> <p>Likewise, the Board of Directors is responsible for ensuring compliance with the provisions of the General Shareholders' Meetings under the Company's Bylaws and the Organization and Function Regulations.</p>
2. Regarding this agreement, does the company issue periodic reports to the Board and are then available to shareholders?	X		<p>The company issues reports to the Board of Directors through different management offices. These reports are available to shareholders. The monthly reports submitted to the Board of Directors include information on implementing GSM resolutions, if applicable. This information is also available to FONAFE (shareholder).</p>

a. If applicable, mention the area and/or responsible person for monitoring the agreements adopted at the GSM. In the event that a person is responsible, specify his/her position and area.

Responsible area	Legal Advice Office
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Responsible Person		
Full name	Position	Area
Pursuant to Resolution No. 042-2019 of Session 941 dated March 29, 2019, Marco RONCAGLIOLO VÁSQUEZ was appointed as Regulatory Compliance Officer.	Chief Legal Advice Officer	Legal Advice

b. If your answer is Yes to question II.12 item 2, indicate the means by which the company made available such reports to the shareholders:

Means of communication	Making available
At the company's offices	X
E-mail	X



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Corporate website	X
Mail	X
Informative Meetings (face-to-face or virtual)	X
Social media	
Others / Specify	FONAFE Electronic Data Exchange System (SIED)



### PILAR III: BOARD OF DIRECTORS AND SENIOR MANAGEMENT

#### Principle 15: Board composition

Question III.1	Yes	No	Explanation:
<i>Is the Board made up of persons with different fields of study and skills, prestige, ethics, and economic independence who are available to attend the Board's sessions and have other qualities relevant to the company so that there is a plurality of approaches and opinions?</i>	X		The company fully adheres to the recommendation outlined in the Principle. In this regard, COFIDE adheres to the provisions of the General Law of Corporations, FONAFE's White Paper, as well as COFIDE's Board of Directors Regulations.

- a. Indicate the following information related to Board members of the Board of the corporation during the fiscal year.

Full Name	Nationality	Gender (M/F)	DoB	Professional Education	Date		Equity interest (****)		Other positions /Boards (****)
					Start (*)	End (**)	N° of shares	Interest (%)	
<b>Directors (excluding independent ones)</b>									
Carlos Adrián LINARES PEÑALOSA	Peruvian	M	01/06/1960	Economist, experienced in investment, risk analysis and public finance	02/01/2019	02/08/2023	0	0	



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<p>Brigitt Bruna BENCIC H AGUILAR</p>	<p>Peruvian</p>	<p>F</p>	<p>08/24/1977</p>	<p>Licentiate in Economics, <i>Pontificia Universidad Católica del Perú</i>. Master in Public Administration &amp; International Development, the John F. Kennedy School of Government, Harvard University. Economist, experienced in public management &amp; governmental offices, as well as senior management.</p>	<p>05/11/2021</p>	<p>—</p>	<p>0</p>	<p>0</p>	<p>Director of <i>Empresa de Generación Eléctrica del Sur S.A.</i></p>
<p>Félix Ovidio JIMÉNEZ JAIMES</p>	<p>Peruvian</p>	<p>M</p>	<p>10/22/1946</p>	<p>Ph.D. in Economics, the New School University of New York. Master in Economics <i>Colegio de México</i>. Bachelor in Mathematics, <i>Universidad Nacional Enrique Guzmán y Valle</i>. Highly experienced in research &amp; teaching. Advisor &amp; consultant in economic policy, public finance, macro-econometric models, investment projects &amp; market studies.</p>	<p>12/23/2021</p>	<p></p>	<p>0</p>	<p>0</p>	<p></p>





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Zósimo Juan PICHIHUA SERNA	Peruvian	M	04/01/1958	Degree in Economics, <i>Universidad Nacional Agraria La Molina</i> . Master of Arts in Economics, ILADES, Georgetown University; Magister Scientiae in Agricultural Economics, <i>Universidad Nacional Agraria La Molina</i>	02/01/2023		0	0	Vice Minister at the Ministry of Economy and Finance
Milagros Doris MARAVÍ SUMAR	Peruvian	F	03/13/1965	Lawyer. Experienced in Administrative, Constitutional, and Arbitration Law; Public Administration. Researcher in institutional reforms.	10/06/2018		0	0	
Oscar Enrique GÓMEZ CASTRO	Peruvian	M	06/04/1966	Lawyer <i>Universidad de Lima</i> . Master's degree in Political Science from <i>Pontificia Universidad Católica del Perú (PUCP)</i>	11/03/2023		0	0	Secretary General of the Presidency of the Council of Ministers.

Independent directors									
Mirtha Alfonsina ZAMUDIO RODRÍGUEZ	Peruvian	F	07/30/1961	Economist. Experienced in consulting, risk and finance.	03/07/2021		0	0	



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César Augusto BURGA RIVERA	Peruvian	M	09/11/1958	Economist. Specialization in Finance and Investments. Experienced in finance, projects, and corporate banking.	03/07/2021		0	0	
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- (\*) The first appointment in the reporting Company.
- (\*\*) To be completed only if the Director does not occupy that position during the fiscal year.
- (\*\*\*) Mandatory only for Directors holding an equity interest equal to or greater than 4% in the reporting company.
- (\*\*\*\*) Detail whether the director holds other executive positions outside the company and/or participates simultaneously on other boards. Specify the number and whether such boards belong to the economic group of the reporting company. Use the definition of economic group included in the Regulations on Indirect Ownership, Association, and Economic Groups.

Also, specify the following:

Percentage of shares held by directors	0%
--	----

State the number of the company's directors who belong to each of the following age ranges:

Women on the Board of Directors	Number of women	Total number of directors	Percentage of women on the Board of Directors
	3	7	43%

b. State if there are specific requirements to be appointed as Chairman of the Board, other than those requirements to be appointed as director:

Yes  No



If the answer to the previous question was Yes, specify those requirements.

--

c. Does the Chairman of the Board have a casting vote?

Yes  No

Question III.2	Yes	No	Explanation:
Does the company avoid appointing deputy or alternate directors, mainly due to quorum reasons?	X		<p>The company fully adheres to the recommendation outlined in the Principle.</p> <p>COFIDE has not appointed or had alternate Directors in the past years; however, the Bylaws do not consider the appointment of deputy or alternate Directors.</p>

In case there are deputy or alternate directors, specify:

Full name	Nationality	Gender (M/F)	Date of Birth	Professional Education	Date		Equity interest (***)		Other positions / Board of Directors (****)
					Start (*)	End (**)	N° of shares	Interest. (%)	

(\*) First appointment in the reporting Company.

(\*\*) To be completed only if the Director is no longer deputy or alternate Director during the fiscal year.

(\*\*\*) Mandatory only for Directors with a shareholding in the capital stock equal to or greater than 4% of the shares of the reporting company.

(\*\*\*\*) Detail whether the director holds any other executive positions outside the company and/or participates simultaneously in other boards. Specify the number and whether such boards belong to the reporting company's economic group. Use the definition of economic group included in the Regulations on Indirect Ownership, Association, and Economic Groups.

### Principle 16: Functions of the Board

Question III.3	Yes	No	Explanation:
Does the Board perform the following functions? 1. To approve and lead the company's strategy.	X		The Regulations of the Board include this function. Issues related to the corporate strategy are recorded in the minutes of COFIDE's Board of Directors. The GSM ratifies the most relevant issues.
2. To establish objectives, goals, and action plans, including annual budgets and business plans.	X		The Regulations of the Board include this function. Issues related to defining goals and objectives, risk



			management, budgets and business plans, spending, investments, and others related to business management and control are recorded in the minutes of COFIDE's Board of Directors.
3. <i>To control and supervise the management and be responsible for the company's governance and administration.</i>	X		The Bylaws and Regulations of the Board include this function. Issues related to defining goals and objectives, risk management, budgets and business plans, spending, investments, and others related to business management and control are recorded in the minutes of COFIDE's Board of Directors.
4. <i>To supervise good corporate governance practices and establish the policies and measures required to improve their implementation.</i>	X		The Bylaws and Regulations of the Board include this function. The Board of Directors meets in plenary session as a Corporate Governance Committee. It is informed every six months about progress on specific governance principles and self-assessments under the SMV and FONAFE methodologies every year.
5. <i>To approve procedures or policies to prevent, detect, manage, disclose, and sanction conflicts of interest.</i>	X		The Code of Good Corporate Governance includes this function, Principle 28: Code of Ethics.
6. <i>To approve and monitor the design and implementation of the compensation and incentive system, ensuring that it is aligned with the company's corporate strategy, policies, and financial strength.</i>	X		Regulations on the Remuneration Committee include this function.

a. Describe other relevant functions of the company's Board of Directors.

BYLAWS: Section 26°

"ñ) To approve the issuance of non-convertible debt instruments, including subordinated bonds, whose characteristics do not include their convertibility."

b. Does the Board delegate any of its functions?

Yes  No

State, if applicable, which are the main functions of the Board that have been delegated and to which body:

Functions	Body/area to which functions are delegated	Document Name
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<ul style="list-style-type: none"> <li>To grant ordinary suretyships or joint and several suretyships to third parties for businesses related to those of the company, fulfilling the applicable legal requirements.</li> <li>To grant and obtain loans and funds pursuant to the legal provisions in force.</li> </ul>	<p>Risk Committee</p>	<p>Risk Committee Regulations</p>
<ul style="list-style-type: none"> <li>To grant ordinary suretyships or joint and several suretyships to third parties for businesses related to those of the company, fulfilling the applicable legal requirements.</li> <li>To grant and obtain loans and funds pursuant to the legal provisions in force.</li> </ul>	<p>General Management</p>	<p>Risk Committee Regulations</p>

**Principle 17: Duties and Rights of the Board Members**

Question III.4	Yes	No	Explanation:
<p><i>Are the Members of the Board entitled to:</i></p> <p>1. <i>Request assistance or support from experts to the Board</i></p>	<p>X</p>		<p>The Board of Directors is empowered to carry out all necessary operations, actions, or agreements to accomplish the company's goals.</p>
<p>2. <i>Participate in induction training programs on their powers and responsibilities and to be timely informed of the company's organizational structure?</i></p>	<p>X</p>		<p>The induction procedure for COFIDE directors implies the submission of internal information by the responsible area (legal area). It is evidenced in a duly signed document of conformity.</p>
<p>3. <i>Receive training on issues of interest to carry out their functions.</i></p>		<p>X</p>	<p>The induction procedure for COFIDE directors implies the submission of internal information by the responsible area (legal area). It is evidenced through a duly signed conformity document. However, the members of the Board do not receive specific training.</p>



<p>4. <i>Receive remuneration for their work, which combines recognition of their professional experience and the dedication they show to the company based on rationality criteria?</i></p>	X	<p>The remuneration given to directors is determined by the directive for directors of companies in which FONAFE is a shareholder, approved by Board Resolution No. 001-2015/009-FONAFE.</p> <p>The Second Final Transitory Provision of the Directive establishes that the professional experience referred to in paragraph a), Section 25 of Supreme Decree No. 072-2000-EF, as amended by Supreme Decree No. 028-2004-EF, involves any job, arts, or trade carried out on a regular basis.</p> <p>Section 25 of the Supreme Decree mentioned above sets down the requirements for directors of the companies in which FONAFE participates as a shareholder.</p> <p>According to Section 25, paragraph "a)", directors are required to have a minimum of five years of professional experience or ten years of proven experience in companies related to the corresponding industry or sector.</p>
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a. Specify if the members are required to inform the company's Board, in a timely manner, of the following:

	Yes	No
Ownership or holding of securities or rights to securities issued by the company.	X	
Trading with securities or rights on securities issued by the company.	X	
Negotiations in progress with respect to securities or rights on securities issued by the company	X	
Participation in other Boards	X	

b. In case specialized advisers were hired during the fiscal year, mention if shareholders were informed of the list of specialized advisers to the Board who offered counsel on the company's decision-making during the fiscal year.

Yes

No





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Mention, if applicable, if any of the specialized advisers is related somehow to a shareholder holding more than 4% of the capital stock, a member of the Board, and/or Senior Management (\*).

Yes  No

(\*)The association criteria contained in the Regulations on Indirect Ownership, Association, and Economic Groups will be applied for issues related to association.

c. If applicable, state if the company carried out induction programs for new members who joined the company.

Yes  No

d. Does the company have a Board of Directors' compensation policy approved by the GSM?

Yes  No

e. Indicate the percentage representing the total annual amount of remunerations and bonuses for directors based on gross income, according to the company's financial statements.

Compensations	(%) Gross Income	Bonuses	(%) Gross Income
Directors (excluding independent ones)	0.04%	Stock option	0
Independent Directors	0.03%	Stock option	0
		Currency option	0
		Others (detail)	0

f. Specify the remuneration scheme for the members of the Board applicable in the fiscal year:

Compensation scheme	Fixed	X
	Variable	
	Mixed (fixed + variable)	

g. Specify the criteria applied by the company to determine the remuneration scheme for the members of the Board

Fixed scheme	Per Board meeting	X
	Per Committee meeting	X
	Per month	
	Per year	
	Other (detail)	

Variable scheme	Per the results of the financial year	
	Per fulfillment of objectives	
	Other (detail)	



**Principle 18: Regulations on the Board**

Question III.5	Yes	No	Explanation:
<i>Does the company have Regulations for the Board that are binding and whose non-compliance shall give rise to liabilities?</i>	X		COFIDE has its Regulations for the Board of Directors, which were approved at the GSM meeting on December 29, 2017. They were later amended at the GSM meeting on June 28, 2019. The provisions set forth in these Regulations are mandatory for the members of the Board, the Chief Executive Officer, and those officers responsible for enforcing the resolutions adopted by COFIDE's governing body.

State if the Regulations of the Board include:

	Yes	No
Operating policies and procedures	X	
Board's organizational structure	X	
Functions and responsibilities of the Chairman of the Board	X	
Functions and responsibilities of the members of the Board	X	
Procedures for the identification, evaluation, and appointment of eligible candidates for the Board proposed at the GSM.		X
Procedures in case of vacancy, dismissal, and succession of directors.	X	
Policies and procedures to prevent, detect, manage, and disclose conflicts of interest of Board members	X	
Criteria used for the evaluation of the Board of Directors and its members	X	
Others / specify	These topics are contained in the Bylaws.	

**Principle 19: Independent Directors**

Question III.6	Yes	No	Explanation:
<i>Is at least one-third of the Board made up of independent directors?</i>	X		During the year 2022, COFIDE held Board sessions with seven directors, two of whom were independent. This aligns with the association and independence standards for private companies regulated by SMV. Additionally, at least one (01) independent director participated in every session held throughout the year.



In addition to those set out in the “Guidelines for the Qualification of Independent Directors,” the company has established the following criteria to qualify its Directors as independent:

1. An independent director is one who meets the conditions set out in the definition, profile, and selection process of independent directors according to the applicable standard in order to ensure impartiality and objectivity in his/her performance as a director.

Question III.7	Yes	No	Explanation:
1. Does the Board state that the proposed candidate is independent based on its search and on the candidate's statement?		X	An Independent Director is one who meets the definition established in the current Regulations of the Board and SBS rules.
2. Do candidates for independent directors declare their condition as independent to the company, its shareholders, and managers?		X	The GSM approved the Regulations of the Board of Directors on December 29, 2017, and amended at the GSM on June 28, 2019, the date on which the implementation of these Regulations started. However, the company has the option to declare its adherence to this part of the Principle. Nonetheless, the Board of Directors is made up of experienced members with extensive knowledge and past leadership roles in other companies. Therefore, they meet the required competencies for being eligible for the Board of Directors (pursuant to a Directive applicable to directors of companies in which FONAFE is a shareholder).

Indicate if, at least once a year, the Board of Directors verifies that the Independent Directors continue fulfilling the requirements and conditions to be qualified as such.

Yes

No

**Principle 20: Board’s Operability**

**Question III.8**

Yes	No	Explanation:



<p><i>Does the board have a working plan to contribute to the efficiency of its functions?</i></p>	X	<p>The existing Board Regulations outline a Work Plan, in accordance with the functions and responsibilities of the Board according to its frequency, which is approved by COFIDE's Board of Directors. It's worth noting that the Secretariat of the Board of Directors prepares a schedule of Board sessions at the beginning of each year (2 per month).</p> <p>The Board has access to management tools that help evaluate whether its functions and responsibilities are being efficiently carried out in accordance with the company's Organization and Function Regulations (ROF).</p>
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**Question III.9**

	Yes	No	<b>Explanation:</b>
<p><i>¿ Does the company provide its directors with the channels and procedures needed to participate in the Board meetings efficiently, even in a remote manner?</i></p>	X		<p>The company fully adheres to the recommendation outlined in the Principle, as evidenced in FONAFE's Corporate Management Directive (Number 3.2.2).</p> <p>Likewise, the current Regulations of the Board (second paragraph, number 6.6.6. "Virtual Sessions") specify that the Board shall request the Chief Executive Officer to implement channels and procedures for the Directors to participate in virtual sessions.</p>

a. In relation to Board sessions held during the fiscal year, mention the following:

Number of sessions held	30
Number of sessions in which the notice of the call has not been met	0
Number of meetings in which the provisions or internal procedures for the delivery of information to Directors have not been fulfilled.	0
Number of sessions held without calling notice (*)	0
Number of sessions held without the attendance of the Chairman of the Board.	0
Number of sessions held without the attendance of any of the independent Directors	0
Number of sessions where one or more directors were represented by deputy or alternate directors.	0
Number of regular directors who were represented at least once.	0

(\*) In this box, indicate the number of sessions held in reliance on the provisions of the General Law of Corporations, Section 167, last paragraph

b. Provide the following information regarding the Director's attendance to Board sessions during the fiscal year.



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Full name	Number of sessions called	Number of sessions called attended by Directors	Number of universal sessions attended by Directors
Carlos Adrián LINARES PEÑALOZA	3	3	0
Milagros Doris MARAVÍ SUMAR	30	30	0
Félix Ovidio JIMÉNEZ JAIMES	30	30	0
Brigitt Bruna BENCICH AGUILAR	30	30	0
César Augusto BURGA RIVERA	30	28	0
Mirtha Alfonsina ZAMUDIO RODRÍGUEZ	30	30	0
Zósimo Juan PICHIHUA SERNA	28	28	0
Oscar Enrique GÓMEZ CASTRO	5	5	0

c. State when were given the notices of the Board meeting during the fiscal year (average of days):

Three calendar days	Four to six calendar days	More than six calendar days
X		

d. State when the information of the agenda issues was provided to the Directors prior to the Board Meetings during the fiscal year (average of days).

Less than three business days	Three to five business days	More than five working days
X		

**Question III.10**

	Yes	No	Explanation:
1. Does the Board objectively evaluate its performance as a governing body at least once a year?	X		The self-assessment of the Board of Directors as a governing body was carried out in accordance with the "Performance Assessment Methodology" provided by FONAFE.
2. Does the Board objectively evaluate the performance of its members at least once a year?	X		The Board of Directors was assessed as a governing body under the responsibility of FONAFE.
3. Is self-assessment methodology alternated with assessments made by external advisers?		X	

a. State if the Board's performance has been assessed during the fiscal year.

	Yes	No
As governing body	X	



To its members	X	
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If the answer to the previous question was Yes for any of the boxes, complete the information for each assessment.

Assessment	Self-assessment			External assessment		
	Date	Disclosure of results (Yes/No)	Disclosed to (*)	Date	Responsible Entity	Dissemination of results (Yes/No)
As governing body	11/09/2023	Yes	Board of Directors	11/09/2023	FONAFE	Yes
To its members	11/09/2023	Yes	Board of Directors	11/09/2023	FONAFE	Yes

(\*) Indicate if the assessment results were disclosed to the shareholders, Board of Directors, other bodies, or group of interest.

**Principle 21: Special committees**

**Question III.11**

	Yes	No	Explanation:
1. Does the Board create special committees to focus on the analysis of the most relevant aspects of the company's performance?	X		<p>The company has five Board Committees, whose functions are regulated by the following documents:</p> <ul style="list-style-type: none"> <li>- Risk Committee Regulations</li> <li>- Audit, Ethics, and Compliance Committee Regulations.</li> <li>- Remuneration and Good Corporate Governance Committee Regulations (Committee dissolved on 07/26/2023).</li> <li>- Recovery Committee Regulations.</li> <li>- Remuneration Committee Regulations.</li> <li>- Sustainability and Good Corporate Governance Committee Regulations.</li> </ul>
2. Does the Board approve the Regulations for each of the special committees it creates?	X		The company has approved the regulations of the Board Committees.
3. Do independent directors chair special committees?		X	According to Resolution 272-2017-SBS, special committees are made up of members of the Board of Directors who do not hold an executive position in the company. However, the Risk Committee, the Recovery Committee, and the Sustainability and Good Corporate Governance Committee are chaired by an Independent Director.





4. Are budgets assigned to the special committees?		X	Expenses required for the implementation of the special committees are included in the institutional budget.
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**Question III.12**

	Yes	No	Explanation:
Does the company have an Appointments and Remunerations Committee responsible for appointing candidates to become members of the Board, who are presented to the GSM by the Board, as well as approving the Senior Management's system of remunerations and incentives?		X	The company has a Remuneration Committee responsible for helping with decision-making or counseling on remuneration matters. However, this committee is not responsible for the appointment of and/or establishment of remuneration for the members of the Board since the SOE regulations and laws apply.

**Question III.13**

	Yes	No	Explanation:
Does the company have an Auditing Committee that supervises the efficiency and suitability of the company's system of internal and external control, auditing work by the company or an independent auditor, as well as its compliance with regulations on legal and professional autonomy?	X		The company has an Audit, Ethics, and Compliance Committee, which is governed by its Regulations.

a. State if the company also has the following special committee in place:

	Yes	No
Risk Committee	X	
Corporate Governance Committee	X	

b. In case the company has special committees, provide the following information about each committee:

COMMITTEE 1	
Committee Name:	AUDIT, ETHICS AND COMPLIANCE COMMITTEE
Creation date:	04/27/1993
Main functions:	<ul style="list-style-type: none"> <li>- To monitor the proper functioning of the internal control and compliance system, supporting the risk management system, in order to ensure compliance with internal objectives and current regulatory requirements.</li> <li>- To ensure the reliability of the company's accounting, financial, and operating information reporting processes.</li> <li>- To supervise compliance with the provisions made by the SBS, FONAFE, and other regulatory bodies applicable to COFIDE. Likewise, to monitor compliance with internal policies and procedures based on the evaluations made by the Compliance Officers, the Internal Audit Unit, external auditors, and regulatory and supervisory bodies.</li> </ul>



	- To supervise and evaluate the performance of the internal and external audit, and their results, ensuring their independence, and verifying the adequate implementation of the recommendations and improvements.
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Member of the Committee ( <sup>(*)</sup> ): Full Name	Date		Position in the Committee	Position in the company
	Start ( <sup>(**)</sup> )	End ( <sup>(***)</sup> )		
Carlos LINARES PEÑALOZA	02/15/2019	02/08/2023	Chairman	Chairman of the Board
Brigitt BENCICH AGUILAR	02/13/2023		Chairman	Chairman of the Board
Milagros MARAVÍ SUMAR	01/01/2019		Member	Director
Mirtha ZAMUDIO RODRÍGUEZ	04/15/2021		Member	Independent Director
Sara RAMIREZ ALVA	10/04/2021		Secretary	Chief Internal Audit Officer
Luis ELÉSPURU PALACIOS	09/15/2021		Guest	Chief Executive Officer
Marco RONCAGLIOLO VÁSQUEZ	04/01/2019		Guest	Chief Legal Officer
% of independent directors in the committee			33.33	
Number of meetings held during the fiscal year			7	
Delegation of powers pursuant to General Companies Law, Section 174:			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\* ) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\* ) First appointment as a member of the committee of the reporting company.

(\*\*\*) To be completed only if the member is no longer part of the Committee during the fiscal year.

COMMITTEE 2	
Committee Name:	RISK COMMITTEE
Creation date:	04/04/2005
Main functions:	<ul style="list-style-type: none"> <li>- To ensure COFIDE equity stability, and steady and adequate levels of liquidity and profitability.</li> <li>- To pre-approve policies and establish procedures and methodologies for comprehensive risk management, including the identification and management of risks faced by COFIDE, as well as the identification and management of implicit operational risks.</li> <li>- To pre-approve credit risk exposure limits to be approved by the Board of Directors or by proxy; to renew the validity of previously approved exposure limits.</li> <li>- To establish key risk indicators for operational risk management, and to monitor the risk profile of COFIDE's processes.</li> </ul>



Member of the Committee (*): Full Name	Date		Position in the committee	Position in the company
	Start (**)	End (***)		
César BURGA RIVERA	04/15/2021		President	Independent Director
Carlos LINARES PEÑALOZA	02/21/2019	02/08/2023	Member	Chairman of the Board
Brigitt BENCICH AGUILAR	02/13/2023		Member	Chairman of the Board
Mirtha ZAMUDIO RODRÍGUEZ	08/11/2021		Member	Independent Director
Luis ELÉSPURU PALACIOS	09/15/2021		Member	Chief Executive Officer
Sandro GARDELLA GARDELLA	12/15/2020	06/23/2023	Secretary	Chief Risk Officer
Carla ISHIVAMA NIETO	06/24/2023	10/24/2023	Secretary	Acting Chief Risk Officer
César ICOCHEA VALDIVIA	10/25/2023		Secretary	Chief Risk Officer
% of independent Directors in the committee			66.67	
Number of sessions held during the fiscal year:			34	
Delegation of powers pursuant to Article 174 of General Companies Law:			Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\*) First appointment as a member of the committee of the reporting company.

(\*\*\*) To be completed only if the member is no longer part of the Committee during the fiscal year.

COMMITTEE 3	
Committee Name:	REMUNERATION AND GOOD CORPORATE GOVERNANCE COMMITTEE (Committee dissolved on 07/26/2023)
Creation date:	11/04/2019
Main functions:	<ul style="list-style-type: none"> <li>- To ensure the adoption of the best practices of good corporate governance that are aligned with the applicable regulatory framework and to oversee compliance with COFIDE's Good Corporate Governance Code.</li> <li>- To supervise the proper functioning of the remuneration system in order to fulfill the internal objectives, current regulatory requirements, and internal policies and procedures.</li> <li>- To promote internal equity and market competitiveness of COFIDE's remunerations, detecting potential conflicts of interest.</li> </ul>



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Member of the committee (*): Full Name	DATE		Position in the committee	Position in the company
	Start (**)	End (***)		
Carlos LINARES PEÑALOZA	04/11/2019	02/08/2023	President	Chairman of the Board
Milagros MARAVÍ SUMAR	04/11/2019		Member	Director
Brigitt BENCICH AGUILAR	09/15/2021		President	Chairman of the Board
Luis ELÉSPURU PALACIOS	09/15/2021		Member	Chief Executive Officer
Karina FLORES RODAS	08/01/2019		Secretary	Chief HR & Administration Officer
Marco RONCAGLIOLO	04/11/2019		Member	Chief Legal Officer
Sandro GARDELLA GARDELLA	12/18/2020		Member	Chief Risk Officer
Eveling SIHUACOLLO LIÑAN	04/11/2019		Member	Deputy Manager - Planning & Control Department
% of independent Directors in the committee			0	
Number of <b>sessions</b> held during the fiscal year:			3	
Delegation of powers pursuant to <b>Article 174 of General Companies Law:</b>			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\*) First appointment as a member of the committee of the reporting company.

(\*\*\*) Complete only if he/she had resigned as a member of the Committee in the fiscal year.

COMMITTEE 4	
Committee Name:	RECOVERY COMMITTEE
Creation date:	08/25/2021
Main functions:	<ul style="list-style-type: none"> <li>- To be aware of the estimates of recovery in the recovery portfolio.</li> <li>- To recommend recovery strategies and/or special conditions if borrowers request them.</li> <li>- To propose to the Board the policies and procedures required to manage COFIDE's recovery portfolio.</li> <li>- To monitor the agreements reached in every Committee meeting.</li> <li>- To supervise the recovery management and recommend the allowance for doubtful accounts.</li> </ul>



Member of the committee (*): Full Name	DATE		Position in the committee	Position in the company
	Start (**)	End (***)		
Carlos LINARES PEÑALOZA	12/03/2021	02/08/2023	Guest	Chairman of the Board
César BURGA RIVERA	12/03/2021		President	Independent Director
Brigitt BENCICH AGUILAR	12/03/2021		Member	Chairman of the Board
Mirtha ZAMUDIO RODRÍGUEZ	12/03/2021		Member	Independent Director
Milagros MARAVÍ SUMAR	12/03/2021		Member	Director
Luis ELÉSPURU PALACIOS	12/03/2021		Guest	Chief Executive Officer
Marco RONCAGLIOLO	12/03/2021		Secretary	Chief Legal Officer
Sandro GARDELLA GARDELLA	12/03/2021		Member	Chief Risk Officer
Carla ISHIVAMA NIETO	06/24/2023	10/24/2023	Member	Acting Chief Risk Officer
César ICOCHEA VALDIVIA	10/25/2023		Member	Chief Risk Officer
David DELGADO	12/03/2021		Member	Deputy Chief Recovery Officer
Natalia CARRIZALES VEGA	12/03/2021		Member	Deputy Chief Follow-up Officer
% of independent Directors in the committee			50	
Number of sessions held during the fiscal year:			5	
Delegation of powers pursuant to Article 174 of General Companies Law:			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\*) First appointment as a member of the committee of the reporting company.

(\*\*\*) Complete only if he/she had resigned as a member of the Committee in the fiscal year.

COMMITTEE 5	
Committee Name:	REMUNERATION COMMITTEE
Creation date:	07/26/2023
Main functions:	<ul style="list-style-type: none"> <li>- To supervise the proper functioning of the remuneration system in order to fulfill the internal objectives, current regulatory requirements, and internal policies and procedures.</li> <li>- To promote internal equity and market competitiveness of COFIDE's remunerations, detecting potential conflicts of interest.</li> </ul>



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Member of the committee (*): Full Name	DATE		Position in the committee	Position in the company
	Start (**)	End (***)		
Milagros MARAVÍ SUMAR	07/26/2023		President	Director
César BURGA RIVERA	07/26/2023		Member	Independent Director
Luis ELÉSPURU PALACIOS	07/26/2023		Member	Chief Executive Officer
Karina FLORES RODAS	07/26/2023		Secretary	Chief HR & Administration Officer
% of independent Directors in the committee			50	
Number of sessions held during the fiscal year:			2	
Delegation of powers pursuant to Article 174 of General Companies Law:			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\*) First appointment as a member of the committee of the reporting company.

(\*\*\*) Complete only if he/she had resigned as a member of the Committee in the fiscal year.

COMMITTEE 6	
Committee Name:	SUSTAINABILITY AND GOOD CORPORATE GOVERNANCE COMMITTEE
Creation date:	07/26/2023
Main functions:	- To ensure the adoption of the best practices of good corporate governance that are aligned with the applicable regulatory framework and to oversee compliance with COFIDE's Good Corporate Governance Code.





Member of the committee (*): Full Name	DATE		Position in the committee	Position in the company
	Start (**)	End (***)		
Mirtha ZAMUDIO RODRÍGUEZ	07/27/2023		President	Independent Director
Brigitt BENCICH AGUILAR	07/26/2023		Member	Chairman of the Board
Milagros MARAVÍ SUMAR	07/26/2023		Member	Director
Félix JIMÉNEZ JAIMES	07/26/2023		Member	Director
César BURGA RIVERA	01/24/2024		Member	Independent Director
Luis ELÉSPURU PALACIOS	07/26/2023		Member	Chief Executive Officer
Aimi YAMAMURA KINJO	01/24/2024		Member	Chief Development and Innovation Officer
Paul BRINGAS ARBOCCO	01/24/2024		Member	Chief Financial Officer
Marco RONCAGLIOLO	07/26/2023		Member	Chief Legal Officer
Luis GARCÍA ROJAS	07/26/2023		Secretary	Deputy Chief Communications, Institutional Relations & Marketing Officer
% of independent Directors in the committee			40	
Number of sessions held during the fiscal year:			2	
Delegation of powers pursuant to Article 174 of General Companies Law:			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
The committee or its president participates in the General Shareholder's Meeting.			Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

(\*) Information on individuals who are or were part of the committee during the fiscal year will be provided.

(\*\*) First appointment as a member of the committee of the reporting company.

(\*\*\*) Complete only if he/she had resigned as a member of the Committee in the fiscal year.



**Principle 22: Code of Ethics and Conflicts of Interests**

**Question III.14**

	Yes	No	Explanation:
<i>Does the company have measures in place to prevent, detect, manage, and expose any conflicts of interest (*) that may arise?</i>	X		COFIDE has a Conflict Management Policy and is responsible for its follow-up. Additionally, it sets out guidelines to identify and define any conflict of interest. The Board of Directors is in charge of assessing, at least once a year, the effectiveness of the conflict management policy.
(*) For this report, a director, manager, officer and/or employee of the company have a conflict of interest in any particular or general, temporary or permanent, real or likely situation, in which he/she has a particular or general interest that comes into conflict with the corporate interest.			

Specify, if applicable, the area and/or person responsible for following-up and controlling possible conflicts of interest. If there is a person in charge, specify his/her position and work area.

Responsible Area	Audit, Ethics, and Compliance Committee	
Responsible person		
Full Name	Position	Area
Sara RAMÍREZ ALVA	Chief Internal Audit Officer	Internal Audit Unit

**Question III.15 / Compliance**

	Yes	No	Explanation:
<i>1. Does the company have a Code of Ethics (*) that comprises ethical criteria and professional responsibility, including how to handle possible conflicts of interest, and whose compliance is mandatory for the company's directors, managers, officials, and all employees (**)?</i>	X		COFIDE has a Code of Ethics, approved by the Board of Directors, containing the principles and ethical obligations to all the employees, chief officers, and Board of Directors. Additionally, a Code of Conduct and the Internal Labor Regulations (RIT) are complementary to such Code.
<i>2. Does the Board or General Management approve and implement, at least once a year, training programs for Code of Ethics compliance?</i>	X		The Chief Executive Officer approves the Annual Training Plan (PACA), which determines annual training for compliance with the Code of Ethics.
<i>3. Does the Board of Directors evaluate the effectiveness of training programs for compliance with the code of ethics?</i>		X	

(\*) The Code of Ethics can be part of the Internal Business Conduct Guidelines.

(\*\*) The term "employees" is applicable to all persons that have a work relationship with the company, regardless of their regime or work system.



If the company has a Code of Ethics, specify the following information:

a. The Code of Ethics is available to:

	Yes	No
Shareholders	X	
Other applicable persons	X	
Public	X	

b. Indicate the means used by the company to disclose the Code of Ethics:

Means	Disclosure
At the company's offices	
E-mail	
Corporate website	X
Mail	
Informative meetings (face-to-face or virtual)	
Social Media	
Others / Describe	Document Center

c. Specify the area and/or person responsible for following-up and controlling the Code of Ethics. If a person is in charge, specify his/her position, area, and to whom he/she reports.

Responsible area	Chief HR & Administration Office
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Responsible person			
Full Name	Position	Area	Reports to
Karina FLORES RODAS	Chief HR & Administration Officer	Human Resources & Administration	CEO

d. **Is there a record of non-compliance cases in the Code of Ethics?**

Yes  No

e. Indicate the number of complaints submitted and investigations initiated and completed during the fiscal year regarding non-compliance with the provisions set forth in this Code:

Number of complaints submitted	7
Number of investigations initiated	7
Number of investigations completed	7
Number of non-compliances	0



**Question III.16**

	Yes	No	Explanation:
1. Does the company have mechanisms in place to allow reporting illegal or unethical behavior, in such a way that the anonymity of the complainant is guaranteed?	X		There are mechanisms in place to deal with violations of the Code of Ethics, corporate policies and proceedings. <u>Servicio de Línea Ética</u> , (Ethics Line Service) is an outsourced program, which ensures secure, anonymous, and confidential reporting.
2. Are the complaints presented directly to the Audit Committee when they are related to accounting issues, or when Finance Management or General Management is involved?	X		Complaints are submitted directly to the Internal Audit Unit.

**Question III.17**

	Yes	No	Explanation:
1. Is the Board responsible for following-up and controlling possible conflicts of interests that may arise within the Board?	X		The Board of Directors is responsible for solving any conflicts of interest that involve members of COFIDE's Board. Such responsibility is stated in the Conflict Management Policy.
2. In case the company is not a financial institution, is it established as a policy that the Board members are prohibited from receiving loans from the corporation or any corporation from the group, except when explicitly authorized by the Board?	X		Not Applicable. The company is a financial institution.
3. In case the company is not a financial institution, is it established as a policy that the Senior Managers are prohibited from receiving loans from the corporation or any corporation from the group, except when explicitly authorized by the Board?	X		Not Applicable. The company is a financial institution.

a. Provide the following information of the members of the Senior Management that are shareholders of the company with a percentage equal to or greater than 4%.

Full Name	Position	Number of shares	% of total shares

Percentage of total shares held by the Senior Management	
--	--



- b. Indicate if any members of the Board or Senior Management is the spouse or relative in the first or second degree of consanguinity or relative in the first degree of affinity of:

Full name	Relationship with:			Full Name of Shareholder / Director / Chief Officer	Type of relationship (**)	Additional information (***)
	Shareholder (*)	Director	Senior Management			

(\*) Shareholders with 4% or greater equity interest.

(\*\*) For relationship purposes, association criteria included in the Regulations on Indirect Ownership, Association, and Economic Groups will be applied.

(\*\*\*) If there is a relationship with any shareholder, include his/her equity interest percentage. If there is a relationship with a chief officer, indicate his/her position.

- c. If any member of the Board holds or has held any management position in the company during this fiscal year, provide the following information:

Full name	Management position held	Period in management position	
		Start (*)	End (**)

(\*) First appointment in a management position in the reporting corporation.

(\*\*) To be completed only if he/she no longer occupies the position of manager in the fiscal year.

- d. If any member of the Board or Senior Management has maintained any significant commercial or contractual relationship (according to its amount of nature) with the company during the fiscal year, provide the following information.

Full Name	Type of Relationship	Brief Description

**Principle 23: Operations with related parties**

**Question III.18**

	Yes	No	<b>Explanation:</b>
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1. Does the Board have procedures and policies to assess, approve, and disclose certain operations between the company and related parties, as well as to be aware of any commercial, personal, direct, or indirect relationships that directors maintain between them or with the company, suppliers, clients, and other stakeholders?	X	Not Applicable. According to provisions of Law 30225 (State Procurement Law) Section 11, paragraph d), directors, chief officers, and employees of State-owned enterprises (SOE), public servants, and employees in a supervisory capacity are not allowed to be bidders, contractors, and subcontractors in the company they work at.
2. In case of operations of special importance or complexity, is the intervention of external, independent consultants considered for the assessment?	X	Not Applicable. According to provisions of Law 30225 (State Procurement Law) Section 11, paragraph d), directors, chief officers, and employees of State-owned enterprises (SOE), public servants, and employees in a supervisory capacity are not allowed to be bidders, contractors, and subcontractors in the company they work at. Likewise, no operations of special importance or complexity were performed with related parties.

a. If the answer to Question III.18, 1. is Yes, mention the corporate area/s responsible for dealing with operations between related parties for the following topics:

Topics	Responsible Area
Assessment	
Approval	
Disclosure	

b. Mention the procedures to approve transactions between related parties:

c. Specify the operations performed between the company and its related parties during the fiscal year, which were significant due to their amount or subject matter

Name or corporate name of the related party	Relationship nature (*)	Type of operation	Amount (PEN)

(\*) To establish the relationship between the parties, the Provisions of the Securities Market Law, Section 51, paragraph c), approved by Resolution No. 029-2018-SMV/01 or any regulation that replaces it, shall be applied.

d. Indicate if the company sets limits to transactions with related parties:

Yes  No





**Principle 24: Senior Management Functions**

**Question III.19 / Compliance**

	Yes	No	Explanation:
1. Does the company have a clear policy of separation of duties between the Board's management or governance, Senior Management's functions, and the General Manager's leadership?	X		The functions of the Chairman of the Board of Directors and the Chief Executive Officer are clearly defined in the bylaws as well as in ROF and MOF, and their functions do not overlap.
2. Do appointments of General Manager and Chairman of the Board of Directors of the corporation fall on different persons?	X		The Chairman of the Board of Directors is appointed by the General Shareholders' Meeting. The Chief Executive Officer is appointed by the Board of Directors.
3. Does Senior Management have enough autonomy to carry out its assigned duties within the framework of the policies and guidelines defined by the Board and under their control?	X		COFIDE's Organization and Functions Regulations (ROF) and the Organization and Functions Manual (MOF) establish the tasks for the different management areas, which do not overlap with those of the Chairman or the Chief Executive Officer's functions. Furthermore, COFIDE's structured levels of authority are defined and issued by the General Management. Thus, the governing bodies are able to operate properly.
4. Is the General Management responsible for complying with and enforcing the policy of providing information to the Board of Directors and its Directors?	X		COFIDE has implemented a procedure to monitor all information requested by the directors. This process is centralized by General Management.
5. Does the Board annually assess the performance of General Management according to well-defined standards?	X		Annual assessments are possible thanks to the performance assessment criteria of the General Management.
6. Does the General Management compensation contain fixed and variable components that consider the company's results, based on taking risks in a cautious and responsible manner, and in the achievement of goals outlined in the corresponding plans?	X		COFIDE has a performance bonus methodology (variable remuneration) applicable to the entire organization. To implement this methodology, a Management Agreement with FONAFE is required.

a. Specify the following information related to the General Manager and management team compensations (including bonuses)

Position	Remuneration (*)	
	Fixed	Variable
Chief Executive Officer	0.049	0.013
Chief Internal Audit Officer	0.038	0.012
Chief Legal Advice Officer	0.040	0.014



Compliance Manager	0.031	0.012
Chief Business Officer	0.038	0.012
Chief Human Resources and Administration Officer	0.038	0.012
Operations Manager	0.037	0.009
Chief Financial Officer	0.038	0.014
Chief Risk Officer	0.054	0.020
Chief Development & Innovation Officer	0.037	0.013

(\*) Specify the percentage that corresponds to the total amount of annual compensations of Senior Management members as compared to the level of gross income, according to the company's financial statements.

- b. If the company grants bonuses or compensations apart from those determined by law to Senior Management, specify the way in which these are paid.

	Chief Executive Officer	Chief Officers
Shares granting		
Options granting		
Money granting		
Others / Describe		

- c. If the compensation contains a variable component, specify the main aspects taken into account for its determination.

The main aspects to determine the variable component (performance bonus) are the compliance with the Management Agreement with FONAFE and the compliance with management indicators.
--

- d. Has the company defined a long-term incentive plan for the management?

Yes  No

- e. Indicate if the Board of Directors assessed General Management's performance during the fiscal year.

Yes  No

**PILAR IV: Risk and Compliance**

**Principle 25: Risk Management System Outlook**

**Question IV.1**

	Yes	No	Explanation:
1. Does the Board approve a comprehensive risk management policy according to its size and complexity, promoting a risk management culture within	X		The Board of Directors is responsible for the adequate integral management of risks. Accordingly, COFIDE continuously updates the



<p><i>the company, from the Board and Senior Management to all employees?</i></p>		<p>Comprehensive Risk Manuals due to regulatory changes and/or good practices from the industry. In 2023, the following manuals were revised:</p> <ul style="list-style-type: none"> <li>- Risk Policy (Assets and Liabilities Management)</li> <li>- Risk Appetite Framework Manual.</li> <li>- Policies for Autonomy Levels.</li> <li>- Credit Risk Policies for Financial Intermediaries.</li> </ul>
<p><i>2. Does the comprehensive risk management policy cover all companies within the group, and does it provide a global view of critical risks?</i></p>	X	<p>COFIDE is part of FONAFE Holding, grouping State-owned enterprises (SOEs), and has comprehensive risk management guidelines incorporated into the Corporate Governance Code.</p>

a. If your answer to item 1 of question IV.1 is Yes, indicate which of the following mechanisms the Board of Directors uses to promote the risk management culture (you may check more than one option):

<p>The appointment of a person responsible for comprehensive risk management at the highest level.</p>	X	
<p>An authority delegation policy based on risks.</p>	X	
<p>Training and awareness of key responsibilities and risks.</p>	X	
<p>Monitoring of risk exposure at the highest level.</p>	X	
<p>Approval of an annual risk management work plan.</p>		
<p>Others (describe)</p>		

b. Does the company have a risk management delegation policy that defines the risk limits that can be managed at each company level?

Yes  No

**Question IV.2**

	Yes	No	Explanation:
<p><i>1. Does General Management handle the risks to which the company is exposed, and provides the information to the Board?</i></p>	X		<p>According to the current Organization and Functions Manual (MOF), the Chief Executive Officer is responsible for ensuring a framework for the identification, measuring, mitigation, monitoring, control, and reporting of the company's risks. Moreover, the Risk Manager is responsible for conducting, coordinating, supervising, and evaluating the company's comprehensive risk management. The Risk Manager is also responsible for reporting relevant risk management issues to the Chief Executive Officer, the Board of Directors, and the Risk Committee, so that timely decisions can be taken, as indicated in the Comprehensive Risk Management Manual approved by the General Management.</p>



2. <i>In case a Risk Committee or a Risk Management does not exist, is General Management responsible for the risk management system?</i>	X	COFIDE has a Risk Committee, which holds meetings twice a month.
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a. Indicate the following with respect to the comprehensive risk system:

	Yes	No
<i>Does Senior Management maintain a risk management process that includes identification, measurement, management, control, and follow-up</i>	X	
<i>Does senior management inform the Board of Directors of risk exposure through an Audit or Risk Committee?</i>	X	

b. Does the company have a Risk Manager?

Yes  No

If the answer to the previous question is Yes, specify the following information:

Full Name	Period in Position		Reports to (Area/body)
	Start (*)	End (**)	
Sandro GARDELLA GARDELLA	12/15/2020		Chief Executive Office, Risk Committee, and Board of Directors

(\*) First appointment in the reporting company.

(\*\*) To be completed only if he/she does not occupy that position in the fiscal year.

**Question IV.3**

	Yes	No	<b>Explanation:</b>
<i>Does the company have an internal and external control system, and does the Board supervise its efficiency and suitability?</i>	X		COFIDE's Audit, Ethics, and Compliance Committee meets once a month. Its functions are as follows: <ul style="list-style-type: none"> <li>- To monitor the adequate operation of the internal and compliance control system.</li> <li>- To keep the Board of Directors informed about compliance with policies and procedures, the detection of control and management problems, and corrective measures taken after the results from the Internal Audit Unit, the independent auditors, and the SBS.</li> </ul>

a. If the answer to the previous question is Yes, please indicate if such a system is integrated with a complaint reporting line and a process for resolving them.

Yes  No



b. Does the company have a prevention model implemented and in operation, in accordance with the provisions of Law N° 30424, regulating the administrative liability of legal entities or the rule that amends or replaces it?

Yes  No

If the answer is Yes, indicate if your prevention model considers one of the following items:

Risk identification, assessment, and mitigation	<input checked="" type="checkbox"/>
Responsible for Prevention	<input checked="" type="checkbox"/>
Implementation of complaint procedures	<input checked="" type="checkbox"/>
Dissemination and periodic training of the model	<input checked="" type="checkbox"/>
Continuous evaluation and monitoring of the model	<input checked="" type="checkbox"/>

If the company has certifications related to the risk management system, compliance management, or anti-bribery management system, please indicate which ones.

[Empty text box for certifications]

**Principle 26: Internal Audit**

**Question IV.4**

	Yes	No	Explanation:
1. Is the internal auditor dedicated exclusively to performing audits, with autonomy, experience, specialization in the domain areas, and Independence for following up and assessing the efficiency of the risk management system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to the Organization and Functions Regulations (ROF), COFIDE's Internal Audit Unit (UAI) carries out its advisory and assurance functions in an independent and objective manner. This unit depends on the Board of Directors, reports to the Audit, Ethics, and Compliance Committee, and is made up of a multidisciplinary team of internal auditors.
2. Does the internal auditor have the functions to continuously assess whether the financial information generated or recorded by the company is valid and trustworthy and to verify the efficiency of compliance with standards?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The internal auditor's tasks are to create a yearly plan that covers the assessment of the SBS-mandated minimum activities, compliance with legal provisions, and identification of significant risks that are of interest to the Board of Directors and/or Chief Officers. This includes acting as a link between Management, the External Auditors, and the Audit Committee/Board of Directors to align efforts and enhance the scope of audit reviews.  To ensure that all financial information is valid and reliable, Internal, and external Audits Conduct Joint Reviews. Internal Audit reviews information when evaluating processes, while External Audit evaluates the annual financial statements.



			The effectiveness of regulatory compliance is verified since the Annual Audit Plan includes the Evaluation of Regulatory Compliance, which is of a regulatory nature by SBS. The plan is approved by the Board of Directors and submitted to SBS.
3. Does the internal auditor directly report to the Audit Committee on the plans, budgets, activities, progress, results, and actions?	X		Yes. In accordance with the Organization and Functions Regulations (ROF), and the minutes of the Audit, Ethics, and Compliance Committee, the internal auditor reports directly to this committee on the plans (including information on the budgeted outsourced reviews), activities, progress, and results.

a. Specify if the company has an independent area dedicated to internal audits.

Yes  No

If the answer to the previous question is Yes, specify the area to which internal audits reports within the corporation's hierarchical organization.

Reports to:	Board of Directors
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b. In the event that the company belongs to an economic group, indicate if the company has a Corporate Internal Auditor.

Yes  No

If the answer is Yes, indicate the main responsibilities of the head of internal audit and if he/she performs other functions not inherent to internal audit.

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**Question IV.5**

	Yes	No	Explanation:
Does the Board appoint and dismiss the internal auditor based upon the request of the Audit Committee?	X		The current Organization and Function Regulations (ROF) covers this function in Chapter III (Senior Management), subchapter II (Board of Directors), which conforms to SBS Resolution 11699-2008, Internal Audit Regulations.

**Principle 27: External auditors**

**Question IV.6**

	Yes	No	Explanation:
Does the General Shareholders Meeting, upon request from the Board, appoint an auditing firm or an independent auditor who is clearly independent from the company?	X		The Office of the Comptroller General of the Republic appoints the auditing firm after a public bidding process, which adopts protection criteria to ensure the auditor's



			autonomy. The Comptroller General's Resolution No. 314-2015-CG regulates the hiring process for an auditing firm. The GSM approves the minimum criteria to be met by the appointed auditing firm.
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a. If the answer to the previous question is Yes, does the Board of Directors or the Audit Committee verify that the audit firm or the independent auditor maintains clear independence from the company?

Yes  No

If the answer is Yes, please mention the mechanisms that the company used to validate independence (More than one answer can be checked):

<i>The company requires an affidavit from the auditing firm or the independent auditor declaring independence from the company.</i>	X
<i>The company carries out its own assessment to identify any possible conflicts of interest involving the audit company or independent auditor.</i>	X

b. Does the external audit firm or the external auditor report directly to the Board of Directors or the Audit Committee?

Yes  No

c. Does the company have a policy approved by the Board of Directors or the Audit Committee for assigning the external auditor?

	Yes	No
<i>Board of Directors</i>	X	
<i>Audit Committee</i>	X	

If the answer is yes, please describe the procedure for contracting the auditing firm responsible for auditing the annual financial statements (including identifying the company's area responsible for selecting the auditing company).

In line with the applicable regulations, COFIDE follows the guidelines established in Directive N° 012-2015-CG-PROCAL "Management of Auditing Firms" (approved by Comptroller General's Resolution N° 314-2015-CG), which regulates the contracting process for the auditing firm.

d. If the auditing firm has performed services other than the account audits, specify if the General Shareholders Meeting was informed of that hiring, including the percentage of the invoicing of those services compared to the auditing firm's total invoicing to the company.

Yes  No

e. Do the persons or entities related to the auditing firm provide services to the company other than account auditing?

Yes  No

If the answer to the previous question is Yes, specify the following information related to additional services provided by persons or entities from the auditing firm during the fiscal year.





Name or legal name	Additional Services	Percentage of remuneration (*)

(\*) Invoicing of additional services over invoice of auditing services.

- f. Specify if the auditing firm assigned different teams in case additional services, other than account auditing, were provided.

Yes  No

#### Question IV.7

	Yes	No	Explanation:
1. Does the company have a renewal policy for its independent auditor or auditing firm?	X		The contracting periods are established by the GAO. In this case, the external auditor term is from 2022 to 2024, signing annual contracts.
2. If the renewal policy defines larger renewal periods for the auditing firm, does the auditing firm staff shift at least every five (5) years?	X		The GAO is responsible for establishing the contracting auditing periods (renewal every 3 years). In such case, the initial period for the external auditor is from 2022 to 2024 signing annual agreements.

Specify the following information for the auditing firms that have provided services to the company during the last five years.

Period (Fiscal year)	Corporate name of the auditing firm	Service provided (*)	Approximate duration of the audit work (in business days)	Payment (**)	Earning percentage for the auditing firm (***)
2019	Caipo y Asociados S. Civil de R.Ltda.	Financial Audit		745,763	
2020	Caipo y Asociados S. Civil de R.Ltda.	Financial Audit		807,881	
2021	Caipo y Asociados S. Civil de R.Ltda.	Financial Audit		1,234,754	
2022	Sociedad de Auditoría Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada	Financial Audit		1,349,914	
2023	Sociedad de Auditoría Tanaka, Valdivia & Asociados Sociedad	Financial Audit		1,533,285	



	Civil de Responsabilidad Limitada				
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(\*) Include all types of services, such as expert opinions for financial information, accounting assessment, operational audits, systems audits, tax audits and other services.

(\*\*) From the total paid to the auditing firm for the whole service, specify the percentage that corresponds to financial audits services.

(\*\*\*) Data obtained from the audit firm.

**Question IV.8**

	Yes	No	Explanation:
<i>In the case of economic groups, is the external audit the same for the whole group, including offshore subsidiaries?</i>		X	Not Applicable. COFIDE is part of FONAFE holding, comprising State-owned enterprises.

Specify if the auditing firm hired to dictate the financial statements of the company for the fiscal year subject of the present report did also dictate the financial statements for other companies of its economic group during the same fiscal year.

Yes

No

. If the answer to the previous question is Yes, indicate the following:

Name or Corporate Name of the Company/s in the economic group



**PILLAR V: Information Transparency**

**Principle 28: Information Policy**

Question V.1	Yes	No	Explanation:
Does the company have an information policy for shareholders, investors, other stakeholders and the market in general, in which it defines in a formal, integral and orderly way the guidelines, standards and criteria that will be applied for handling, compiling, developing, classifying organizing and distributing the information that the company generates or receives?	X		COFIDE's Information Policy was approved by Resolution of Board No. 079-2015, dated July 23, 2015, and amended in the Board of Directors Meeting No. 1006 on December 18, 2020.

a. If applicable, indicate if, according to its information policy, the company discloses the following:

	Yes	No	Media used
Bylaws	X		Website
Corporation objectives	X		Website
Resumes of Senior Management Members	X		Website
Regulations of the Board of Directors	X		Website
Regulations of the Board Committees	X		Website
Contact information for the investor relations office or whoever performs these functions.	X		Website
Regulations of the GSM	X		Website
Ethics Code	X		Website
Comprehensive Risk Management Policy		X	
Dividend Policy	X		Website
Others / Describe			

Question V.2	Yes	No	Explanation:
Does the company have an investor relations office?		X	Although COFIDE does not have an investor relations office, it is under the scope of Law No. 27806, Transparency and Access to Public Information, and its regulations.  The Office of the Chief Financial Officer responds to investors (creditors) via telephone calls, e-mails, and via the link on the Corporation's website (Investor Relations Contact).

a. In case an investor relations office exists, specify the person in charge.



Person responsible for the investor relations office	
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- b. If there is no investor relations area, indicate the unit (department/area) or person in charge of receiving and processing requests for information from the corporation's shareholders and the general public. If it is a person, also include his/her position and area in which he/she works.

Area		Office of the Chief Legal Officer
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Person in charge			
Full Name	Position	Area	Reports to
Rodrigo Octavio ZAPATA SOTO	Deputy Chief Legal Advice, Finance, and Regulatory Affairs Officer	Office of the Chief Legal Officer	Chief Legal Advice Officer
Luis Alfredo NEIRA BANDA	Recovery Supervisor	Office of the Chief Legal Officer	Assistant Manager Recoveries

**Principle 29: Financial Statements and Annual Report**

- a. Does the external auditors' opinion on the financial statements for the fiscal year contain exceptions and the measurement of these exceptions?

Yes  No

- b. If there are exceptions in the external auditor's report, have these been explained or justified to the shareholders?

Yes  No

**Principle 30: Information on the shares structure and agreements between shareholders**

Question V.3	Yes	No	Explanation:
Does the company disclose the ownership structure, considering the different classes of shares and, if applicable, the joint participation of a given economic group?	X		The share structure can be found at the COFIDE website, in the Bylaws (§ 7 and 8), and in the Annual Report.

Specify the composition of the corporation's share structure at fiscal year-end.

Ownership of shares with right to vote	Number of owners (at fiscal year-end)	Participation percentage
Less than 1%		
Between 1% and 4%		
Between 4% and 10%		
Higher than 10%	1	99.37%



DECADE OF PERSONS WITH DISABILITIES IN PERU - YEAR OF PROMOTING RESPONSIBLE INDUSTRY AND CLIMATE COMMITMENT

Total		
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Non-voting shares (if applicable)	Number of holders (At fiscal year-end)	Equity interest (%)
Less than 1%	1	0.47%
Between 1% and 4%		
Between 4% and 10%		
Higher than 10%		
Total		

Investment share (if applicable)	Number of holders (at fiscal year-end)	Equity interest (%)
Less than 1%		
Between 1% and 4%		
Between 4% and 10%		
Higher than 10%		
Total		

Percentage of treasury shares/capital stock: 0.16

**Question V.4**

	Yes	No	Explanation:
<i>Are there agreements or pacts between shareholders?</i>		X	Not Applicable. There are no agreements or pacts between shareholders.

If the answer is Yes, mention the subject matter of each agreement or pact in force between shareholders.

Election of Members of the Board	
Voting rights at GSM	
Restrictions to free transferability of shares	
Changes in the company's internal norms or rules provided for by the bylaws.	
Others /Describe	



**Principle 31: Corporate governance report**

Question V.5	Yes	No	Explanation:
<p><i>Does the company disclose the adopted standards on corporate governance in a separate annual report, whose content is the responsibility of the Board, based on a prior report from the Auditing Committee, the Corporate Governance Committee, or an external consultant?</i></p>	X		<p>A GCG report is prepared annually and approved by the Board of Directors. It was previously revised by the Remuneration and Corporate Governance Committee following its Regulations. Subsequently, it is submitted to the GSM. This report is uploaded to the GCG link on the COFIDE website.</p> <p>Additionally, the Board receives quarterly reports on policy compliance and significant events related to the different principles of the GCG Code. Report on Compliance with the Code of Good Corporate Governance for Peruvian Companies, which is approved by the Board of Directors and the GSM, is one of the appendices to the annual report. Then, it is uploaded on the SMV's website.</p>

a. If the answer is Yes, specify the following information:

Name of the Document	Approval Date	Link:
Annual evaluation report on the Code of Good Corporate Governance (CBGC) implementation process.	01/10/2024	<a href="https://www.cofide.com.pe/COFIDE/uploads/medios/Informe-Implementacion-BGC-Periodo-2023.pdf">https://www.cofide.com.pe/COFIDE/uploads/medios/Informe-Implementacion-BGC-Periodo-2023.pdf</a>

b. Specify the bodies that review this report before it is submitted to the Board of Directors:

Office of the Chief Executive Officer	X
Internal Audit	
Audit Committee	
Corporate Governance Committee	X
Specialized external advisor	
Specialized ESG area	



Others / Describe:

- c. Does the company have mechanisms for the internal and/or external disclosure of the corporate governance practices adopted?

	Yes	No
Internal disclosure	X	
External disclosure	X	

If the above answer is Yes, check the mechanisms used, as appropriate:

	Internal disclosure	External disclosure
Specific section of the website	X	X
E-mail	X	
Hard copy publication and distribution		
Participation in events, forums, or specialized institutional meetings		
Others / Describe:		





**SECTION C:**

**Company's contents of documents**

Specify in which of the following company documents these subjects are regulated:

		Principle	Bylaw	Internal Regulations (*)	Manual	Others	Not regulated	Not Applicable	Name of the Document (**)
1.	Policy for payment or exchange of non-voting shares	1					X		
2.	Method to record the rights of share ownership and who is responsible of recording	2				X			Regulations on the closing, registration, and delivery date. Approved by CONASEV Resolution No. 069-2006-EF/94.10, and amended by SMV Resolution No. 007-2017-SMV/01
3.	Procedures for selection of an external consultant to give an independent opinion on the Board's proposals for corporate operations that may affect the shareholders' non-dissolution right	3					X		
4.	Procedure to receive and handle the requests for information and opinions of shareholders	4				X			Procedure to provide information to shareholders.
5.	Dividend Policy	5				X			COFIDE's Dividend Policy for 2023 approved at the Annual Shareholders' Meeting dated May 24, 2023.
6.	Politics or agreements to avoid adopting anti-takeover mechanisms	6					X		
7.	Arbitration agreement	7					X		
8.	Policy on the selection of company's directors	8				X			FONAFE's Business Management Corporate Directive



9.	Policy to assess compensations of company directors	8				X		FONAFE's Business Management Corporate Directive Board of Directors Compensation Policy
10.	Mechanisms to provide shareholders with information related to the items in the General Shareholders Meeting agenda and proposed agreements.	10				X		Guidelines on the use of digital signatures and the Electronic Data Exchange System (SIED) Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
11.	Means used by the company to call meetings in addition to those required by law.	10				X		Guidelines on the use of digital signatures and the Electronic Data Exchange System (SIED) and e-mail.
12.	Additional mechanisms for shareholders to propose agenda items to be discussed at the General Shareholders Meeting	11				X		Guidelines on the use of digital signatures and the Electronic Data Exchange System (SIED) and minority shareholder link. Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
13.	Procedures to accept or dismiss shareholders' proposed agenda items to be discussed at the General Shareholders Meeting	11					X	Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
14.	Mechanisms to allow remote participation of shareholders	12			X	X		Guidelines on the use of digital signatures and the Electronic Data Exchange System (SIED) and minority shareholder link. Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"



DECADE OF PERSONS WITH DISABILITIES IN PERU - YEAR OF PROMOTING RESPONSIBLE INDUSTRY AND CLIMATE COMMITMENT

15.	Procedures for shareholders' differential voting	12					X		
16.	Procedures for vote delegation	13					X		
17.	Requirements and formalities for a shareholder to be represented in a Meeting	13			X				Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
18.	Procedures for vote delegation to Board or Senior Management members	13			X				Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
19.	Procedures to follow up the General Shareholders Meeting's agreements	14	X		X				COFIDE's bylaws, section 26, paragraph d) Corporate Manual "General Shareholders' Meeting Manual of Corporación Financiera de Desarrollo S.A. - COFIDE"
20.	Minimum and maximum number of directors to be included in the company's board	15	X						COFIDE's Bylaws, Article VI
21.	Duties, rights, and functions of the company's directors	17	X						COFIDE's Bylaws, Article VI, and Regulations on the Board of Directors
22.	Types of bonuses that the Board receives for accomplishment of the corporation's goals	17					X		
23.	Policy for Contracting Consulting Services for Directors	17					X		
24.	Induction policy for new directors	17		X		X			Regulations on COFIDE's Board of Directors and corporate procedure.
25.	Special requirements to be appointed as an independent director	19		X					Regulations on COFIDE's Board of Directors



DECADE OF PERSONS WITH DISABILITIES IN PERU - YEAR OF PROMOTING RESPONSIBLE INDUSTRY AND CLIMATE COMMITMENT

26.	Criteria for assessment of the performance of the Board and its members	20				X			Performance Assessment Methodology for the Management of the Board of Directors and Directors of the companies under the scope of FONAFE
27.	Policy to determine, follow-up and control possible conflicts of interests	22		X	X				Regulations on COFIDE's Board of Directors and Policy on Conflict-of-Interest Management.
28.	Policy to define the procedure to assess, approve, and disclose operations between related parties	23					X		
29.	Responsibilities and duties of the Chairman of the Board, Executive President, CEO, and other Senior Management members	24		X	X				Regulations on COFIDE's Board of Directors / ROF / MOF
30.	Criteria for assessment of the performance of the Senior Management	24				X			Performance assessment forms
31.	Policy to set and assess Senior Management's compensations	24					X		
32.	Comprehensive risk management policy	25			X				Comprehensive Risk Management Manual
33.	Functions of the Internal Auditor	26		X	X				ROF / MOF
34.	Policy of appointment of the external auditor, length of contract, and criteria for renewal	27				X			Comptroller General's Resolution No. 383-2013-CG. Directive Resolution No. 109-2013/DE-FONAFE
35.	Policy for information disclosure and communication to investors	28				X			Procedure to provide information to shareholders

(\*) Includes GSM Regulation, Board Regulation and others issued by the company.

(\*\*) Specify the document name, except in the case of the company bylaws.



**EXHIBIT 2**

**CORPORATE SUSTAINABILITY  
REPORT – SMV (online version)** 

**CORPORATE SUSTAINABILITY REPORT (10180)**

Name:  
 CORPORACIÓN FINANCIERA DE DESARROLLO S.A.

Fiscal Year:

Website:

Corporate or Partnership Name of the Reviewing company: 1

RPJ (R )

1 Only applicable when the information contained herein has been reviewed by a specialized firm (e.g. audit firm or consulting firm).

	<b>Completed</b>
<b>I. Environment and climate change</b>	
<a href="#">Política Ambiental:</a>	SI
<a href="#">Emisiones de Gases de Efecto Invernadero (GEI):</a>	SI
<a href="#">Agua:</a>	SI
<a href="#">Energía:</a>	SI
<a href="#">Residuos Sólidos:</a>	SI
<b>II. Social issues</b>	
<a href="#">Grupos de interés:</a>	SI
<a href="#">Derechos Laborales:</a>	SI
<a href="#">Derechos Humanos:</a>	SI
<b>III. Additional information</b>	
<a href="#">Información Complementaria</a>	SI

**Environmental policy:**

Question 1	Yes	No	Explanation:
<i>Does the company have an environmental policy or a management system that includes environmental commitments?</i>	X		As part of the implementation of COFIDE's Integrated Management System, an Integrated Management Policy, approved by the Management Committee, has been drafted. This policy reflects our environmental commitment to preserving the environment, preventing pollution and using resources responsibly in order to achieve operational excellence.

a. If you answered yes to question 1, please indicate the name of the document containing the management policy or system adopted by the company, date of approval, and year of implementation:

Name of the document	Date of approval	Year of implementation
Integrated Management System Policy	10/10/2019	2019

b. If you answered yes to question 1, please specify:

	Yes	No	Explanation:
<i>Did the Board of Directors approve such environmental policy or management system?</i>		X	According to COFIDE's internal processes, the policy has been approved by the Management Committee for its implementation and follow-up.
<i>Does this environmental policy or management system include the risk management, identification and measurement of environmental impacts resulted from its operations related to climate change(*)?</i>	X		This policy outlines tools and methodologies for a proper management of the environmental impacts of bank-financed activities.
<i>Does the company have a report submitted annually for evaluating the environmental policy results, which has been brought to the attention of the Board of Directors?</i>	X		The Board receives annual updates on the progress of the implementation of the Integrated Management System work plan. This update includes the activities to be carried out in the following period to close the gaps identified by the areas involved in management.

(\*) it is expected that the company takes into account "physical" aspects (floods, landslides, droughts, desertification, etc.) and/or a "transition" aspects to a new low-carbon economy (use of new technologies, decarbonization of investment portfolios, etc.) in the climate change management.

Question 2	Yes	No	Explanation:
<i>Has the company, during the fiscal year, been subject of any investigation, community complaint, or public dispute? Were corrective measures, interim reliefs, fines or other sanctions imposed on the company due to a violation of environmental standards? (*)</i>		X	No complaints or investigations have been filed for violating or failing to comply with the environmental regulations to which COFIDE is subject. Our SARAS system mitigates environmental risk in all of our operations.

(\*) it is expected that the company takes into account on this item those investigations, community complaints, public disputes or corrective measures, interim reliefs, fines or other sanctions related to material impacts. As defined in the Global Reporting Initiative, material topics mean those that reflect the company's significant economic, environmental, and social impacts or that substantively influence the assessments and decisions of stakeholders.

a. If you answered yes to question 2, indicate the type of investigation, community complaint, public dispute, corrective measure, interim relief, fine, or other sanction imposed on the company due to a violation of the environmental standards during the fiscal year; and the status or situation of the same at the end of the fiscal year:

Investigation, community complaint, public dispute, corrective measure, interim relief, fine or other sanction	Status or situation

b. Specify if the company currently has any investigation, community complaint, public dispute, corrective measure, interim relief, fine or other sanction due to a non-compliance of environmental standards from previous years, and the status or situation of the same at the end of the fiscal year:

Investigation, community complaint, public dispute, corrective measure, interim relief, fine or other sanction	Status or situation

### Greenhouse gas (GHG) emissions:

Question 3	Yes	No	Explanation:
Does the company measure its GHG emissions (*)?	X		COFIDE has been identifying and measuring the main sources of GHG emissions since 2016 in order to adopt measures that reduce, mitigate and offset GHGs.

(\* **Greenhouse gases (GHGs)**: Natural or human-caused gases in the atmosphere that trap the Sun's heat in the atmosphere, provoking the Earth's warming up (Law No. 30754, Framework Law on Climate Change, or any rule substituting or amending it).

a. If you answered yes to question 3, please specify:

Name of the document	Required information
If the company has a third-party certification or report proving the measurement of total GHG emissions (*), indicate the name of the organization, date of issue, and whether it is valid at the end of the fiscal year.	For the fourth consecutive year, COFIDE will be audited and its results verified by the international company SGS, which previously awarded COFIDE with the Carbon Neutrality Seal in 2021 and 2022 based on ISO 14064 indicators.
If the company has an internally designed platform, tool or standard for measuring the total GHG emissions (*), indicate its name, date of implementation and, if applicable, its latest update.	

(\* The company's total GHG emissions are named as corporate carbon footprint.

b. If you answered yes to question 3, provide the following information for the last three (3) fiscal years:

Fiscal Year:	Total GHG emissions (TM CO2e)		
	Scope 1 (*)	Scope 2 (**)	Scope 3 (***)
2022	14.2	104.4	143.5
2021	8.2	77.9	104.4
2020	7.5	85.9	75.1

(\* **Scope 1**: GHG emissions are directly generated by the company. For example, emissions from combustion in boilers, ovens, vehicles, etc.

(\*) **Scope 2**: GHG emissions are indirectly generated by the company's use of electricity.

(\*) **Scope 3**: All other GHG emissions indirectly generated by the company. For example: air travels, land travel, paper consumption, employee commuting, etc.



Question 4	Yes	No	Explanation:
Does the company have objectives or goals to reduce GHG emissions?	x		Based on the results of the 2022 carbon footprint measurement and verification, COFIDE will develop a new Environmental Management Plan (Eco-efficiency Plan) in order to reduce GHG emissions in the 2024-2026 period.

a. If you answered yes to question 4, indicate the name of the document, supporting the company's objectives or goals for reducing its GHG emissions, date of approval of the objectives or goals and year of implementation:

Name of the document	Date of approval	Year of implementation
2021-2023 COFIDE Eco-efficiency Plan	enero 19, 2021	2021

b. If you answered yes to question 4, specify:

	Yes	No	Explanation:
Have these reduction objectives or goals been approved by the Board?	x		The new Eco-efficiency Plan 2024-2026 will be submitted to our Sustainability Committee for approval and then to the Board of Directors.

### Water:

Question 5	Yes	No	Explanation:
Does the company measure its water consumption (in cubic meters) in all its activities?	X		The carbon footprint measurement is a tool that helps identify the consumption of resources that are given priority by the Institution. As per the Ministry of the Environment (MINAM) indicators and the ISO 14064, the water consumption in the main building is measured. Based on the diagnosis and calculation of water consumption, strategic activities to reduce and efficiently use of water consumption are undertaken.

If you answered yes to question 5, provide the following information for the last three (3) fiscal years:

Fiscal Year:	Total water consumption (m3)
2023	4717
2022	4718
2021	4557

Question 6	Yes	No	Explanation:
Does the company measure its water footprint (*)?		X	According to the core business, we have not measured our water footprint yet, but we strive to be an eco-efficient institution, that responsibly manages and uses resources. The carbon footprint report indicates the water consumption in the company by employee.

(\*) **Water Footprint:** is an indicator of the total volume of water consumed and the impacts caused by the production of goods and services. It involves the direct and indirect water use embedded in the productive process, including the different supply chain stages ("Norm that establishes voluntary measurement and reduction in the Water Footprint and Shared Value in Watersheds" Administrative Resolution No. 023-2020-ANA, or any norm substituting or amending it).

If you answered yes to question 6, specify:

Water footprint measurement	Required information
If the company has a third-party certification or report proving the measurement of its water footprint, indicate the name of the organization, date of issue, and whether it is valid at the end of the fiscal year.	
If the company has an internally designed platform, tool or standard for measuring its water footprint, indicate its name, date of implementation and, if applicable, its latest update.	

Question 7	Yes	No	Explanation:
Does the company have objectives or goals to reduce its water consumption?	X		The three-year Eco-efficiency Plan aims to reduce water consumption by 4% for 2021-2023. A new plan will be prepared for 2024-2026 to further decrease water consumption.

a. If you answered yes to question 7, indicate the name the document demonstrating the company's adopted objectives or goals for reducing water consumption, date of approval, and year of implementation:

Name of the document	Date of approval	Year of implementation
2021-2023 Eco-efficiency Plan	enero 19, 2021	2021

b. If you answered yes to question 7, specify:

	Yes	No	Explanation:
Have these reduction objectives or goals been approved by the Board?	X		As per the Integrated Management System Policy, the Senior Management is informed on a yearly basis about the decrease in the water consumption levels in the COFIDE building. They are also briefed about the targets set for reducing GHG emissions. This information helps them approve the initiatives included in the three-year plan.

Question 8	Yes	No	Explanation:
Does the company control the quality of its effluents (*)?		X	Based on COFIDE core business, wastewater is not generated.

(\*) **Effluent:** Direct wastewater discharge to the environment, whose concentration of pollutants must adopt the Maximum Permissible Limits (MPL) as regulated by the Peruvian law. Wastewater is water whose properties have been changed by anthropogenic activities, requires prior treatment, and can be poured into a natural water body or reused. (Glossary of Terms for Peru's Environmental Management, General Bureau of Environmental Management Policies, Standards and Tools, 2012, Ministry of the Environment – MINAM).

If you answered yes to question 8, indicate the name of the document proving the effluent control:

Name of the document

### Energy:

Question 9	Yes	No	Explanation:
Does the company measure its energy consumption (in kWh)?	X		The measurement of carbon footprint is a tool that helps identify the consumption of resources that are given priority by the Institution. In line with the indicators set by the Ministry of the Environment (MINAM), the consumption of electric energy is measured and necessary steps are taken to reduce its consumption.

If you answered yes to question 9, provide the following information for the last three (3) fiscal years:

Fiscal Year:	Total Energy Consumption (kWh)
2023	841620
2022	589860
2021	505800

Question 10	Yes	No	Explanation:
Does the company have objectives or goals to reduce its energy consumption?	X		The Eco-efficiency Plan for 2021-2023 commits to a 3% reduction in energy consumption. A new plan for 2024-2026 is being prepared to find additional strategies to reduce our energy consumption.

If you answered yes to question 10, indicate the name of the document demonstrating the company's adopted objectives or goals for reduction, date of approval, and year of implementation:

Name of the document	Date of approval	Year of implementation
Eco-efficiency plan	enero 19, 2021	2021

b. If you answered yes to question 10, specify:

	Yes	No	Explanation:
Have these reduction objectives or goals been approved by the Board?	X		According to the Integrated Management System Policy, the Senior Management is informed on an annual basis about the decrease in the levels of electricity consumption in the COFIDE building. Moreover, they are also informed of the GHG emission reduction goals in order to approve the initiatives to be included in the three-year Plan.

**Solid waste:**

Question 11	Yes	No	Explanation:
Does the company measure its solid waste (in tons)?	X		Solid waste generation was measured and managed according to MINAM indicators in the reporting year.

If you answered yes to question 11, provide the following information for the last three fiscal years:

Fiscal Year:	Hazardous Solid Waste (TM) (*)	Non-hazardous solid waste (TM) (**)	Total Solid Waste (TM)
2023		5.3	5.3
2022		4.5	4.5
2021		4.1	4.1

(\*) **Hazardous Solid Waste:** Hazardous solid waste is referred to in Appendix III of the Regulation of Legislative Decree No. 1278, approving the Law on the Integrated Management of Solid Waste, approved by Supreme Decree No. 014–2017–MINAM, or any rule substituting or amending it.

(\*\*) **Non-hazardous solid waste:** Non-hazardous solid waste is referred to in Appendix V of the Regulation of Legislative Decree No. 1278, approving the Law on the Integrated Management of Solid Waste, approved by Supreme Decree No. 014–2017–MINAM, or any rule substituting or amending it.

Question 12	Yes	No	Explanation:
Does the company have goals or objectives to manage (reduce, recycle, or reuse) its solid waste?	X		The three-year Eco-efficiency Plan, outlines the commitment to manage the solid waste in the COFIDE building. Our objective is to decrease the amount of solid waste generated by 3% each year between 2021 - 2023. Furthermore, we intend to develop a new three-year plan for 2024-2026, that focuses on identifying strategies to manage our solid waste.

a. If you answered yes to question 12, indicate the name of the document containing the adopted company's objectives for managing solid waste, date of approval, and year of implementation.

Name of the document	Date of approval	Year of implementation
Eco-efficiency Plan	enero 19, 2021	2021

b. If you answered yes to question 12, specify:

Question 12	Yes	No	Explanation:
Have these reduction objectives been approved by the Board?	X		According to the Integrated Management System Policy, the Senior Management receives an annual report on the reduction of waste levels in the COFIDE building. In addition, they are also informed of the GHG emission reduction goals in order to approve the initiatives to be included in the three-year Plan.

**Stakeholders:**

Question 13	Yes	No	Explanation:
Has the company identified risks and opportunities in relation to its stakeholders (e.g., employees, suppliers, shareholders, investors, authorities, clients, community, etc.)?	X		In 2023, the materiality report was updated to keep the stakeholders informed and to identify the needs and expectations of our 8 key stakeholders. As part of the integrated management process, stakeholders were mapping, prioritized and received feedback and identified the risks, opportunities and actions for each group.

a. If you answered yes to question 13, indicate:

Question 13	Yes	No	Explanation:
Do you have an action plan to manage risks and opportunities for your stakeholders?	X		According to the Annual Plan of the Integrated Management System, the materiality matrix was updated in 2022 to identify risks and opportunities for the prioritized stakeholders of COFIDE. This update will allow for efficient monitoring of significant risks and opportunities in relation to prioritized stakeholders.
Does the company have a report for evaluating the results of its action plan? Was the Board of Directors informed of it?	X		As part of the Integrated Management System Policy, the Senior Management is informed every year about the progress made in reducing GHG emissions in COFIDE. The management is also informed about the upcoming GHG emission reduction targets and approves the initiatives included in the three-year Plan based on these targets.
Do you publicly report your action plan and improvements regarding your stakeholders?	X		COFIDE discloses its positive impact on stakeholder relationships through digital and traditional media channels.

b. If you answered yes to question 13, indicate the name of the document demonstrating the company's action plan in relation to its stakeholders:

Name of the document
2022 Stakeholders Matrix and Feedback Report

**Question 14**

Yes	No	Explanation:
	X	In 2023, COFIDE has not been involved in any disputes or material conflicts that affected its good relationship and reputation with the stakeholders prioritized in the materiality study.

(\*) As defined in the Global Reporting Initiative, materiality refers to an organization's significant economic, environmental, and social impacts, or to issues that substantively influence the assessments and decisions of stakeholders.

(\*\*) A "social conflict" should be understood as "a complex process where sectors of society, the State and businesses perceive that their objectives, interests, values or needs are contradictory, which could lead to violence." Source: Office for the Prevention of Social Conflicts and Governance of the Office of the Ombudsman of Peru. *Reporte de Conflictos Sociales* [Social Conflict Report] No. 186 (August, 2019), Lima, 2019, p. 3.

(\*\*\*) "social conflict" is defined as a "dynamic process where two or more social actors perceive their interests as mutually opposed due to the exercise of a fundamental right or access to goods and services, taking actions that may be a risk or threat to governance and/or public order. As a social process, it could escalate to violence between the parties involved, demanding an articulated intervention of the State, civil society and productive sectors. Social conflicts are handled when the demands causing them are within the scope of the State policies and their guidelines." Source: Secretariat for Social Management and Dialog of the Presidency of the Council of Ministers. *ABC de la Secretaría de Gestión Social y Diálogo*. [ABC of the Secretariat for Social Management and Dialog.] Lima, 2018, p. 3.

If you answered yes to question 14, indicate the dispute or material conflict with any of your stakeholders; its status or situation; and the start year of such dispute or conflict:

Dispute or conflict	Status or situation	Start year

**Question 15**

Yes	No	Explanation:
X		In 2020, the policy that established efficiency and effectiveness criteria to create savings opportunities and reaffirm our commitment to sustainability was approved. Additionally, the sustainable procurement guidelines according to the MINAM provisions were updated and approved. These guidelines are contained in the COFIDE Policy for Procurement of Goods/Services, and they outline actions to ensure the procurement of suppliers aligned with sustainable management, and the purchase of sustainable-approach products.

If you answered yes to question 15, indicate the name of the document demonstrating the inclusion of ESG issues in the criteria for procurement and/or selection of suppliers of goods and/or services:

Name of the document
COFIDE Policy for the Procurement of Goods/Services.

**Labor rights:**

**Question 16**

Yes	No	Explanation:
	X	The COFIDE Labor Policy provides guidelines and standards for managing human resources in an efficient, committed and responsible manner. It covers issues defined in national regulations, such as, harassment, equity, wage rights, etc. In order to build trust between the institution and the employees, this Policy was disclosed to employees through mail and other internal communication channels.

a. If you answered yes to question 16, specify:

Yes	No	Explanation:
	X	The Senior Management granted the General Manager the authority to approve this policy.
	X	COFIDE has established guidelines and procedures for reporting compliance with labor rights. These reports are submitted to the Managers' Committee and Board, and there is also a mechanism for disclosing these results.

b. If you answered yes to question 16, indicate whether such labor policy includes and/or promotes, as appropriate, the following themes; and specify the name of the document demonstrating its adoption, date of approval, and year of implementation:

	Yes	No	Name of the document	Date of approval	Year of implementation
A. Equality and non-discrimination.	X		Gender equity policy	15-dic-20	2020
b. Diversity.	X		Gender equity policy	15-dic-20	2020
c. Prevention of sexual harassment (*).	X		Regulations on the prevention and punishment of sexual	19-nov-19	2019
d. Prevention of harassment and sexual harassment crimes (**).	X		Regulations on the prevention and punishment of sexual	19-nov-19	2019
e. Freedom of association and collective bargaining.		X			
f. Eradication of forced labor.	X		Sustainability policy	18-dic-20	2020
g. Eradication of child labor.	X		Sustainability policy	18-dic-20	2020

(\*) Take into account the scope of Law No. 27942.

(\*\*) Take into account the scope of the Criminal Code, sections 151-A and 176-B, respectively.

c. Indicate the number of men and women within the organization and the percentage they represent of the total number of employees.

Number of	employees	Percentage of total employees
Women	123	53
Men	107	47
Total	230	100.00

Ir al Principal

Qty.

(396)

Qty.

(87)

(218)

Question 17	Yes	No	Explanation:
Has the company, during the fiscal year, been subject of any investigation? Has the company been imposed with corrective measures, interim reliefs, fines or other sanctions related to non-compliance with labor, health and safety, forced labor or child labor standards?		X	In 2023, COFIDE reaffirmed its strong commitment to ensuring compliance with labor rights, and providing fair and equitable treatment for all its employees. Additionally, dissemination campaigns have been organized to prevent actions that may negatively impact the good relationship with employees. COFIDE follows a human management model and has not been investigated regarding this issue.

Qty.

(390)

a. If you answered yes to question 17, indicate the type of investigation conducted, or if corrective measures, interim reliefs, fines or other sanctions were imposed on the company during the fiscal year in connection with a non-compliance with labor, and health and safety standards, forced labor or child labor, and the status or situation of the same at the end of the fiscal year:

Investigation, corrective measure, interim relief, fine or other sanction	Status or situation

b. Specify if the company has current investigations, corrective measures, interim relief, fines or other sanctions from previous years related to the non-compliance with labor, and health and safety standards, forced labor or child labor, and the status or situation of the same at the end of the fiscal year:

Investigation, corrective measure, interim relief, fine or other sanction	Status or situation

Question 18	Yes	No	Explanation:
Does the company make an annual assessment of its compliance with or adoption of the standards related to Occupational Health and Safety?	X		COFIDE has an Occupational Health and Safety Committee that oversees compliance with current regulations. As part of its function, the committee prepares an annual report for the General Manager to evaluate compliance with the Comprehensive Management System. This report assesses the progress of the plans identified and identifies new opportunities for improvement to ensure the safety and protection of employees and third parties.

Qty.

(435)

Question 19	Yes	No	Explanation:
b. Does the company keep a record of occupational accidents?	X		As part of the Integrated Management System, the number of incidents or accidents occurred during the reporting period, is reported on an annual basis. This report enables the bank to identify action plans aimed at improving and ensuring compliance with the occupational health and safety system.

Qty.

(296)

If you answered yes to question 19, provide the following information about occupational accidents (\*) direct employees (\*\*) and hired employees (\*\*\*) of the company in the last three (3) years:

Indicator	Fiscal Year:	(Fiscal Year - 1)	(Fiscal Year - 2)
Fiscal Year:	2023	2022	2021
No. of direct employees	230	233	226
Total hours worked by all direct employees during the fiscal year	447680	467880	389728
Minor accidents ( Direct employees)	0	0	0
No. of Disabling accidents (Direct employees)	1	0	0
Fatal accidents ( Direct employees)	0	0	0

Indicator	Fiscal Year:	(Fiscal Year - 1)	(Fiscal Year - 2)
Fiscal Year:	2023	2022	2021
No. of hired employees	0	0	0
Total hours worked by all employees hired during the fiscal year	0	0	0
Minor accidents ( Hired employees)	0	0	0
No. of Disabling accidents (Hired employees)	0	0	0
Fatal accidents ( Hired employees)	0	0	0

(\*) Minor accident: An injury that, after medical evaluation, results in a one-day medical leave; the employee must return to regular workplace the following day.

Disabling accident: An injury that, after medical evaluation, results in medical leave, justified absence from work, and treatment.

Fatal accident: Injuries that result in the employee's death.

Source: Glossary of Terms of the Regulation of Law No. 29783 - Occupational Safety and Health Law, Supreme Decree No. 005-2012-TR or any rule substituting or amending it.

(\*\*) Direct employees are those directly linked to the company regardless of their way of hiring.

(\*\*\*) Contract employees under outsourcing.

Question 20	Yes	No	Explanation:
Does the company measure its working climate?	X		COFIDE uses Great Place to Work (GPTW) methodology to measure its workplace climate. This international standard model consists of five indicators that reflect a corporate management approach focused on employee welfare and development. As part of FONAFE state-owned holding companies, COFIDE also applies 13 indicators from FONAFE's maturity level measurement tool to complement its workplace climate measurement.

Qty.

(414)



**EXHIBIT 3**

**TRANSPARENCY AND AUDITED  
FINANCIAL STATEMENTS 2023  
(online version)** 

Translation of independent auditor's report originally issued in Spanish  
- Note 31

**Corporación Financiera de Desarrollo S.A. - COFIDE**

Financial Statements as of December 31, 2023 and 2022  
together with the independent Auditors' Report





Translation of independent auditor's report originally issued in Spanish -  
Note 31

**Corporación Financiera de Desarrollo S.A. - COFIDE**

Financial Statements as of December 31, 2023 and 2022  
together with the independent Auditors' Report

**Content**

**Independent Auditors' Report**

**Financial Statements**

Statement of financial position

Statement of income

Statement of income and other comprehensive income

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report

To Shareholders and Board of Directors of Corporación Financiera de Desarrollo S.A.

#### *Opinion*

We have audited the financial statements of Corporación Financiera de Desarrollo (an entity incorporated in Peru, hereinafter "COFIDE"), which comprise the statement of financial position as of December 31, 2023, and the consolidated statements of income, income and other comprehensive income, changes in equity and cash flows for the year then ended; as well as the explanatory notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of COFIDE as of December 31, 2023, as well as its financial performance and cash flows for the year then ended, in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for Peruvian financial entities, see note 2.

#### *Basis of the opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants. Our responsibilities under these standards are further described in more detail in the section Auditor's responsibilities for the audit of the financial statements of our report. We are independent of COFIDE in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide adequate basis for our opinion.

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## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report (continue)

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; so we do not provide a separate opinion on these matters. Based on the above, below is how each key matter was addressed during our audit.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities section regarding the audit of the financial statements* of our report, including in relation to these matters. Accordingly, our audit included conducting procedures designed to respond to the risks of material misstatement assessed in the financial statements. The results of the audit procedures, including the procedures performed to address the matters mentioned below, form the basis for the audit opinion on the accompanying financial statements.

Key Audit Matter	Audit response
<p>Estimation of the provision for the non-retail loan portfolio under the regulations of the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym)</p> <p>As described in note 2(f) to the financial statements, the estimate of the provision for the non-retail loan portfolio is determined following the methodology defined by the SBS, which establishes the specific percentages for the calculation of the provision, which depend on the credit classification of the debtor. To define the debtor's credit rating, COFIDE, among other relevant factors, considers: The debtor's payment experience, the history of commercial relations with the debtor's management, the history of operations, the debtor's ability to pay and availability of funds, the situations of collaterals and guarantees received, the analysis of the financial statements of the debtor, the risk of the debtor in other financial institutions in the market.</p>	<p>We gained an understanding, evaluated the design and tested the operational effectiveness of the controls of the estimation of the provision for non-retail loan portfolio under the SBS standards, which included:</p> <ul style="list-style-type: none"> <li>- Methodology and criteria established for the calculation according to SBS required regulations.</li> <li>- Integrity and accuracy of the database in COFIDE's systems.</li> <li>- Credit classification of non-retail loan portfolio, considering COFIDE's methodology and SBS requirements.</li> <li>- Review of the calculation of the estimation of the provision for the non-retail loan portfolio in COFIDE's systems.</li> <li>- Disclosure in the notes to the financial statements.</li> </ul>

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report (continue)

Key Audit Matter	Audit response
<p>Therefore, we consider that the estimation of the provision for the non-retail loan portfolio is a key audit matter; given that, to define the calculation rate of the provision, the debtor must be classified based on qualitative and quantitative variables in which the critical and professional judgment of COFIDE's risk specialists intervenes.</p>	<p>In addition, we carried out detailed substantive procedures, which included:</p> <ul style="list-style-type: none"> <li>- We assessed whether the accounting policies defined by COFIDE are coherent with SBS requirements.</li> <li>- We tested the integrity and accuracy of the data used in the provision calculation.</li> <li>- We inspected in a selective manner the credit classification of non-retail debtors, assessing the reasonability of Management's most relevant assumptions.</li> <li>- We perform a recalculation of the estimate of the non-retail loan portfolio provision.</li> <li>- We evaluated the adequacy of disclosures in the notes to the financial statements.</li> </ul>

#### *Other information included in COFIDE's 2023 Annual Report*

Management is responsible for other information. Other information includes the information included in COFIDE's Annual Report and does not form an integral part of the financial statements or our related audit report.

Our opinion on the financial statements does not cover other information and we do not express any form of conclusion that provides a degree of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material error of this other information, we are obliged to report that fact. We have nothing to report in this regard.

*Responsibilities of COFIDE's management and corporate governance officers in relation to the financial statements*

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report (continue)

Management is responsible for the preparation and fair presentation of financial statements in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for financial entities in Peru, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing COFIDE's ability to continue as a going concern, disclosing as appropriate matters relating to the going concern and using the going concern basis of the undertaking unless Management intends to liquidate COFIDE or cease operations, or have no other realistic alternative different to doing so.

Those responsible for COFIDE's corporate governance are responsible for overseeing COFIDE's financial reporting process.

#### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable security is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs approved for application in Peru will always detect a material misstatement where it exists. Inaccuracies may arise due to fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions users make based on the financial statements.

As part of an audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations or overstepping the internal control system.
- We gained an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of COFIDE.



## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report (continue)

- We evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by Management.
- We conclude on the suitability of Management's use of the going concern basis and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubts about COFIDE ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to disclosures relating to the financial statements or, if such disclosures are inadequate, to modify our opinion. Conclusions are based on audit evidence obtained to date from our audit report. However, future events or conditions may cause COFIDE to cease to continue as a going concern.
- We evaluate the overall presentation, structure, content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate to those charged with the COFIDE's corporate governance, among other matters, the planned scope and timing of the audit, the significant findings of the audit, as well as any significant internal control deficiencies identified in the course of the audit.

We also provide those responsible for COFIDE's corporate governance with a statement that we have complied with the applicable ethics requirements in relation to independence and that we have disclosed all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, the measures taken to eliminate the threats or safeguards applied.



## Translation of independent auditor's report originally issued in Spanish - Note 31

### Independent Auditor's Report (continue)

Among the matters that have been the subject of communication with those charged with the COFIDE's corporate governance, we determine those that have been of the greatest significance in the audit of the financial statements for the current period and, therefore, are the key audit matters. We have described such matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.ss

Lima, Peru  
February 27, 2024

Countersigned by:

A handwritten signature in black ink, appearing to read 'Sandra Luna Victoria Alva'.

A handwritten signature in black ink, appearing to read 'Tanaka, Valdivia &amp; Asociados'.

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Sandra Luna Victoria Alva  
Partner  
C.P.C.C. Register No. 50093



# Translation of independent auditor's report originally issued in Spanish - Note 31

## Corporación Financiera de Desarrollo S.A. - COFIDE

### Statement of financial position

As of December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
<b>Assets</b>			
Cash and cash equivalents	4	716,876	991,800
Available for sale and held to maturity investments	5	4,146,951	4,131,280
Loan portfolio, net	6	4,678,753	5,736,237
Trading and hedging derivatives	7	1,165	924
Accounts receivable, net	7	1,127,592	886,727
Property, furniture and equipment, net	8	5,586	4,647
Intangible assets, net	7	4,058	3,058
Current taxes	23	-	6,433
Deferred tax	23	125,363	72,053
Other assets	7	13,498	15,914
<b>Total assets</b>		<u>10,819,842</u>	<u>11,849,073</u>
<b>Contingent risks and commitments</b>	13	<u>297,532</u>	<u>373,918</u>
<b>Liabilities</b>			
Obligations with the public and deposits of companies in the financial system	9	51,234	230,846
Debtors and outstanding securities, bonds, and debentures	10	8,112,024	8,911,957
Trading and hedging derivatives	11	24,181	19,373
Accounts payable	11	254,869	521,392
Provisions	11	56,129	37,001
Other liabilities	11	116,570	11,842
<b>Total liabilities</b>		<u>8,615,007</u>	<u>9,732,411</u>
<b>Equity</b>			
Capital stock	12	1,896,287	1,896,287
Additional capital		74,172	74,172
Mandatory reserves		14,327	10,957
Accumulated results		218,927	218,927
Net income for the year		71,862	33,693
Adjustments to shareholders' equity		(70,740)	(117,374)
<b>Total equity</b>		<u>2,204,835</u>	<u>2,116,662</u>
<b>Total liabilities and equity</b>		<u>10,819,842</u>	<u>11,849,073</u>
Risk and contingent commitments	13	<u>297,532</u>	<u>373,918</u>

The accompanying notes are an integral part of this statement.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Corporación Financiera de Desarrollo S.A. - COFIDE

### Income statement

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Interest income	14	562,851	466,139
Interest expense	15	(474,704)	(426,360)
Gross financial margin		<u>88,147</u>	<u>39,779</u>
Provisions for direct loans	6(i)	(19,886)	(15,955)
<b>Net financial margin</b>		<u>68,261</u>	<u>23,824</u>
Income and expenses from financial services, net	16	<u>67,106</u>	<u>95,666</u>
<b>Financial margin net of income and expense from financial services</b>		<u>135,367</u>	<u>119,490</u>
Results from financial operations	17	<u>39,678</u>	<u>(9,614)</u>
<b>Operating margin</b>		<u>175,045</u>	<u>109,876</u>
<b>Administrative expenses</b>			
Personnel and directory expenses	18	(42,970)	(35,391)
Expenses for services received from third parties	19	(28,727)	(25,787)
Taxes and contributions		(4,263)	(4,414)
Depreciation and amortization	7(g) and 8	(2,442)	(2,342)
		<u>(78,402)</u>	<u>(67,934)</u>
<b>Net operating margin</b>		<u>96,643</u>	<u>41,942</u>
<b>Net asset valuation and provisions</b>			
Provisions for indirect credits		(20,333)	245
Provisions for uncollectible accounts receivable		(17,223)	(3,335)
Impairment of fixed assets		(278)	-
Provisions for litigation and claims		(826)	(719)
Other provisions		(424)	(249)
		<u>(39,084)</u>	<u>(4,058)</u>
<b>Operating income</b>		<u>57,559</u>	<u>37,884</u>
Other income and expenses	20	(31,398)	(2,506)
<b>Income for the year before income tax</b>		<u>26,161</u>	<u>35,378</u>
Income tax	23(b)	45,701	(1,685)
<b>Net income for the year</b>		<u>71,862</u>	<u>33,693</u>
Basic and diluted earnings per share in soles	21	<u>0.037</u>	<u>0.017</u>

The accompanying notes are an integral part of this statement.

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- Note 31

**Corporación Financiera de Desarrollo S.A. - COFIDE**

**Statement of income and other comprehensive income**

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Net income for the year		71,862	33,693
<b>Other comprehensive income</b>			
Available for sale investments	5(d)	65,760	(194,736)
Cash flow hedges	11(b)	388	4,533
		<u>66,148</u>	<u>(190,203)</u>
Income taxes related to components of other comprehensive income:			
Available for sale investments	23(a)	(19,399)	57,446
Cash flow hedges	23(a)	(115)	(1,336)
		<u>(19,514)</u>	<u>56,110</u>
<b>Other comprehensive income</b>		<u>46,634</u>	<u>(134,093)</u>
<b>Total comprehensive income (loss) for the year, net of income taxes</b>		<u>118,496</u>	<u>(100,400)</u>

The accompanying notes are an integral part of this statement.

Translation of independent auditor's report originally issued in Spanish - Note 31

Corporación Financiera de Desarrollo S.A. - COFIDE

Statement of changes in equity

For the years ended December 31, 2023 and 2022

	Shareholders' equity					Adjustments to shareholders' equity				Total equity S/(000)
	Capital stock (note 12(a)) S/(000)	Additional capital (note 12(b)) S/(000)	Mandatory reserves (note 12(c)) S/(000)	Retained earnings (note 12(d)) S/(000)	Net income for the year S/(000)	Total shareholders' equity S/(000)	Investments in equity instruments at fair value (note 12(d)) S/(000)	Cash flow hedges (note 12(d)) S/(000)	Total adjustments to shareholders' equity (note 12(d)) S/(000)	
<b>Balance as of January 1, 2022</b>	1,896,287	38,377	6,835	233,016	41,223	2,215,738	22,838	(6,119)	16,719	2,232,457
Adjustments for error corrections	-	-	-	(14,089)	-	(14,089)	-	-	-	(14,089)
<b>Comprehensive income</b>										
Net income for the year	-	-	-	-	33,693	33,693	-	-	-	33,693
Other integral results	-	-	-	-	-	-	(137,290)	3,197	(134,093)	(134,093)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,693</u>	<u>33,693</u>	<u>(137,290)</u>	<u>3,197</u>	<u>(134,093)</u>	<u>(100,400)</u>
<b>Changes in shareholders' equity (not included in other comprehensive income)</b>										
Capitalization of income for the year	-	35,795	-	(35,795)	-	-	-	-	-	-
Dividends	-	-	-	(1,306)	-	(1,306)	-	-	-	(1,306)
Transfers to legal reserve and reclassification of prior year's income (loss)	-	-	4,122	37,101	(41,223)	-	-	-	-	-
<b>Total changes in equity</b>	<u>-</u>	<u>35,795</u>	<u>4,122</u>	<u>-</u>	<u>(41,223)</u>	<u>(1,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,306)</u>
<b>Balances as of December 31, 2022</b>	<u>1,896,287</u>	<u>74,172</u>	<u>10,957</u>	<u>218,927</u>	<u>33,693</u>	<u>2,234,036</u>	<u>(114,452)</u>	<u>(2,922)</u>	<u>(117,374)</u>	<u>2,116,662</u>
<b>Comprehensive income</b>										
Net income for the year	-	-	-	-	71,862	71,862	-	-	-	71,862
Other comprehensive income	-	-	-	-	-	-	46,361	273	46,634	46,634
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,862</u>	<u>71,862</u>	<u>46,361</u>	<u>273</u>	<u>46,634</u>	<u>118,496</u>
<b>Changes in shareholders' equity (not included in other comprehensive income)</b>										
Dividends	-	-	-	(30,323)	-	(30,323)	-	-	-	(30,323)
Transfers to legal reserve and reclassification of prior year's income (loss)	-	-	3,370	30,323	(33,693)	-	-	-	-	-
<b>Total changes in equity</b>	<u>-</u>	<u>-</u>	<u>3,370</u>	<u>-</u>	<u>(33,693)</u>	<u>(30,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,323)</u>
<b>Balances as of December 31, 2023</b>	<u>1,896,287</u>	<u>74,172</u>	<u>14,327</u>	<u>218,927</u>	<u>71,862</u>	<u>2,275,575</u>	<u>(68,091)</u>	<u>(2,649)</u>	<u>(70,740)</u>	<u>2,204,835</u>

The accompanying notes are an integral part of this statement.

Translation of independent auditor's report originally issued in Spanish  
- Note 31

Corporación Financiera de Desarrollo S.A. - COFIDE

Statement of cash flows

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
<b>Reconciliation of net income to cash and cash equivalents provided by operating activities</b>			
Net income for the year		71,862	33,693
<b>Adjustments</b>			
Allowance for loan portfolio, net of recoveries	6(i)	19,886	15,956
Deferred tax	22(b)	(72,823)	(6,049)
Depreciation and amortization	7(g) and 8	2,442	2,342
Impairment of property, furniture and equipment		278	-
Provision for country risk		-	(4,774)
Other provisions		77,276	15,525
<b>Net change in assets and liabilities</b>			
Loans		781,724	(852,812)
Investments available for sale		50,090	(77,984)
Accounts receivable and other		671,732	493,780
Financial liabilities, unsubordinated		(831,246)	805,982
Accounts payable and other payables		(293,289)	(419,303)
<b>Profit for the period after net change in assets, liabilities and adjustments</b>		<b>477,932</b>	<b>6,356</b>
<b>Net cash flows used in operating activities</b>		<b>655,969</b>	<b>(185,913)</b>
<b>Cash flows from investing activities</b>			
Outflow for purchases of properties, furniture and equipment and intangible assets		(4,554)	(2,556)
Other entries related to investment activities		107	111
<b>Net cash flows used in investing activities</b>		<b>(4,447)</b>	<b>(2,445)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(30,323)	(1,306)
Securities outstanding		(145,823)	(885,190)
<b>Net cash flows (used in) provided by (used in) financing activities</b>		<b>(176,146)</b>	<b>(886,496)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>297,339</b>	<b>(882,585)</b>
Cash and cash equivalents at beginning of period		192,909	1,075,494
<b>Cash and cash equivalents at end of year</b>		<b>490,248</b>	<b>192,909</b>
Cash and cash equivalents restricted		226,655	798,917
<b>Cash and cash equivalents according to the statement of financial position</b>		<b>716,903</b>	<b>991,826</b>
	4(a)		

The accompanying notes are an integral part of this statement.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Corporación Financiera de Desarrollo S.A. - COFIDE

### Notes to the financial statements

As of December 31, 2023 and 2022

#### 1. Background and economic activity

##### (a) Background and economic activity -

Corporación Financiera de Desarrollo S.A. - COFIDE (hereinafter "COFIDE") is a mixed-capital company, in whose capital the State, represented by the Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (hereinafter FONAFE), an agency of the Ministry of Economy and Finance (hereinafter MEF) and the Corporación Andina de Fomento (hereinafter CAF), holds 99.4 and 0.5 percent, respectively. The 0.1 percent of the total capital stock corresponds to class B Preferred shares, currently held in COFIDE's portfolio.

COFIDE was created on March 18, 1971, by Decree Law No. 18807. It has administrative, economic and financial autonomy and its purpose is to contribute to the integral development of the country by raising funds and granting financing through Intermediary Financial Institutions (hereinafter "IFIs") for the promotion and financing of productive investments and public and private infrastructure at the national level, as well as for the development of MSMEs (Micro, small and medium-sized enterprises) and the national capital market.

In addition, it manages funds, programs and securities received from financial institutions and government entities, in its capacity as trustee, for which it receives commissions.

COFIDE's activities are regulated by various legal provisions included in its Bylaws, issued specifically to delineate its framework of action. On a supplementary basis, such activities are governed by the General Law of the Financial System and the Insurance System and the Organic Law of the Superintendence of Banking, Insurance and Private Pension Fund Management Companies (hereinafter SBS) - Law No. 26702 (hereinafter the General Law), and its amendment Legislative Decree No. 1028, dated June 21, 2008.

The legal domicile is located at Augusto Tamayo N° 160, San Isidro, Lima - Peru.

As of December 31, 2023 and 2022, the number of personnel employed by COFIDE as of December 31, 2023 and 2022 is 230 and 199, respectively.

##### (b) Political and social conflicts

In December 2022, supreme decrees were issued declaring a 30-day State of National Emergency, due to social issues in the country and with the purpose of guaranteeing the personal safety of citizens and protecting private and public assets.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

In view of this situation, on December 22, 2022, the SBS issued Oficio Multiple No. 54961-2022-SBS, whereby it empowered financial institutions to reschedule their retail customers that have been affected by the social conflicts, see note 2(a)(ii).

(c) Covid-19 pandemic -

In March 2020, the World Health Organization declared Covid-19 a pandemic, which resulted in various restrictive measures. The resumption of economic activities took place from May 2020 following various State's measures and in the first half of 2022, economic activities were at pre-pandemic levels. During the Covid-19 pandemic, the Ministry of Economy and Finance ("MEF"), the Peruvian Central Reserve Bank ("BCRP") and the SBS, issued several resolutions to alleviate the impacts derived from the pandemic, see note 2(a)(ii).

(d) Peruvian government programs for economic recovery -

Due to the COVID-19 State of Emergency, the Peruvian Government established the following economic recovery programs:

(i) Programs that are part of COFIDE's Financial Statements -

- Fondo de Apoyo Empresarial para Micro y Pequeña Empresa (FAE - MYPE): This Program involves funds from the Peruvian Government to guarantee working capital loans for micro and small enterprises. Access to credit under this Program helped cover costs and income losses resulting from all activities suspended in the midst of the COVID-19 state of emergency, with working capital loans granted to micro and small enterprises by financial institutions.

COFIDE administers this Program and granted loans to financial institutions, which channeled funds to micro and small enterprises (MSEs). Eligible micro and small enterprises were able to request loans from their financial institution or credit cooperative, provided that such institution or cooperative had signed a credit channeling agreement with COFIDE. These loans were granted on preferential terms and for a term of up to 36 months, with a grace period of up to 12 months. Initially, the Program involved new working capital loans, as well as the rescheduling and refinancing of loans, and the credit limit was up to S/90,000, with 30, 50 and 70 percent guarantees. During 2021, the Program only involved new credits for working capital and with a credit limit of up to S/30,000 for each micro and small enterprise, with a guarantee between 98 percent (credits of up to S/10,000) and 90 percent (credits of more than S/10,000 up to S/30,000). The term of the Program is until December 31, 2026.

By means of Emergency Decree No. 091-2021 dated September 30, 2021, the deadline for the rescheduling of loans guaranteed under the program was extended to December 31, 2021.



## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

As of December 31, 2023, COFIDE has loans and loan guarantees granted by the Micro and Small Business Assistance Program (FAE-MYPE) totaling S/29,442,000, see note 6(b), and S/29,430,000, see note 13(d.1), respectively (S/321,570,000 and S/320,723,000, respectively, as of December 31, 2022).

- FAE-TURISMO Fund: This program was aimed at micro and small enterprises engaged in lodging, interprovincial land passenger transportation, tourist transportation, travel and tourism agencies, restaurants, leisure activities, organization of congresses, conventions and events, tourist guides, and production and marketing of handicrafts. The Program applied for working capital loans and the credit limit was S/750,000 per client, with coverage rates of 95 and 98 percent. For this Program, the amount disbursed by COFIDE corresponds to the same amount of coverage. The Program was in force for applications until December 31, 2022 and for rescheduling applications until June 30, 2023.

As of December 31, 2023, COFIDE has loans and loan guarantees granted by the Fondo de Apoyo Empresarial a las MYPE del Sector Turismo (FAE - Turismo) for a total of S/76,733,000 (S/103,806,000 as of December 31, 2022), see notes 6(b) and 13(d.1).

- FAE-AGRO Fund: This program was aimed at farmers engaged in family agriculture. This program implied a guaranteed credit for banks to grant working capital loans. Consequently, the Program applied for working capital loans and the credit limit per client was S/30,000, with coverage rates of 95 and 98 percent. For this Program, the amount disbursed by COFIDE corresponded to the same amount of coverage. The Program was in force until March 31, 2022.

As of December 31, 2023, COFIDE has loans and loan guarantees granted by the National Government Guarantee Program for Agricultural Business Financing (FAE - Agro) for a total of S/1,136,000 (S/1,136,000 as of December 31, 2022), see note 6(b) and 13(d.1).

- PAE MYPE: By means of Emergency Decree No. 019-2021, the Business Support Program for micro and small enterprises (PAE-MYPE) was created to grant the National Government Guarantee to credit portfolios destined for working capital that meet the conditions and requirements to access the PAE-MYPE, up to S/2,000 million.

The MYPES that could access the PAE-MYPE were those that obtained working capital loans after March 12, 2021, date of entry into force of the PAE-MYPE Operating Regulations and that have been most affected by the closures of activities by the COVID or have had a later or late restart of activities. The capital

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### Notes to the financial statements (continue)

loans granted under this Program have terms of up to 36 months, with grace periods of up to 12 months. The Program is in effect until March 31, 2022.

As of December 31, 2023, COFIDE has loans granted by the PAE MYPE for a total of S/41,527,000, see note 6, and with loan guarantees for a total of S/41,354,000 (S/105,347,000, with guarantees for the same amount as of December 31, 2022) see notes 6(b) and 13(d.1).

- FAE TEXCO: According to Emergency Decree No. 012-2022, published on May 19, 2022, the Ministry of Economy and Finance, through the General Directorate of the Public Treasury, was authorized to transfer irrevocably and in fiduciary domain, the uncommitted available balance of the FAE MYPE, in favor of COFIDE for the amount of S/200,000,000; It is also stated that the trust assets will be used for the administration of the guarantee by COFIDE within the framework of FAE TEXCO, in order to promote the financing of micro and small enterprises (MSEs) in the textile and apparel sector, considering that they were affected by the increase in the price and scarcity of inputs, as well as the increase in the cost of financing, in order to promote their business strengthening and growth.

Likewise, pursuant to Article 11 of Emergency Decree N°012-2022, Corporación Financiera de Desarrollo S.A. (COFIDE) was authorized to participate as trustee and fiduciary of FAE-TEXCO as long as it does not alter its status as a second-tier development bank. - COFIDE to participate as fiduciary and trustee of FAE-TEXCO, as long as it does not alter its status as a second-tier development bank, which implies a temporary exception to the provisions of Article 258.1 of Law No. 26702, General Law of the Financial System and the Insurance System and Organic Law of the Superintendence of Banking and Insurance; therefore, all acts performed by COFIDE, as trustee of FAE-TEXCO, for its own benefit as trustee of said fund, are not restricted during the term of FAE-TEXCO.

The term of the contract will be six (06) years as of the expiration date of the FAE TEXCO acceptance period (December 31, 2022).

As of December 31, 2023, COFIDE has loans and loan guarantees granted by the Fondo de Apoyo Empresarial para el Sector Textil y Confección (FAE-TEXCO) for a total of S/3,003,000 (S/472,000 as of December 31, 2022), see notes 6(b) and 13(d.1).

- IMPULSO MYPERU PROGRAM: This Program was created on December 29, 2022 by Law N°31658 and its amendments and its objective is to grant a National Government Guarantee for loans generated in favor of MYPEs, as well as a subsidy mechanism called "Bono al Buen Pagador de IMPULSO MYPERU" (BBP). The

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### Notes to the financial statements (continue)

maximum amount authorized for the granting of the National Government guarantee for loans under the Program is up to S/15,000 million The National Government guarantee covers:

1. Eligible loans established in Article 14 of the law granted within the framework of IMPULSO MYPERU by Financial System Enterprises (ESF) or Savings and Credit Cooperatives Not Authorized to Capture Public Funds (COOPAC) that are in the National Registry of Savings and Credit Cooperatives Not Authorized to Capture Public Funds in charge of the Superintendence of Banking, Insurance and Private Pension Fund Administrators, referred to in Law 30822 and SBS Resolution 480-2019.
2. Loans granted by COFIDE or Banco de la Nación (BN), within the framework of the provisions of the Fifth Final Complementary Provision of the law, to SFEs or COOPACs to finance the loans to MSEs mentioned in paragraph a).

The Individual Guarantee limit is applied in accordance with the following coverage:

- (a) Up to S/30,000.00 (Thirty thousand and 00/100 Soles) with a coverage of 98% of the portfolio per debtor.
- (b) From S/30,001.00 (Thirty thousand one and 00/100 Soles) to S/90,000.00 (Ninety thousand and 00/100 Soles) with a coverage of 90% of the portfolio per debtor.

Likewise, by means of Emergency Decree No. 033-2023 published on September 19, 2023, guarantees for loans to medium-sized companies were included:

- (a) From S/90,001.00 (Ninety thousand one and 00/100 Soles) up to S/300,000.00 (Three hundred thousand and 00/100 Soles) with a coverage of 80% of the portfolio per debtor.
- (b) From S/300,001.00 (three hundred thousand one and 00/100 soles) up to S/1,000,000.00 (one million and 00/100 soles) with a coverage of 70% of the portfolio per debtor.

Likewise, through Ministerial Resolution No. 419-2023-3F/15, 7.1.3 for loans granted to beneficiaries included in the extension of the scope of IMPULSO MYPERU provided for in numeral 2.3 of Article 2 of Emergency

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### Notes to the financial statements (continue)

Decree No. 039-2023, which does not include the companies mentioned in subsections 7.1.1 and 7.1.2:

- (a) From S/1,000,001.00 (one million one and 00/100 Soles) up to S/5,000,000.00 (five million and 00/100 Soles) with a coverage of 60% of the portfolio per debtor.
- (b) From S/5,000,001.00 (five million one and 00/100 soles) up to S/10,000,000.00 (ten million and 00/100 soles) with a coverage of 50% of the portfolio per debtor.

The IMPULSO MYPERU Operating Regulations establish the conditions to ensure that there is no duplicity in the coverage of the Guarantee in the event that the loans mentioned in paragraph b) are used by the SFEs and COOPACs to finance the loans mentioned in paragraph a) of this article.

Loans guaranteed by IMPULSO MYPERU may be granted until June 30, 2024.

As of December 31, 2023, COFIDE has loans and loan guarantees granted by the IMPULSO PERU program for a total of S/460,212,000, see notes 6(b) and 13(d.1).

- Reporting operations with rescheduling of loan portfolio: approved by BCRP Circular N°0021-2020, dated June 7, 2020, through which the BCRP established the possibility for companies in the financial system to obtain economic funding at a rate of 0.5 percent through Reporting Operations. Under this operation, companies in the financial system committed to reschedule their clients' loan portfolio or portfolio purchased from other financial institutions, temporarily reducing the interest rate for the term of the operation with the BCRP.

As of December 31, 2023, the balance of this source of financing amounted to S/228 million, including principal and interest (S/514 million as of December 31, 2022), see note 11(c). These loans were mainly used to finance the activities of the Micro and Small Business Assistance Program (FAE-MYPE).

- (ii) Programs in which COFIDE participated as Administrator -
  - Reactiva Perú Program: This program was established by the Peruvian Government through Legislative Decree N°1455 and its amendments, for companies affected by the state of health emergency declared in response to COVID-19. Its purpose is to promote working capital replacement financing for companies that must meet short-term payments and obligations, in order to ensure continuity in the payment chain. This program involved a fund of up to S/60,000 million to guarantee new

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### Notes to the financial statements (continue)

loans granted by financial institutions and whose guarantees are administered by COFIDE. This program was in effect until November 30, 2020.

COFIDE did not grant loans directly to the companies, which could request loans to financial institutions that had a framework guarantee contract or a securitization constitutive agreement with COFIDE.

As of November 30, 2023, the balance of guarantees granted through the REACTIVA Peru program amounted to S/6,672,867 (S/39,028,099 as of December 31, 2022). The guarantees related to this Program have a risk weighting factor of 0 percent for financial institutions, since they correspond to coverage granted by the Central Government.

- CRECER Fund: Fund created to promote the strengthening of micro, small and medium-sized enterprises through hedging, credit and investment instruments. In the event that the loans granted under this Program default and the financial institutions decide to honor the guarantee, the Peruvian State, through COFIDE, will pay the amount of the coverage. Subsequently, the financial institutions will continue with the corresponding collection and will pay to the Program, which is administered by COFIDE, the corresponding equivalent based on the agreed coverage. The term of the Crecer Fund is until 2049.

As of December 31, 2023 and 2022, the balance of guarantees granted through the CRECER Fund amounted to S/495,797,000 and S/524,313,000, respectively, in guarantees to Financial System Companies.

- COVID-19 Guarantee Program: Aims to guarantee rescheduled consumer, personal, housing mortgage, vehicle and MSE loans, whether from individuals or MSEs, after interest rate reduction, waiver of one or more installments in the payment schedule or a combination of both by the financial system entities, which must previously sign a guarantee contract with COFIDE, which establishes the operational framework for granting guarantees within the scope of the Program. Coverage percentages are defined between 40 and 80 percent for consumer, MSE and vehicle loans and between 50 and 80 percent for housing mortgage loans. The terms are between 6 and 36 months depending on the type of loan and the ceilings for consumer and personal loans are up to S/10,000; MSE loans up to S/20,000; vehicle loans up to S/50,000; and mortgage loans up to S/250,000.

As of December 31, 2023, the balance of guarantees granted amounted to S/906,000 (S/1,178,000 as of December 31, 2022).

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### Notes to the financial statements (continue)

- Equity Strengthening of Microfinance Specialized Institutions: Through Emergency Decree No. 037-2021, published on April 15, 2021, the Equity Strengthening Program for Institutions Specialized in Microfinance was created, which aims to establish extraordinary complementary measures in economic and financial matters, which allow the strengthening of the equity of institutions specialized in microfinance, as well as to facilitate their corporate reorganization, in order to protect the savings of the public, preserve macroeconomic stability and maintain the continuity of the chain of payments in the economy. This program was financed through the issuance of bonds by the National Government.  
The Program consists of three subprograms: a) Strengthening of Municipal Savings Banks; b) Strengthening of private institutions specialized in microfinance; and, c) Facilitation of the corporate reorganization of institutions specialized in microfinance. The Municipal Savings Banks adhered as of December 31, 2023 in Sub Program 1 are: CMAC Sullana, CMAC Del Santa and CMAC Tacna; in Sub Program 2 they are: Caja del Centro, Financiera Qapap, Financiera Credinka and CRAC Raíz.

With respect to the intervention of CRAC Raíz by the SBS, the Management Committee and the SBS have been consulted for the admission of this savings bank to Subprogram 3. With official letter No. 68447-2023-SBS dated December 5, 2023, the SBS informed that, as of the date of the intervention of the savings bank, the State's participation was less than 30% of the capital stock; therefore, since one of the conditions was not met, the power of attorney could not be exercised.

(e) **Approval of the financial statements**

The financial statements as of December 31, 2023 were approved by the Board of Directors on February 26, 2024 and will be submitted for the approval of the General Shareholders' Meeting; in Management's opinion, these financial statements will be approved by the General Shareholders' Meeting without modifications. The financial statements as of December 31, 2022 were approved by the General Shareholders' Meeting held on May 24, 2023.

**2. Accounting principles and practices**

In the preparation and presentation of the accompanying financial statements, COFIDE's Management has complied with SBS regulations in force in Peru. The accounting principles and practices as of December 31, 2023 have not changed significantly with respect to the principles followed as of December 31, 2022 as summarized in the audited report dated May 4, 2023.

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## Notes to the financial statements (continue)

The main accounting principles used in the preparation of these financial statements are presented below.

(a) Basis of presentation, use of estimates and accounting changes

(i) Basis of presentation and use of estimates

The accompanying financial statements have been prepared in soles based on COFIDE's accounting records, which are kept in nominal monetary terms as of the date of the transactions, in accordance with SBS regulations in force in Peru as of December 31, 2023 and 2022, and supplementarily, when there is no specific SBS regulation, with the International Financial Reporting Standards - IFRS officialized in Peru through resolutions issued by the Peruvian Accounting Standards Board (CNC) and in force as of December 31, 2023 and 2022, see paragraph (b.1) below.

The preparation of the accompanying financial statements requires management to make estimates that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of significant events in the notes to the financial statements. Estimates are continually evaluated and are based on historical experience and other factors. Actual results could differ from those estimates. The effects related to estimates are recorded in income statement accounts, beginning in the year in which the subsequent revision is made.

The most significant estimates in connection with the accompanying financial statements relate to:

- Determination of the fair value of investments
- Allowance for loan losses on loans and receivables
- Provision for realizable assets, received in payment and foreclosed assets
- Useful life of property, furniture and equipment and intangible assets
- Provision for income tax
- Deferred income tax
- Determination of fair value of derivative financial instruments
- Impairment of non-monetary assets
- Provision for contingencies

The accounting criteria for these estimates are described in this note.

(ii) Changes in accounting policies and new pronouncements

As a result of the situation faced by the country in 2022, on December 22, 2022, the SBS issued Multiple Official Letter No. 54961-2022-SBS, whereby it empowered financial institutions to reschedule their retail customers that have been affected by the social conflicts that the country has been going through since December 2022, Additionally, on January 25, 2023 and March 15, 2023, it issued Multiple Official No. 3583-2023 and



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### Notes to the financial statements (continue)

12174-2023, respectively, whereby it established measures related to social conflicts and declarations of State of Emergency at a national level. In order to access these reschedules, the customer must comply with the following conditions: be classified as Normal or With Potential Problem (CPP), must not be in arrears for more than 30 days and the rescheduled term cannot be extended for more than six months.

As of December 31, 2023, COFIDE has not rescheduled loans related to social conflicts.

On the other hand, as mentioned in note 1(c), as a result of the situation derived from the Covid-19 pandemic, the SBS issued a series of Oficios Múltiples, which are no longer in effect and which established exceptional measures to grant facilities to reschedule loans and suspend the counting of days in arrears.

In this regard, as of December 31, 2023 and 2022, the balance of rescheduled loans related to these multiple trades amounted to approximately S/602 million and S/857 million, respectively.

(b) New pronouncements -

(b.1) IFRS issued and in force in Peru as of December 31, 2023:

During 2023, the Accounting Standards Board (hereinafter "ASB") issued the following resolutions:

- Resolution N°001-2023-EF/30 issued on March 30, 2023, approving the amendment to International Accounting Standard - IAS 1 Presentation of Financial Statements and International Financial Reporting Standard - IFRS 16 Leases.
- Resolution N°002-2023-EF/30 issued on June 23, 2023, approving the Complete Set of International Financial Reporting Standards version 2023, as well as the Conceptual Framework for Financial Reporting.
- Resolution N°003-2023-EF/30 issued on August 16, 2023, approving the Pre-publication of the Peruvian Financial Reporting Standard for Micro-enterprises.
- Resolution N°004-2023-EF/30 issued on December 05, 2023, approving the use of the amendments to International Accounting Standard - IAS 12 Income Taxes, International Financial Reporting Standard - IFRS 1 First-time Adoption of International Financial Reporting Standards, International Accounting Standard - IAS 7 Statement of Cash Flows, International Financial Reporting Standard - IFRS 7 Financial Instruments: Disclosures and International Financial Reporting Standard - IAS 21 The Effects of Changes in Foreign Exchange Rates.

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### Notes to the financial statements (continue)

(b.2) IFRS issued internationally but not effective as of December 31, 2023:

- IFRS S1 - General Requirements for Financial Disclosures Related to Sustainability. Effective for periods beginning on or after January 1, 2024 and is required to include comparative figures. Earlier application is permitted, provided that the entity also applies IFRS S2 Climate-related Disclosures.
- IFRS S2 - Climate-related disclosures. Effective for annual periods beginning on or after January 1, 2024 and is required to include comparative figures. Earlier application is permitted, provided that the entity also applies IFRS S2 Climate-related Disclosures.
- Amendments to IFRS 16 - Leases: Leases with option to sell and leaseback. The amendments are effective for annual periods beginning on or after January 1, 2024 and should be applied retrospectively.
- Amendments to IAS 1 - Presentation of Financial Statements: Non-current Liabilities with Covenants. The amendments are effective for annual periods beginning on or after January 1, 2024 and should be applied retrospectively.
- IFRS 17 - Insurance Contracts. Effective for annual periods beginning on or after January 1, 2023 and is required to include comparative figures. Earlier application is permitted, provided that the entity also applies IFRS 9 and IFRS 15 at the date on which it first applies IFRS 17.
- Amendments to IAS 1 - Presentation of Financial Statements: Classification of liabilities as current and non-current. The amendments are effective for annual periods beginning on or after January 1, 2023 and should be applied retrospectively.

Since the standards detailed in paragraphs (b.1) and (b.2) only apply in supplementary form to those developed by SBS standards, they will have no effect on the preparation of the accompanying financial statements, unless the SBS adopts them in the future by amending the Accounting Manual for Financial System Companies or issuing specific standards.

(c) Functional and presentation currency

COFIDE considers the sol as its functional and presentation currency, since it reflects the nature of the economic events and circumstances relevant to COFIDE, given that its main operations and/or transactions such as: loans granted, financing obtained, interest income and expenses, as well as the main purchases, are established and settled in soles.

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### Notes to the financial statements (continue)

Transactions and balances in foreign currency -

Assets and liabilities denominated in foreign currency are recorded at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to soles at the end of each month using the exchange rate set by the SBS (note 26). Gains or losses resulting from the restatement of monetary assets and liabilities denominated in foreign currency at the exchange rates in effect at the date of the statement of financial position are recorded in income for the year as "Net gain on exchange differences and foreign exchange transactions" under the caption "Results on financial transactions", see note 17.

(d) Financial instruments - *Recognition of financial instruments:*

Financial instruments are defined as any contract that simultaneously gives rise to a financial asset in one company and a financial liability or equity instrument in another company.

Financial instruments are recognized on the date on which they are originated (trade date) and are classified as assets, liabilities or equity according to the substance of the contractual agreement that gave rise to them. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or liability are recorded as income or expense in the statement of income. Payments to holders of financial instruments recorded as equity are recorded directly in equity.

Gains arising from the transfer of loan portfolios are recognized as income; however, in the case of swap or financed transfers, such gains are recognized as deferred income, which is accrued on the basis of the monetary income obtained from the realization of the assets received in exchange, or proportionally to the receipt of payment from the purchaser of the transferred loan portfolio. Losses arising from portfolio transfers are recognized at the time of transfer.

*Classification of financial instruments:*

COFIDE classifies its financial instruments in one of the categories defined by the SBS standard: (i) loans and receivables, (ii) available for sale investments and (iii) other financial liabilities.

COFIDE determines the classification of financial instruments upon initial recognition and on an instrument-by-instrument basis.

The classification of financial instruments at initial recognition depends on the purpose and intent of management for which the financial instruments were acquired and their characteristics. All financial instruments are initially recognized at fair value plus incremental costs related to the transaction that are directly attributable to the purchase or issuance of the instrument, except in the case of financial assets or liabilities carried at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of the assets within a period established in accordance with market regulations or conventions (regular market terms) are recognized at the trade date.

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### Notes to the financial statements (continue)

#### *Derecognition of financial assets and liabilities:*

##### *Financial assets*

A financial asset (or when applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when: (i) the rights to receive cash flows from the asset have terminated; or (ii) COFIDE has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay all cash flows received immediately in full to a third party under a transfer agreement; and (iii) COFIDE has transferred substantially all the risks and rewards of the asset or, if it has neither transferred nor retained substantially all the risks and rewards of the asset, its control has been transferred.

##### *Financial liabilities*

A financial liability is derecognized when the payment obligation is terminated, cancelled or expires. When an existing financial liability is replaced by another from the same borrower on significantly different terms, or the terms are significantly modified, such replacement or modification is treated as a derecognition of the original liability and a new liability is recognized, with the difference between the two recognized in profit or loss for the period.

#### *Impairment of financial assets - Impairment of financial assets*

COFIDE assesses at the end of each period the objective existence of impairment of an asset or group of financial assets.

A financial asset or a group of financial assets is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset ("loss event") and if such loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications of significant financial difficulties of the borrowers or group of borrowers, default or delays in interest or principal payments, likelihood of corporate restructuring or bankruptcy or other legal financial reorganization process in which it is demonstrated that there will be a reduction in estimated future cash flows, such as changes in circumstances or economic conditions that have correlation in payment defaults.

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legal right to offset them and management intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

As of December 31, 2023 and 2022, COFIDE does not present any financial assets or liabilities for a net amount; nor does it present gross amounts subject to rights of set-off.

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### Notes to the financial statements (continue)

(e) Derivative financial instruments

Derivative financial instruments are those that meet the following conditions:

- (a) Their fair value fluctuates in response to changes in the level or price of an underlying asset,
- (b) Do not require a net initial investment or require only a lower investment than would be required in contracts that respond similarly to changes in market variables and
- (c) Are settled at a future date.

COFIDE classifies and records for accounting purposes the derivative financial instruments contracted in accordance with the provisions of Resolution SBS N°1737-2006 "Regulations for the Trading and Accounting of Derivative Financial Products in Financial System Companies" and its amendments, which establishes the criteria for the accounting recording of derivative transactions classified as trading or hedging, as well as embedded derivatives, as explained below:

At the time of their initial recording on the trade date, derivative financial instruments must be classified in one of the following two categories:

*Derivative financial instruments for trading*

Derivative financial instruments are initially recognized in the Bank's statement of financial position at cost and are subsequently carried at fair value, recognizing an asset or liability in the statement of financial position, and the corresponding gain or loss in the statement of income. Likewise, transactions with derivative financial instruments are recorded in off-balance sheet accounts at their reference value in the committed currency.

Fair values are obtained based on exchange rates and market interest rates.

*Derivative financial instruments for hedging purposes*

A derivative financial instrument that seeks to achieve an economic hedge of a given risk is designated for accounting purposes as a hedge if, at the date of its negotiation, it is expected that the changes in its fair value or in its cash flows will be highly effective in offsetting the changes in the fair value or in the cash flows of the hedged item directly attributable to the hedged risk from the beginning, which must be documented at the negotiation of the derivative financial instrument and during the term of the hedge. A hedge is considered highly effective if the changes in fair value or cash flows of the hedged instrument and the instrument used as a hedge are expected to be within a range of 80 to 125 percent.

If the SBS considers the documentation unsatisfactory or finds weaknesses in the methodology used to measure whether the hedge is effective, it may require its dissolution and the registration of the derivative financial product as a trading financial product.

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### Notes to the financial statements (continue)

- (i) Fair value hedge - Fair value hedge - Fair value hedge - Fair value hedge - Fair value hedge  
- Fair value hedge

Changes in the fair value of the hedging derivative financial instrument and the hedged item, from the time of designation of the hedge and provided that the hedge is effective, are recognized in the separate statement of income.

Changes in the fair value of the hedged item (gain or loss on valuation) are recorded as accounts receivable or accounts payable, as appropriate, in the separate statement of financial position.

- (ii) Cash flow hedges - Cash flow hedges

Cash flow hedges are measured and recognized at fair value and may impact both equity accounts and income statement accounts. The effective portion of the fair value adjustment is recognized in equity accounts (in the separate statement of income and other comprehensive income). The ineffective portion is recognized in the separate statement of income.

For both types of hedges, if the derivative expires, is sold, terminates or is exercised, or no longer meets the criteria for hedge accounting, the hedging relationship is terminated prospectively and the balances recorded in the separate statement of financial position and in the separate statement of income and other comprehensive income, as appropriate, are transferred to the separate statement of income over the term of the hedged item.

- (f) Accounts receivable and allowance for loan losses

Receivables are recorded when funds are disbursed to customers. Indirect credits (contingent) are recorded when the documents that support such credit facilities are issued and could become direct credits in the event a payment is made to third parties. Also, refinancing or restructuring is considered to be any direct credit in which there are changes in the term of the contract due to difficulties in the debtor's ability to pay.

In accordance with Supreme Decree N°218-2023-EF, dated October 8, 2023, COFIDE's financing policy is as follows:

- The maximum financing participation of both direct credits and indirect credits will be up to 25 percent of the total project financing.  
Exceptionally, up to 50 percent of the total project financing may be financed, provided that it is specialized financing and the operation has been approved by COFIDE's Board of Directors.

Leasing transactions arising from portfolio assignment agreements are accounted for as loans in accordance with current SBS regulations.

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### Notes to the financial statements (continue)

(i) Types of receivables -

In accordance with SBS Resolution No. 11356-2008 "Regulations for the Evaluation and Classification of the Debtor and the Requirement of Provisions", as amended, loans are classified as follows: Corporate loans, loans to large companies, loans to medium-sized companies, loans to small companies, loans to microenterprises (MES), revolving consumer loans, non-revolving consumer loans and home mortgage loans. These classifications take into consideration the nature of the client (corporate, government or individuals), the purpose of the loan, and the size of the business measured by income, indebtedness, among other qualitative and quantitative indicators.

(ii) Accounting status of receivables

In accordance with the Accounting Manual, direct loans are classified as follows according to their status:

Current loans:

These are loans granted in their different modalities, whose payments are up to date, in accordance with the agreement.

Restructured loans:

They are loans or direct funding, regardless of its modalities, subject to the rescheduling of payments approved in the restructuring process, ordinary or preventive bankruptcy, as the case may be, in accordance with the General Law of the Bankruptcy System approved by Law No. 27809.

Refinanced loans:

These are those loans, in their different modalities, in which there are variations in the term and/or amount of the original contract due to difficulties in the debtor's ability to pay.

Past due loans:

These are loans that have not been settled or amortized by the obligors on the due date. Includes credits originated by amounts disbursed by COFIDE in the event of default by the client, for operations whose payment has been guaranteed by COFIDE and/or by letters of credit issued and confirmed and assumed by COFIDE.



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Notes to the financial statements (continue)

The time periods for a loan to change from current to past due are presented below:

Type of credit / Product	Days in arrears
Sovereign loans, loans to multilateral development banks, loans to public sector entities, loans to securities intermediaries, loans to financial system companies, corporate loans, and loans to large and medium-size companies.	After fifteen (15) calendar days of the expiration of any of the agreed installments.
Loans to small and micro-enterprises.	After thirty (30) calendar days from the maturity of any of the agreed installments.
Consumer loans (revolving and non-revolving) and home mortgages, leasing and real estate capitalization contracts, regardless of the type of loan.	Step treatment. After thirty (30) calendar days of non-payment on the agreed date, only the unpaid portion shall be considered past due; while after ninety (90) calendar days of default in any of the agreed installments, the entire debt shall be considered past due.
Current account overdrafts, regardless of the amount and type of credit	As of the thirty-first (31st) calendar day after the overdraft has been granted

Lawsuit loans:

These are loans for which the company has initiated legal collection actions. The demand for legal collection, unless there are technical and legal reasons, begins within a period of 90 calendar days of having recorded the loan as past due.

Rescheduled loans:

Through Multiple Official Communication No. 5345 - 2010-SBS, the SBS has specified that, in certain situations, it is to be expected that the volatility of debtors' income will increase, which may generate a mismatch between their expected cash flows and the originally agreed payment schedules. To the extent that these events or situations are of a temporary nature and do not compromise the debtor's viability, an adjustment of the originally agreed contractual conditions should not represent a loss of the client's ability to pay; therefore, such modifications do not constitute a refinancing.

These cases must be evaluated by the companies of the financial system on an individual basis and support their decision by incorporating the risk evaluations and the respective documentation in the debtor's file, which must be available to the SBS.

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### Notes to the financial statements (continue)

If income volatility structurally affects the debtor's viability, or the debtor is in arrears, modifications to the contractual conditions will be considered to be due to a deterioration in the debtor's ability to pay, and the contractual modifications should be considered refinancings.

(iii) Credit risk rating categories -

The classification categories established by the SBS are as follows: normal, with potential problem, deficient, doubtful and loss, the same that for the case of the non-retail loan portfolio (corporate, large and medium-sized companies) are determined mainly by the debtor's payment capacity, its cash flow, the degree of compliance with its obligations, the classification assigned by other entities of the financial system, the debtor's financial situation and the quality of the client's management team; while for the retail loan portfolio (small business, microenterprise, consumer (revolving and non-revolving) and home mortgage), the classification is determined based on compliance with loan payments reflected in days past due and their classification by other companies in the financial system.

(iv) Provision for uncollectible accounts -

The allowance for loan portfolio uncollectibility is determined in accordance with the criteria and percentages established in SBS Resolution No. 11356-2008 "Regulations for the Evaluation and Classification of the Debtor and the Requirement of Allowances" as amended, taking into account the types of loans, the guarantees provided and the debtor's classification categories.

Through SBS Official Letter No. 712-2017, dated January 6, 2017, the SBS determined that the credits "Participations Agreements" should be considered as portfolio transfer operations, within the framework of the provisions of Article 4º of the Regulations for the Transfer and Acquisition of Loan Portfolio (SBS Resolution No. 1308-2013). In this sense, the "Participation Agreements" loans were recorded as of the 2017 period as direct debtors of COFIDE without considering the financial intermediary (foreign banks) as a debtor.

In accordance with current regulations, COFIDE makes two types of provisions for the loan portfolio: generic and specific provisions.

The general allowance is recorded on a preventive basis for direct and indirect loans and, additionally, the procyclical component when the SBS indicates its application. In COFIDE, the generic provision also includes voluntary provisions.

Specific provisions are those made on direct loans and the equivalent exposure to credit risk of indirect loans of debtors classified in a higher risk category than the normal category.

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## Notes to the financial statements (continue)

In accordance with internal policies permitted by the SBS, COFIDE establishes voluntary generic provisions for the loan portfolio, the level of which depends on Management's evaluation of the country's macroeconomic variables and their impact on the IFIs and debtors in general, see note 6.

In this regard, the document "Guidelines for the Allocation of Voluntary Provisions" (hereinafter the "Guidelines") approved by COFIDE's Board of Directors on November 25, 2015, consolidates Board Resolutions N° 066-2005, N° 003-2007 and N° 095-2010 and establishes the operability of the allocation of voluntary provisions taking into consideration the following order of priority:

- (a) For credit risk derived from foreign exchange risk-RCDC: Calculated based on the RCDC classification obtained semiannually by each final debtor and IFIs.
- (b) For ultimate obligors of a financing, corporate, specialized or structured: Calculated based on the ultimate obligor classification and the allowance rates associated with each classification in the following table:

Ranking	Minimum provisioning rate %
Normal	0.70
With potential problems	5.00
Deficient	25.00
Doubtful	60.00
Loss	100.00

- (c) For the assigned portfolio: Calculated based on the balance of loans in the assigned portfolio classified in the category of substandard, doubtful, loss, as well as in the restructured or refinanced accounting situation.
- (d) For financial institutions: Calculated on the basis of loans net of guarantees from rural savings and loan associations, municipal savings and loan associations, credit companies, finance companies, leasing companies, cooperatives and banks:

In order of priority	Percentage of provision up to %
Rural savings and credit banks	50
Municipal savings and credit banks	30
Credit companies	30
Financial	30

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## Notes to the financial statements (continue)

In order of priority	Percentage of provision up to %
Leasing Companies	30
Cooperatives	40
Banks	35

Provisioning requirements are determined based on the risk classification of the financial intermediary, whether or not it is backed by collateral, and on the type of collateral provided.

Additionally, in compliance with SBS Resolution No. 041-2005 "Regulations for the Management of Foreign Exchange Credit Risk", COFIDE evaluates the foreign exchange credit risk exposure for the foreign currency loan portfolio and establishes provisions determined in accordance with SBS requirements.

COFIDE uses the aforementioned criteria to establish the specific allowance for accounts receivable for assigned loan portfolio, included in the caption "Accounts receivable, net" (note 7(b)).

As of December 31, 2023 and 2022, provisions are determined in accordance with SBS requirements. The minimum percentages required for the constitution of provisions are shown below:

Risk category	No collateral %	Preferred collateral %	Preferred easily realizable collateral %	Self-liquidating preferred collateral %
<b>Normal</b>				
Corporate loans	0.70	0.70	0.70	0.70
Loans to large companies	0.70	0.70	0.70	0.70
Loans to medium-sized companies	1.00	1.00	1.00	1.00
Loans to small companies	1.00	1.00	1.00	1.00
Loans to microenterprises	1.00	1.00	1.00	1.00
Revolving consumer loans	1.00	1.00	1.00	1.00
Non-revolving consumer loans	1.00	1.00	1.00	1.00
Home mortgage loans	0.70	0.70	0.70	0.70
Potential problem	5.00	2.50	1.25	1.00
Deficient	25.00	12.50	6.25	1.00
Doubtful	60.00	30.00	15.00	1.00
Loss	100.00	60.00	30.00	1.00

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### Notes to the financial statements (continue)

As of December 31, 2023 and 2022, the procyclical rule for loan portfolio provisioning is deactivated, according to SBS Circular No. B-2224-2014. By means of SBS Resolution No. 3718-2021 and its amendment SBS Resolution 03954-2022, which modified the Regulation for the Evaluation and Classification of the Debtor and the Requirement of Provisions", modifications were made to the criteria for the activation of procyclical provisions, establishing that the same may be activated as of June 30, 2024.

Provisions for direct loans are presented as a deduction from the corresponding asset balance, see note 6, while the provision for indirect loans is presented as a liability, see note 11.

The SBS exceptionally established to apply a credit risk provision rate of zero percent to the portion of loans covered by the guarantee of government programs, see note 1(d).

- (g) Investments -  
COFIDE applies the criteria for recording and valuation of investments in securities established in SBS Resolutions N°7033-2012, SBS N°2610-2018 and their respective amendments.

Investments may be classified as: investments at fair value through profit or loss, available for sale investments and held to maturity investments. COFIDE only presents investments classified in the following category:

- (i) Available for sale investments  
This category includes those securities on which management intends to trade and generate returns from trading prior to maturity. This category includes all investment instruments that are not classified as investments at fair value through profit or loss or held to maturity investments. In accordance with the provisions of SBS Resolution No. 7033-2012 "Regulations for the Classification and Valuation of Investments of Financial System Companies", as amended, the initial recording is made at fair value, including transaction costs that are directly attributable to the acquisition.

These investments are initially recorded at fair value, including transaction costs directly attributable to the acquisition. Subsequent measurement of these investments is at fair value; in the case of equity instruments that do not have quoted prices in active markets and whose fair value cannot be reliably estimated, they must be measured at cost. Likewise, in the case of debt instruments, prior to measurement at fair value, their amortized cost must be restated and the gain or loss from changes in fair value must be recognized.

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### Notes to the financial statements (continue)

The valuation is carried out at fair value and the gain or loss arising from the fluctuation in fair value is recognized in equity until the instrument is sold or realized, at which time it is transferred to income for the year, except for impairment losses, which are recorded in income.

Exchange gains or losses related to equity instruments are recognized in the "Unrealized gains or losses" account in shareholders' equity, while those related to debt instruments are recognized in income for the period.

Interest income from available for sale investments is recognized using the effective interest rate method, considering the term of the instrument. Premiums or discounts derived from the purchase are considered in the calculation of the effective interest rate.

Dividends are recognized in the separate statement of income when the right to receive payment is established.

#### *Investment in the Andean Development Corporation - CAF*

In accordance with IAS 39 and the Regulations for the Classification and Valuation of Investments of Financial System Companies (SBS Resolution No. 7033-2012), investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Within the framework of the IFRS harmonization process and taking as a reference SBS Official Letter No. 45853-2012 issued by the SBS on December 5, 2012, which indicates the treatment of investments based on IFRS, COFIDE maintains this investment as "Available for sale Investments", taking as cost value, the equivalent to the last value recorded in books and which was reported by COFIDE to the SBS as of December 31, 2012. Likewise, the SBS authorized through SBS Official Letter No. 32034 - 2017 the realization of the unrealized gain up to 2012, net of its deferred income tax (note 5).

#### (ii) Held to maturity investments

The initial accounting record is made at fair value, including transaction costs directly attributable to their acquisition. They are valued at amortized cost, using the effective interest rate method.

Interest is recognized using the effective interest rate methodology, which incorporates both the interest to be collected and the amortization of the premium or discount on acquisition.

The difference between the proceeds received from the disposal of the investments and their book value is recognized in the statement of income.

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### Notes to the financial statements (continue)

#### Impairment evaluation -

SBS Resolution No. 7033-2012 and its respective amendments, as well as SBS Resolution No. 2610-2018, establish a standard methodology for the identification of impairment of available for sale and held to maturity investments. Said methodology is applied quarterly to all instruments representing debt and equity as follows:

(i) Debt instruments:

At the end of each quarter, for the entire debt portfolio, the following occurrences should be evaluated:

1. Weakening in the financial situation or financial ratios of the issuer and its economic group.
2. Downgrade in any of the instrument's or issuer's credit ratings, in at least two (02) "notches", from the moment the instrument was acquired; where a "notch" corresponds to the minimum difference between two risk ratings within the same rating scale.
3. Interruption of transactions or of an active market for the financial asset, due to financial difficulties of the issuer.
4. Observable data indicate that, since the initial recognition of a group of financial assets with similar characteristics to the instrument evaluated, there is a measurable decrease in their estimated future cash flows, although it cannot yet be identified with individual financial assets of the group.
5. Decrease in value due to regulatory changes (tax, regulatory or other governmental).
6. Significant decrease in fair value below its amortized cost. It is considered as a significant decrease if the fair value at the closing date has decreased at least 40 percent below its amortized cost at that date.
7. Prolonged decline in fair value. It is considered as a prolonged decline if the fair value at the closing date has decreased by at least 20 percent compared to the amortized cost twelve (12) months earlier and, the fair value at the closing date of each month during the previous twelve (12) month period, has always remained below the corresponding amortized cost at the closing date of each month.

The fair value to be used for purposes of evaluating criteria 6 and 7 is that considered for purposes of valuing available for sale debt instruments, in accordance with the criteria established by the aforementioned Resolution, regardless of the accounting classification of the debt instrument. However, if the decrease in the fair value of the debt instrument is entirely the result of an increase in the risk-free interest rate, this decrease should not be considered as an indication of impairment.

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### Notes to the financial statements (continue)

If at least two (2) of the situations described above are met, impairment is considered to exist. If at least two (2) of the situations described above have not been met, it will be sufficient if any of the following specific situations are present to consider that there is impairment:

- (a) Failure to comply with contractual clauses, such as interruption in the payment of interest or principal.
- (b) Renegotiation of the contractual conditions of the instrument due to legal factors or financial problems related to the issuer.
- (c) Evidence that the issuer is in the process of forced restructuring or bankruptcy.
- (d) When the risk rating of an instrument that was classified as investment grade is downgraded to a rating that is below investment grade.

(ii) Equity instrument:

At the end of each quarter, for all equity instruments, the following occurrences should be evaluated:

- 1. When the risk rating of any debt instrument of the issuer that was classified as investment grade is downgraded to a rating below investment grade.
- 2. Significant changes have occurred in the technological, market, economic or legal environment in which the issuer operates, which may have an adverse effect on the recovery of the investment.
- 3. Weakening in the financial situation or ratios of the issuer and its economic group.
- 4. Interruption of transactions or of an active market for the financial asset, due to financial difficulties of the issuer.
- 5. Observable data indicate that, since the initial recognition of a group of financial assets similar to the instrument evaluated, there is a measurable decrease in their estimated future cash flows, even though it cannot yet be identified with individual financial assets of the group.
- 6. Decrease in value due to regulatory changes (tax, regulatory or other governmental).
- 7. If at least two (2) of the situations described above are met, impairment is considered to exist. If at least two (2) of the situations described above have not been met, it will be sufficient if any of the following specific situations are present to consider that there is impairment:

- (i) Significant decrease in fair value below its acquisition cost. It is considered as a significant decrease if the fair value at the closing date has decreased at least 40 percent below its cost. As cost or



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### Notes to the financial statements (continue)

- acquisition cost, the initial cost shall always be taken as a reference, regardless of whether an impairment of value has been previously recognized for the equity instrument analyzed.
- (ii) Prolonged decline in fair value. It is considered as a prolonged decline if the fair value at the closing date has decreased by at least 20 percent compared to the fair value twelve (12) months earlier and, the fair value at the closing date of each month during the previous twelve (12) month period, has always remained below the acquisition cost.
  - (iii) Failure of the issuer to comply with the provisions of the bylaws related to the payment of dividends.
  - (iv) Evidence that the issuer is in the process of forced restructuring or bankruptcy.

The fair value to be used for purposes of evaluating the situations indicated in paragraphs a) and b) is the fair value considered for purposes of valuing available for sale equity instruments, in accordance with the guidelines established in the aforementioned Resolution. The aforementioned paragraphs a) and b) are not applicable to equity instruments classified in the available for sale category and valued at cost due to the absence of a reliable fair value.

On the other hand, if the SBS considers that it is necessary to establish any additional provision for any type of investment, such provision shall be determined on a security-by-security basis and shall be recorded in the income statement for the year in which the SBS requests such provision.

As of December 31, 2023, COFIDE has recognized an impairment loss of S/3 million on its investments in commercial paper (as of December 31, 2022, COFIDE recognized an impairment loss of S/3 million on commercial paper), see note 5(c).

#### Recognition of exchange rate differences -

Exchange gains or losses related to the amortized cost of debt instruments affect income for the year and those related to the difference between amortized cost and fair value are recorded as part of the unrealized gain or loss in equity. In the case of equity instruments, these are considered non-monetary items and, consequently, are maintained at historical cost in local currency; therefore, exchange differences are part of their valuation and are recognized in unrealized gains or losses in equity.

#### Changes in the classification category -

In the case of changes from available for sale to held to maturity investments, the carrying amount of the fair value of the investment instrument at the date of the change will be converted to its new amortized cost. Any previous results of that instrument, which

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Notes to the financial statements (continue)

had previously been recognized directly in equity, are taken to profit or loss for the period over the remaining life of the held to maturity investment, using the effective interest rate method. Any difference between the new amortized cost and the amount at maturity is also amortized over the remaining life of the investment instrument using the effective interest rate method, similar to the amortization of a premium or discount. If the investment instrument subsequently becomes impaired, any gain or loss that would have been recognized directly in equity will be transferred and recognized in profit or loss for the period. During 2023 and 2022, COFIDE did not make any reclassifications.

- (h) Property, furniture and equipment -  
Property, furniture and equipment are stated at historical cost less depreciation and accumulated impairment losses recognized. Initial expenditures, as well as those incurred subsequently, related to assets whose cost can be measured reliably and it is probable that future economic benefits will be obtained from them, are recognized as property, furniture and equipment.

Disbursements for maintenance and repairs are recognized as an expense in the period in which they are incurred. Gains or losses resulting from the sale or retirement of an item of property, furniture and equipment are determined as the difference between the proceeds from the sale and the carrying amount of the asset, which are recognized in profit or loss for the year at the time the sale is deemed to be completed.

Depreciation is calculated based on the straight-line method over the estimated useful lives of the various assets. The estimated useful lives are shown below:

Item	Years
Buildings	33 years
Facilities, furniture and fixtures	10 years
Transportation units	5 years
Miscellaneous equipment	4 and 10 years

- (i) Available for sale, received in payment and foreclosed assets  
Assets received in payment and foreclosed are recorded at the lower amount resulting from the comparison between the foreclosure value or value agreed in the dation in payment contract and the net realizable value. Assets recovered by termination of the contract, if any, are initially recorded at the lower of the unpaid value of the debt and the net realizable value. If the unpaid balance of the debt is greater than the recovered asset, the difference is recognized as a loss, provided that there is no likelihood of recovery.

Also, in accordance with SBS Resolution No. 1535-2005 "Regulations for the treatment of foreclosed and repossessed assets and their provisions" and its amendments, COFIDE must establish the following provisions:

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### Notes to the financial statements (continue)

- 20 percent of the value on the date of award or recovery for all assets received.
- For real estate, a uniform monthly provision must be recorded within a maximum period of 42 months, based on the net value obtained in the twelfth or eighteenth month of its foreclosure or repossession, depending on whether the SBS extension has been granted, and up to 100% of the book value of the property. On an annual basis, the net book value of the real estate is compared with the realizable value determined by an independent appraiser and, if this value is lower, an allowance for impairment is recorded.
- For assets other than real estate, the remaining balance is provisioned over a period not exceeding 18 or 12 months, depending on whether the SBS has extended the period.

Impairment is recognized when these assets suffer a decrease in their fair value (when the net realizable value is less than the net book value) and therefore the book value will be reduced and the loss must be recognized in the statement of income. If the net realizable value is higher than the net book value, the higher value cannot be recognized in the accounting records.

#### (j) Intangible assets - Intangible assets

Intangible assets with finite useful lives acquired separately are recorded at acquisition cost net of accumulated amortization and any accumulated impairment losses.

Amortization is calculated based on the straight-line method over the useful life estimated by COFIDE. Estimates of useful lives and amortization methods are reviewed at the end of each reporting period to evaluate possible significant changes in previous expectations or in the expected pattern of future economic benefits of such assets, incorporating prospectively the effects of any changes in these estimates against net income or loss for the period in which they are made.

Acquired software licenses are capitalized based on the costs incurred to acquire or put into use the specific software. These costs are amortized using the straight-line method over their estimated useful life. The useful life has been estimated to be between 3 and 5 years.

Costs related to the development or maintenance of computer software are recognized as expenses when incurred. Costs incurred in the development of computer software recognized as assets are amortized over their estimated useful lives.

#### (k) Impairment of non-financial assets

COFIDE periodically reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that such assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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### Notes to the financial statements (continue)

Recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is determined based on estimated future cash flows discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss may be subsequently reversed and recognized in income for the period, up to the amount by which the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years.

- (I) Accounts payable and outstanding securities, bonds and debentures  
Liabilities for debts and outstanding securities, bonds and debentures (from the issuance of corporate, senior and subordinated bonds) are recorded at their nominal value, recognizing accrued interest in the statement of income.

Premiums or discounts granted on the placement of bonds and debentures are deferred and amortized over their term.

Intermediated exchange of Bonds:

Evaluation of a derecognition of financial liabilities accounts

COFIDE shall eliminate a financial liability (or part thereof) from its statement of financial position when, and only when, it has been extinguished. That is, when the obligation specified in the corresponding contract has been paid or cancelled, or has expired.

The difference between the carrying amount of a financial liability (or part thereof) that has been cancelled or transferred to a third party and the consideration paid, which includes any asset transferred other than cash or liability assumed, is recognized in profit or loss for the period.

If COFIDE repurchases a portion of a financial liability, it shall allocate its previous carrying amount between the portion it continues to recognize and the portion it derecognizes, based on the relative fair values of the two at the repurchase date. The difference between (a) the carrying amount assigned to the part derecognized and (b) the consideration paid, including any assets transferred other than cash and any assets assumed, for the part derecognized, is recognized in profit or loss.

An exchange between a lender and a borrower of debt instruments with substantially different terms is accounted for as a cancellation of the original financial liability and a new financial liability is recognized. The same shall be done when there is a substantial modification of the current conditions of a financial liability or part thereof (regardless of whether or not it is attributable to the debtor's financial difficulties).

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### Notes to the financial statements (continue)

(m) Income tax -

Current income tax is calculated based on taxable income determined for tax purposes, which is determined using criteria that differ from the accounting principles used by COFIDE.

Likewise, COFIDE has recorded deferred income tax; considering the guidelines of IAS 12 - Income Taxes. Deferred income tax reflects the effects of temporary differences between the balances of assets and liabilities for accounting purposes and those determined for tax purposes. Deferred assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which these differences are recovered or eliminated. The measurement of deferred assets and liabilities reflects the tax consequences arising from the manner in which it is expected, at the date of the statement of financial position, to recover or settle the value of the assets and liabilities.

Deferred assets and liabilities are recognized regardless of when the temporary differences are expected to be reversed. Deferred assets are recognized when it is probable that sufficient future taxable profit will be available against which the deferred asset can be utilized. At the date of the statement of financial position, management evaluates unrecognized deferred assets and the balance of recognized deferred assets; recording a previously unrecognized deferred asset to the extent that it is probable that future tax benefits will allow its recoverability or reducing a deferred asset to the extent that it is not probable that sufficient future tax benefits will be available to allow part or all of the deferred asset recognized for accounting purposes to be utilized.

In accordance with IAS 12, the Bank determines its deferred income tax based on the tax rate applicable to its retained earnings, recognizing any additional tax on dividend distributions at the date the liability is recognized.

(n) Employee benefits

(i) Short-term benefits

Employee benefits include, among others, short-term benefits, such as salaries and social security contributions, annual paid absences, paid sick leave and profit sharing and incentives, if they are paid within twelve months after the end of the period. These benefits are recognized against profit or loss for the period in which the employee has rendered the services that give them the right to receive them.

The related obligations payable are presented as part of other liabilities.

*Employee profit sharing*

COFIDE recognizes a liability and an expense for employee profit sharing based on 5 percent of taxable income determined in accordance with current tax legislation.

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### Notes to the financial statements (continue)

#### *Vacation and other benefits*

Annual employee vacations, paid absences and other employee benefits are recognized on an accrual basis considering their probability of occurrence. The provision for the estimated obligation resulting from services rendered by employees is recognized at the date of the statement of financial position.

#### *Compensation for service time*

The provision for compensation for employee's time of service is constituted by the full amount of the compensation rights in accordance with the legislation in force. Payments made in cancellation are deposited in the bank chosen by the employee.

#### (o) Provisions - Provisions

A provision is recognized only when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that resources will be required to settle the obligation and, at the same time, the amount of the obligation can be reliably estimated. Provisions are reviewed each period and adjusted to reflect the best estimate at the date of the statement of financial position. When the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be incurred to settle the obligation.

#### (p) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in notes to the financial statements, unless the possibility of an economic flow being disbursed is remote. A contingent asset is not recognized in the financial statements, but is disclosed when its degree of contingency is probable.

#### (q) Dividend distributions -

The distribution of cash dividends is recognized as a liability in the financial statements in the year in which the dividends are approved by COFIDE's shareholders.

#### (r) Revenue and expense recognition

Interest income and expenses and service fees are recognized in the results of the period in which they accrue, based on the term of the transactions that generate them and the interest rates freely agreed with the customers; except for interest generated by past-due, refinanced, restructured and judicial collection loans, as well as loans classified in the doubtful and loss categories, whose interest is recognized as earned as they are collected. When management determines that the debtor's financial condition has improved and the loan is reclassified to performing and/or normal, with potential problems or substandard, interest is again recognized on an accrual basis.

Income from available for sale investments, previously recognized in equity, is recognized in income for the period when the instrument is sold or realized.

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### Notes to the financial statements (continue)

Trust service fees are recognized as income when earned.

Other income and expenses are recorded in the year in which they accrue.

- (s) Fiduciary activity -  
Assets held by COFIDE in its capacity as trustee on behalf of financial institutions or Peruvian government entities are not included in the statement of financial position. These assets are maintained in the financial statements and are recorded in memorandum accounts of COFIDE.
- (t) Earnings per share -  
Basic earnings per share are calculated by dividing net income corresponding to stockholders by the weighted average number of shares outstanding during the period. For shares generated by capitalization of earnings, it is considered, for the calculation of the weighted average, that such shares were always outstanding during the period. As of December 31, 2023 and 2022, COFIDE does not have financial instruments with dilutive effect; therefore, basic and diluted earnings per share are the same, see note 16.
- (u) Reporting operation -  
COFIDE applies the criteria established in SBS Resolution No. 5790-2014 which establishes that securities sold under repurchase agreements at a specified future date are not derecognized from the statement of financial position because COFIDE retains substantially all the risks and rewards of ownership.

COFIDE recognizes the cash received and a liability recorded under accounts payable for the obligation to return such cash at maturity. Likewise, it will reclassify the value of the transaction in accordance with the provisions of the SBS. The accounting recording of the yields will depend on the agreement between the parties. The difference between the final amount and the initial amount will be recognized as an expense against a liability, in the term of the operation, applying the effective interest rate method.

As of December 31, 2023 and 2022, COFIDE carries out currency reporting transactions (notes 4(d) and 11(c)).

- (v) Cash and cash equivalents - Cash and cash equivalents  
Cash and cash equivalents presented in the statement of cash flows include cash on hand, interbank funds, as well as cash equivalents corresponding to short-term, highly liquid financial investments, easily convertible into cash and subject to an insignificant risk of changes in value, whose maturity date does not exceed 90 days from the date of acquisition. As established by the SBS, COFIDE prepares and presents this statement using the indirect method.

In the statement of financial position, bank overdrafts are reclassified to liabilities.

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## Notes to the financial statements (continue)

(w) Other comprehensive income - Other comprehensive income

As of December 31, 2023 and 2022, the components of the statement of comprehensive income correspond to the results from available for sale investments and cash flow hedges, net of the corresponding deferred income tax.

### 3. Restricted assets, note 4(d)

On June 29, 2018, the terms and conditions of the financing granted to COFIDE by American Family Life Assurance of Columbus - AFLAC were modified with a new maturity date of September 2023 (initially the maturity date was September 2031).

Due to the modification of the financing conditions (planned transaction), Management cancelled in advance ("unwind") the hedging derivative related to the financing and constituted an escrow account for JPY 9,000,000,000 (100 percent of the principal), equivalent to S/262,287,000 and for US\$4,391,000, equivalent to S/16,747,000, corresponding to one year of interest to guarantee the financing granted to COFIDE by AFLAC. As of December 31, 2023, the escrow account has been paid in full and the debt with AFLAC has been cancelled.

### 4. Cash and cash equivalents

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Central Reserve Bank of Peru - BCRP (b)	288,945	105,950
Current accounts (c)	201,266	86,953
Other cash and cash equivalents, see note 3 and item (d)	226,655	798,917
Accrued income from cash and cash equivalents	37	6
	<u>716,903</u>	<u>991,826</u>
Provision for country risk (e)	(27)	(26)
	<u>716,876</u>	<u>991,800</u>

(b) As of December 31, 2023, the balance includes US\$708,000, equivalent to S/2,625,000, and S/23,188,000 (US\$1,352,000, equivalent to S/5,156,000, and S/25,142,000 as of December 31, 2022) corresponding to the legal reserve that financial entities established in Peru must maintain for deposits and obligations with third parties. These funds are deposited with the BCRP. The reserve requirement funds representing the minimum legal reserve do not earn interest. The reserve funds corresponding to the additional reserve requirement will be remunerated at the interest rate established by the BCRP. In accordance with current legal regulations, reserve funds are not subject to seizure.



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### Notes to the financial statements (continue)

As of December 31, 2023, the balance also includes US\$56,500,000, equivalent to S/209,558,000 and S/53,500,000, for overnight deposits made with BCRP (US\$15,900,000, equivalent to S/60,643,000 and S/15,000,000, as of December 31, 2022) bearing interest at an effective annual rate of 5.3353 percent in foreign currency and 4.00 percent in local currency (4.3946 percent in foreign currency and 5.25 percent in local currency as of December 31, 2022). The overnight loans accrued interest during 2023 of US\$3,062,000 and S/268,000 (US\$616,000 and S/115,000 during 2022) and are included in the caption "Interest income from available funds" in the statement of income.

- (c) As of December 31, 2023 and 2022, current accounts comprise cash held in domestic and foreign banks for less than one year, in soles and foreign currency, which are freely available and earn interest at market rates.
- (d) As of December 31, 2023 and 2022, mainly corresponds to restricted deposits in foreign currency with the BCRP for US\$61,105,000, equivalent to S/226,638,000, and US\$136,305,000, equivalent to S/519,867,000, respectively, which guarantee reporting operations in local currency borrowed from the BCRP (note 11(c)). Also, as of December 31, 2022, this account includes the funds of the "Escrow" account with JP Morgan for JPY 9,000 million (100 percent of the principal) equivalent to S/262,287,000 and US\$4,391,000,000, equivalent to S/16,747,000, corresponding to 1 year of interest), see note 3 and 10(b)(iii).
- (e) Correspond to the provision for country risk, resulting from time deposits and current accounts held by COFIDE in foreign banks (subject to regulatory provision for country risk). This provision is made in accordance with the provisions of the SBS and COFIDE's internal policies.
- (f) During the years 2023 and 2022, interest income on the available funds amounted to S/14,767,000 and S/5,884,000, respectively, and is included in interest income in the separate statement of income, see note 14.

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## Notes to the financial statements (continue)

### 5. Available for sale and held to maturity investments

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<i>Available for sale investments -</i>		
CAF shares (b)	2,017,003	2,017,003
Investment funds	102,167	122,120
Shares in local and foreign companies	2,619	1,762
	<u>2,121,789</u>	<u>2,140,885</u>
<b>Equity instruments</b>		
Corporate bonds	987,158	958,994
Structured bonds	906,323	944,494
Securitized bonds	61,687	43,950
Sovereign bonds	22,991	20,717
Commercial papers	3,000	3,000
Impairment of investments (c)	(3,000)	(3,000)
	<u>1,978,159</u>	<u>1,968,155</u>
Accrued income	21,976	22,240
	<u>2,000,135</u>	<u>1,990,395</u>
<b>Debt instruments</b>		
Total, available for sale investments	<u>4,121,924</u>	<u>4,131,280</u>
<i>Held to maturity investments (e) -</i>		
Securitized bonds	25,000	-
Accrued income	27	-
	<u>25,027</u>	<u>-</u>
Total, held to maturity investments	<u>25,027</u>	<u>-</u>
Total	<u>4,146,951</u>	<u>4,131,280</u>

(b) The investment in CAF was a contribution by the Peruvian Government of series "B" shares in CAF from 1989 to 2000.

In the framework of the IFRS harmonization process and taking as a reference Official Communication N°45853-2012-SBS, which established the treatment based on IFRS, from January 1, 2013 COFIDE recorded the investment in CAF shares as "Available for sale Investments", taking as cost value, the equivalent to the last value recorded in books and reported by COFIDE to the SBS as of December 31, 2012 (see note 2(g)(i)). Based on CAF's financial statements as of September 30, 2023, such shares would have an equity value of S/4,041,346,000 (S/3,970,062,000 as of September 30, 2022).

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### Notes to the financial statements (continue)

In May 2017, the Peruvian State agreed to acquire at its equity value, up to 20 percent of the shares issued by CAF, owned by COFIDE; such document has a term of four years. This commitment would imply the acquisition of up to 19,590 shares, whose equity value is approximately US\$200 million.

In order to give effect to the above, in accordance with Law No. 31086, Public Sector Indebtedness Law for fiscal year 2021, published on December 6, 2020, which came into effect on January 1, 2021, the MEF, through the General Directorate of the Public Treasury (DGTP), was approved to acquire 13,490 Series B shares of CAF owned by COFIDE, each with a value of US\$14,200. The acquisition of such shares will be paid in a maximum term of ten (10) years and with a minimum of two (02) years grace period. For this purpose, on June 30, 2021, COFIDE and the MEF signed an agreement whereby the MEF acquired the aforementioned shares and committed to pay the total amount of US\$191,558,000, equivalent to S/739,031,000, over a term of ten (10) years, including a grace period of two (02) years, with an effective annual interest rate of 1.5 percent (note 7(b)). Likewise, as a result of such sale, a gain of US\$108,055,000, equivalent to S/416,878,000, was generated and recorded under the caption of results from financial operations in the statement of income for the year 2021.

As of December 31, 2023 and 2022, COFIDE has 84,461 series "B" shares representing 7.535 percent and 7.662 percent interest, respectively.

- (c) As of December 31, 2023, COFIDE maintains a provision for impairment of Commercial Papers of Civil Engineers and General Contractors S.A. for S/3,000,000.

Except for the above and after determining the impairment of investments in accordance with SBS Resolution No. 7033-2012, as amended, Management did not identify events or economic changes that indicate that the value of investments exceeds their recoverable value as of December 31, 2023 and 2022.

In accordance with COFIDE's policy, as of December 31, 2023 and 2022 there are investments in instruments with a credit rating between "BBB-" and "AAA" for S/3,931,099,000 and S/3,908,144,000, respectively.

- (d) As of December 31, 2023 and 2022, the accrued yield of COFIDE's investment portfolio amounts to S/133,472,000 and S/125,361,000, respectively, see note 14.

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### Notes to the financial statements (continue)

- (e) As of December 31, 2023, held to maturity investments are comprised of Securitized Bonds issued by Credicorp Capital Sociedad Titulizadora S.A. on behalf of the securitization trust assets corresponding to the First Program of Securitization Bonds for the sales tax and tax of the vehicle patrimony of the Metropolitan Municipality of Lima (MML), for an amount of S/25,027,000 including accrued yields amounting to S/27,000. As of December 31, 2023, the maturity of these investments fluctuates between June 2025 and December 2047, they have accrued interest at an effective annual rate of between 3.47 and 15.45 percent.

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Notes to the financial statements (continue)

The carrying value and adjustments to equity of investments are as follows:

	Expiration	Interest rate (coupon) %		Amortized cost		Market value		Adjustments to shareholders' equity	
		2023	2022	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
<b>Type of instrument -</b>									
<b>National currency:</b>									
Structured bonds	Between January 2033 and June 2037	Between 8.76 and 9.58	Between 8.73 and 8.76	314,602	317,568	318,883	287,538	4,281	(30,030)
Corporate bonds	Between September 2025 and October 2034	Between 5.87 - 15.45	Between 5.87 and 11.33	148,012	160,858	145,410	146,228	(2,602)	(14,630)
Securitized bonds	Between September 2034 and December 2047	Between 5.97 - 10.40	Between 5.97 and 6.05	67,972	44,114	62,255	30,534	(5,717)	(13,580)
Sovereign bonds	Between February 2029 and August 2040	Between 3.47 - 5.52	Between 3.47 and 5.52	26,615	26,877	23,436	21,165	(3,179)	(5,712)
Commercial papers	Between August 2018 and January 2021	-	-	3,000	3,000	3,000	3,000	-	-
				<u>560,201</u>	<u>552,417</u>	<u>552,984</u>	<u>488,465</u>	<u>(7,217)</u>	<u>(63,952)</u>
CAF shares				<u>2,017,003</u>	<u>2,017,003</u>	<u>2,017,003</u>	<u>2,017,003</u>	<u>-</u>	<u>-</u>
				<u>2,577,204</u>	<u>2,569,420</u>	<u>2,569,987</u>	<u>2,505,468</u>	<u>(7,217)</u>	<u>(63,952)</u>
<b>Foreign currency:</b>									
Structured bonds	Between October 2033 and April 2037	Between 4.61 and 8.24	Between 4.61 and 8.24	646,394	704,628	593,998	663,319	(52,396)	(41,309)
Corporate bonds	Between June 2025 and March 2038	Between 3.84 and 7.47	Between 3.84 and 6.18	905,216	912,066	855,693	827,192	(49,523)	(84,874)
Investment funds	Without contractual expiration	-	-	85,513	87,934	102,167	122,121	16,654	34,187
Securitized bonds	Between November 2029 and December 2034	Between 5.08 and 6.54	5.08	30,198	20,510	25,487	14,418	(4,711)	(6,092)
Bladex shares	Without contractual expiration	-	-	2,008	2,065	2,619	1,762	611	(303)
				<u>1,669,329</u>	<u>1,727,203</u>	<u>1,579,964</u>	<u>1,628,812</u>	<u>(89,365)</u>	<u>(98,391)</u>
<b>Impairment loss -</b>									
						<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
						<u>4,146,951</u>	<u>4,131,280</u>	<u>(96,582)</u>	<u>(162,343)</u>

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### Notes to the financial statements (continue)

#### 6. Loan portfolio, net

(a) Below is a detail of the loan portfolio:

	2023 S/(000)	2022 S/(000)
<b>Direct credits (b)</b>		
Current loans	4,660,241	5,348,433
Refinanced loans (c)	907,450	1,449,458
Past due loans	460,713	384,417
Loans under legal collection	18,478	18,947
	<u>6,046,882</u>	<u>7,201,255</u>
<b>More</b>		
Accrued income on loans	58,822	70,296
<b>Less</b>		
Allowance for doubtful accounts (i)	(1,334,476)	(1,455,403)
Deferred interest	(92,475)	(79,911)
	<u>(1,426,951)</u>	<u>(1,535,314)</u>
	<u>4,678,753</u>	<u>5,736,237</u>
Contingent credits - Collaterals given and letters of guarantee	<u>103,060</u>	<u>153,436</u>

(\*) As of December 31, 2023, the rescheduled loans amount to S/ 602,238, 000 (S/857,054,000 as of December 31, 2022).

(b) The balance of the loan portfolio, comprised of direct loans, corresponds mainly to foreign currency loans granted to IFIs (as of December 31, 2023 and 2022, second-lien loans represent approximately 72 and 70 percent, respectively, see item (e) below).

The loans granted to the IFIs are guaranteed by contractual clauses included in the global resource channeling contracts signed with each debtor, where COFIDE is empowered to: (i) The automatic collection of debt installments by debiting the current account held by the debtor at the BCRP and/or the operating Bank it designates and, (ii) The assignment of rights in its favor over the loan portfolio financed with COFIDE resources up to the amount of the debt, including interest, commissions, late payments and other expenses, assignment that takes effect if the IFI fails to pay an installment or when, in COFIDE's judgment, there are special circumstances that make it difficult to recover the resources granted.

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### Notes to the financial statements (continue)

As of December 31, 2023, the balances of loans to IFIs include Participations Agreements for S/544,949,000 (S/570,658,000 as of December 31, 2022), see note 2(f)(iv).

As indicated in note 1(c), COFIDE acts as administrator of the Micro and Small Business Support Program (FAE-MYPE), the Business Support Fund for MSEs in the Tourism Sector (FAE-Tourism), the National Government Guarantee Program for Agricultural Business Financing (FAE-Agro), the Business Support Fund for the Textile and Apparel Sector (FAE-TEXCO), the Business Support Program for Micro and Small Businesses (PAE-MYPE) and Impulso My Peru. As of December 31, 2023 and 2022, COFIDE placed loans under these Programs for S/610,917,000 and S/532,331,000 respectively, as detailed below:

	2023 S/(000)	2022 S/(000)
<b>Types of receivables -</b>		
Corporate	560,624	507,117
Large companies	22,708	25,010
Medium-sized companies	23,498	204
Small Businesses	4,031	-
Microenterprises	56	-
	<u>610,917</u>	<u>532,331</u>

- (c) As of December 31, 2023, refinanced loans mainly correspond to 2 operators of Corredores Segregados de Alta Capacidad - COSAC for US\$63,084,000, equivalent to S/233,977,000, Lis Argentis Corporation S.A.C. for US\$94,635,000, equivalent to S/351,001,000, Terminal Portuario Paracas S.A. for US\$70,095,000, equivalent to S/259,982,000, and Generación Andina S.A.C. for US\$12,188,000, equivalent to S/45,204,000.

As of December 31, 2022, refinanced loans mainly correspond to the 4 operators COSAC for US\$135,977,000, equivalent to S/518,618,000, Terminal Portuario Paracas S.A. for US\$72,450,000, equivalent to S/276,325,000, Minera IRL for US\$70,000,000, equivalent to S/266,980,000, Lis Argentis Corporation S.A.C. for US\$88,735,000, equivalent to S/338,436,000, and Generación Andina S.A.C. for US\$12,865,000, equivalent to S/49,068,000.

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### Notes to the financial statements (continue)

*Status of the refinanced loan granted to Corredores Segregados de Alta Capacidad - COSAC:* COFIDE's recovery strategy consists of dividing the Operators' obligations into two tranches, the first one with the flows generated by the system; and the second with a charge to the final arbitration awards ordering the payment of indemnities, interest and other recognized rights, as a consequence of the breaches incurred within the framework of the Concession contract and which have been assigned to COFIDE by Transvial Lima S.A.C. and Perú Masivo S.A., in their capacity as operators of the aforementioned service.

In December 2022, Law N° 31640 - Public Sector Indebtedness Law for fiscal year 2023 was enacted, whereby the obligations of the Urban Transportation Authority for Lima and Callao (ATU), corresponding to the payment of indemnities established by arbitration awards in favor of the companies Transvial Lima S.A.C. and Perú Masivo S.A., whose rights were assigned by both companies to Corporación Financiera de Desarrollo S.A. (COFIDE), up to the amount of S/266,900,000 (two hundred and sixty six million nine hundred thousand and 00/100 soles), plus legal interest, expenses and other indemnification concepts contained in the arbitration awards.

In compliance with Law No. 31640, on February 13, 2023, the MEF and the ATU signed a Conciliation Agreement, which was subsequently amended on March 27, 2023, establishing the total amount of the ATU's obligations to be transferred to the MEF, in the approximate amount of S/364,093,000, for quantifiable indemnities and arbitration expenses.

On September 14, 2023, the MEF and COFIDE signed the Contract for Payment of Obligations transferred to the MEF, establishing in the third clause "Payment Mechanism" that the payment terms and conditions will be those established in the Public Sector Indebtedness Law for fiscal year 2024. To this effect, Law No. 31955 Public Sector Indebtedness Law for fiscal year 2024, published on December 6, 2023, establishes that the payment of the obligations of the MEF to COFIDE will be charged to 100% of the profits of each year until fiscal year 2025; and as from the profits of the year 2026 and following, the payment will be charged to 50% of the total remaining profits, after applying the provisions of Ministerial Resolution No. 397-2020-EF, until the total cancellation of the same. It should be noted that the application of this norm was carried out in the 2023 period, reducing the debt with COSAC by S/364,093,023.91 (S/254,991,232.91 in principal and S/109,101,791 in interests). As of December 31, 2023, COFIDE has collected the first installment in the amount of S/29 million, see note 7(c).

In November 2023, new Transitory Agreements were signed with the four (4) COSAC operators (Lima Bus Internacional, Lima Vías Express, Transvial Lima and Perú Masivo) renewing the term, which can be extended to February 29, 2024.



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### Notes to the financial statements (continue)

*Status of the refinanced loan granted to Lis Argentis Corporation S.A.C. :*

During April 2021, Credit Suisse assigned to COFIDE the rights and contractual position of Lis Argentis Corporation S.A.C. for an equivalent of US\$76,102,000.

In June 2022, COFIDE's Board of Directors approved the integral refinancing of the debt, a situation that was contractually implemented on July 27, 2022, with a grace period of 4 years, with cancellations beginning in 2026. As of December 31, 2023, the credit risk rating is deficient.

*Status of the refinanced loan granted to Minera IRL:*

On November 10, 2020, COFIDE and Minera IRL S.A. entered into an out-of-court settlement whereby the main conditions to meet the outstanding obligations between them were established, and it was stated for the record that COFIDE would comply with its obligation by offsetting the outstanding obligations between them.

In 2021, the offsetting of the obligations for "consequential damages" and "loss of profits" were made against "Accounts receivable" for the total amount of US\$34,987, affecting the "Other income" and "Other expenses" income accounts, respectively.

As of December 31, 2023, the principal and interest balance of the loan granted by COFIDE to Minera IRL S.A. amounts to US\$70,000,000, equivalent to S/259,630,000, and US\$16,138,000, equivalent to S/59,856,000, respectively (as of December 31, 2022 the principal and interest balance amounted to US\$70,000,000, equivalent to S/266,980,000, and US\$7,679,000, equivalent to S/29,288,000, respectively).

Also, as of December 31, 2023, COFIDE has an account receivable for penalties of US\$3,421,000, equivalent to S/12,689,000 (as of December 31, 2022, US\$3,421,000, equivalent to S/13,048,000) from Minera IRL S.A. (note 7(e)), according to the terms and conditions established in the Extrajudicial Transaction signed on November 14, 2020, which is 100 percent provisioned.

As of December 31, 2023, the accounting status of the loan is past due (refinanced as of December 31, 2022) and is 100 percent provisioned.

*Terminal Portuario Paracas S.A. (TPP):*

In August 2021, COFIDE's Board of Directors approved the refinancing of the current loan of the TPP client and in December 2021 the extension of the refinancing authorization until June 30, 2022 (maximum date for the implementation of the refinancing) was approved. In May 2022, the refinancing was signed and activated. As of December 31, 2023, the company is properly meeting its obligations and through the Cash Sweep mechanism, it has been able to amortize the debt by US\$5.3 million, equivalent to S/19.3 million (US\$4.7 million above the amount indicated in the refinancing schedule).

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## Notes to the financial statements (continue)

- (d) The classification of the loan and contingent portfolio (net of deferred interest) by risk category, carried out by COFIDE's management in accordance with current regulations issued by the SBS, is summarized as follows:

	Number of debtors		Total portfolio	
	2023	2022	2023 S/(000)	2022 S/(000)
Normal	813	72	3,918,308	4,886,077
With potential problems	199	12	1,127,632	762,855
Deficient	317	10	276,124	441,993
Doubtful	441	5	272,699	518,622
Loss	319	24	462,704	665,233
	<u>2,089</u>	<u>123</u>	<u>6,057,467</u>	<u>7,274,780</u>

- (e) The loan portfolio by type of IFI is classified as follows:

	2023		2022	
	S/(000)	%	S/(000)	%
<b>Second floor portfolio -</b>				
Banks (e.1)	1,535,123	25.4	1,869,791	26.0
Municipal credit institutions	1,969,770	32.6	1,986,703	27.6
Financial entities	645,519	10.7	941,245	13.0
Small business and micro- enterprise development companies - Edpymes	214,439	3.6	221,666	3.0
Rural credit institutions	4,091	-	59,503	1.0
Cooperatives	31,680	0.5	25,317	0.3
	<u>4,400,622</u>	<u>72.8</u>	<u>5,104,225</u>	<u>70.9</u>
Participations Agreements (e.2)	<u>544,949</u>	<u>9.0</u>	<u>570,658</u>	<u>7.9</u>
<b>Second floor portfolio -</b>				
Financial leasing and promissory notes (e.3)	1,089,645	18.0	1,513,567	21.0
Other credits (e.4)	11,666	0.2	12,805	0.2
	<u>1,101,311</u>	<u>18.2</u>	<u>1,526,372</u>	<u>21.2</u>
	<u>6,046,882</u>	<u>100.0</u>	<u>7,201,255</u>	<u>100.0</u>

- (e.1) As of December 31, 2023 and 2022, this caption includes foreign currency transactions of Specialized Structured Business Financing (FEEE) under agreements for the channeling of resources, mainly with local banks domiciled in the country for US\$173,950,000, equivalent to

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## Notes to the financial statements (continue)

S/645,181,000, and US\$239,147,000, equivalent to S/912,107,000, according to the following detail:

		Accumulated to	
		2023	2022
		US\$(000)	US\$(000)
<b>Intermediary</b>	<b>Debtor</b>		
	Generadora de Energía del Perú S.A.	29,335	33,800
	Agrojlbito S.A.	-	22,309
Banco Internacional del Perú - Interbank	Empresa Eléctrica Agua Azul S.A.	12,860	13,516
	Airports in Peru	6,657	7,195
	Jibiport S.A.C.	-	102
	<b>Sub total</b>	<u>48,852</u>	<u>76,922</u>
Scotiabank Perú S.A.A.	Centro Comercial del SUR S.A.C.	39,605	46,919
	Empresa de Generación Eléctrica Santa Ana	34,463	36,362
Banco de Crédito del Perú	COSAPI Minería S.A.C.	-	2,811
	<b>Sub total</b>	<u>34,463</u>	<u>39,173</u>
BNP Paribas -New York	Concesionaria Vial del Sur S.A.	26,625	29,640
Deutsche Bank AG. - London Branch	Survial S.A.	7,268	11,738
Deutsche Bank Branch	Concesiónn Canchaque S.A.	6,077	10,187
	Agroaurora S.A.C.	-	10,645
Citibank del Perú S.A.	Jibiport S.A.C.	-	2,073
	<b>Sub total</b>	<u>-</u>	<u>12,718</u>
Banco GNB Peru S.A.	Danper Agrícola Olmos S.A.C.	9,687	10,515
Banco BBVA Perú	Maquiwood S.A.C.	1,373	1,335
	<b>Sub total</b>	<u>1,373</u>	<u>1,335</u>
		<u>173,950</u>	<u>239,147</u>
	<b>Equivalent in thousands of soles</b>	<u>645,181</u>	<u>912,107</u>

- (e.2) This item includes FEEE operations carried out through "Participation Agreements", which correspond to an agreement between two parties in which the Seller, who is a lender (IFI) in a loan, sells a participation (right) in said loan to the other party (Buyer), with the special characteristic that said buyer cannot become a Lender of Record, with the purpose of

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### Notes to the financial statements (continue)

channeling the available resources to a non-domiciled bank, so that it in turn finances the debtor. In general, this type of contract, as well as the credit contract between the bank and the debtor, is carried out with international banks and under foreign legislation. The operations of these operations are the same as those included in the channeling contracts. In attention to the recommendation of the SBS (Oficio N° 30517-2017-SBS), these operations are typified as portfolio transfer operations, considering as "debtor", the final beneficiary of the credit and not the financial intermediary.

		<u>Accumulated to</u>	
		2023	2022
		US\$(000)	US\$(000)
Intermediary	Debtor		
Banco Santander of Spain	Terminal Portuario Paracas S.A.	70,095	72,450
Credit Suisse Cayman Islands Branch	Agrovision Peru S.A.C. American Glass Products Perú S.A.C.	22,917	25,000 -
Sumitomo Mitsui Banking Corporation	Autopista del Norte S.A.C.	28,395	24,904
Banco de Crédito e Inversiones	Aeropuertos del Perú S.A.	13,331	14,403
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO)	Generación Andina	12,188	12,865
		<u>146,926</u>	<u>149,622</u>
	<b>Equivalent in thousands of soles</b>	<u>544,949</u>	<u>570,658</u>

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### Notes to the financial statements (continue)

- (e.3) First floor portfolio: In application of the global contracts for channeling resources held with the IFIs, COFIDE entered into supplementary agreements with certain IFIs. Under these agreements for the assignment of rights, the referred IFIs assigned their rights and contractual position on various loan contracts to COFIDE. Additionally, some IFS liquidated and intervened by the SBS, assigned to COFIDE several loan and leasing contracts, as payment of obligations owed to COFIDE.

The annual evolution of this portfolio in the last two years has been as follows:

	New World Bank S/(000)	Consolidated operations		Total S/(000)
		MN S/(000)	ME S/(000)	
Balance as of January 1, 2023	-	858,047	655,520	1,513,567
Loans received (*)	-	63,092	6,027	69,119
Recoveries and other	-	(260,436)	(20,052)	(280,488)
Transfer of loan portfolio (***)	-	-	(212,553)	(212,553)
As of December 31, 2023	-	660,703	428,942	1,089,645
Balance as of January 1, 2022	518	829,958	653,724	1,484,200
Loans received (**)	-	-	30,436	30,436
Recoveries and other	(518)	28,089	(28,640)	(1,069)
As of December 31, 2022	-	858,047	655,520	1,513,567

(\*) During 2023, CRAC RAIZ en Liquidación and Empresa de Crédito Acceso Crediticio assigned to COFIDE the rights and contractual position of several credit operations, in the amount of S/63,092,000 and US\$1,625,000 (equivalent to S/6,027,000).

(\*\*) During 2022, Banco Agropecuario assigned to COFIDE the rights and contractual position of Agrícola Sol de Villacuri S.A.C. for US\$7,980,000, equivalent to S/30,436,000.

(\*\*\*) As authorized by the SBS through SBS Resolution N°01550 in May 2023, in 2023 the portfolio of the client Termochilca was sold to a third party for the amount of US\$57,775,000, equivalent to S/212,553,000. These loans had a provision of US\$34,665,000, equivalent to S/127,532,000, and the sale price was US\$35,459,000, equivalent to S/130,454,000, which generated a gain of US\$12,349,000, equivalent to S/45,432,000. Of this gain during 2023, US\$10,650,000, equivalent to S/39,183,000, was recognized in income, see note 17. The difference was recognized as deferred income.

- (e.4) Correspond to consumer and mortgage loans to employees and former employees.

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## Notes to the financial statements (continue)

(f) Interest rates and guarantees -

During 2023 and 2022, the interest generated by the loan portfolio is freely agreed taking into account the interest rates prevailing in the market, the cost of funds, the type of client, the market, the term and the currency in which the loans are granted.

The average annual effective rates for the main products were as follows:

	2023		2022	
	Loans in		Loans in	
	Soles %	U.S. dollars %	Soles %	U.S. dollars %
Short-term working capital	9.10	5.99	6.14	3.46
COFIDE own resources	3.14	0.98	3.11	0.84
Multisectoral Credit Program				
Probid II	6.87	-	5.59	-
FAE-MYPE financing line	2.83	-	2.71	7.57
Financing line - FAE-TURISMO	4.31	-	4.33	-
FAE-AGRO financing line	9.18	-	3.52	-

(g) The loan portfolio is distributed among the following sectors:

	2023		2022	
	S/(000)	%	S/(000)	%
Financial intermediation	4,400,635	72.78	5,103,643	70.87
Real estate, business and rental activities	657,335	10.87	663,829	9.22
Transportation, warehousing and communications	439,401	7.27	668,899	9.29
Mining	260,380	4.31	266,980	3.71
Agriculture, livestock, hunting and forestry	161,451	2.67	173,362	2.41
Electricity, gas and water	92,775	1.54	315,703	4.38
Trade	14,276	0.24	3,232	0.04
Hotels and restaurants	5,672	0.09	-	-
Manufacturing industry	4,757	0.08	-	-
Home mortgage loans	3,840	0.06	4,699	0.07
Construction	2,467	0.04	-	-
Private households w/domestic service and ex. bodies.	2,013	0.03	-	-
Other community service activities	1,318	0.02	-	-
Consumer loans	216	-	326	-
Fishing	192	-	-	-

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Notes to the financial statements (continue)

	2023		2022	
	S/(000)	%	S/(000)	%
Public administration and defense	59	-	582	0.01
Teaching	55	-	-	-
Social Services	40	-	-	-
	<u>6,046,882</u>	<u>100.00</u>	<u>7,201,255</u>	<u>100.00</u>

(h) The loan portfolio has the following maturities:

	2023		2022	
	S/(000)	%	S/(000)	%
Up to one year	2,580,316	42.67	3,072,519	42.67
More than 1 year and less than 2 years	1,001,027	16.55	1,070,983	14.87
More than 2 years and less than 3 years	428,387	7.08	536,182	7.45
More than 3 years and less than 4 years	202,427	3.35	302,813	4.21
More than 4 years and less than 5 years	184,985	3.06	261,974	3.64
More than 5 years	<u>1,170,549</u>	<u>19.36</u>	<u>1,553,420</u>	<u>21.57</u>
	5,567,691	92.07	6,797,891	94.40
Past due loans and loans under legal collection	<u>479,191</u>	<u>7.92</u>	<u>403,364</u>	<u>5.60</u>
	<u>6,046,882</u>	<u>100.00</u>	<u>7,201,255</u>	<u>100.00</u>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

- (i) The changes in the allowance for uncollectibility of direct and contingent accounts receivable were as follows:

	Direct S/(000)	Quotas (note 11(a)) S/(000)	Total S/(000)
Balance as of January 1, 2022	1,471,635	34,271	1,505,906
Provision for the year	54,161	-	54,161
Recoveries	(36,861)	(245)	(37,106)
Difference in exchange	(33,532)	(1,451)	(34,983)
Balance as of December 31, 2022	<u>1,455,403</u>	<u>32,575</u>	<u>1,487,978</u>
Provision for the year	120,817	20,673	141,490
Recoveries	(92,249)	(340)	(92,589)
Sale of portfolio, see 6(e.3)(***)	(127,532)	-	(127,532)
Difference in exchange	(21,963)	(1,337)	(23,300)
Balance as of December 31, 2023	<u>1,334,476</u>	<u>51,571</u>	<u>1,386,047</u>

The following is the composition of the provision for uncollectibility of direct and indirect loans, net, presented in the statement of income:

	2023		2022	
	Direct S/(000)	Quotas S/(000)	Direct S/(000)	Quotas S/(000)
Allowance for doubtful accounts	120,817	20,673	54,161	-
Recovery of provisions	(92,249)	(340)	(36,861)	(245)
Income from portfolio recovery	(8,682)	-	(1,345)	-
	<u>19,886</u>	<u>20,333</u>	<u>15,955</u>	<u>(245)</u>



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Notes to the financial statements (continue)

The balance of the allowance for doubtful accounts and contingent accounts consists of the following:

	2023			2022		
	Direct S/(000)	Contingent S/(000)	Total S/(000)	Direct S/(000)	Contingent S/(000)	Total S/(000)
Specific	1,070,772	-	1,070,772	1,291,927	-	1,291,927
Generic	24,458	721	25,179	30,014	1,074	31,088
Generic voluntary	<u>239,246</u>	<u>50,850</u>	<u>290,096</u>	<u>133,462</u>	<u>31,501</u>	<u>164,963</u>
	<u>1,334,476</u>	<u>51,571</u>	<u>1,386,047</u>	<u>1,455,403</u>	<u>32,575</u>	<u>1,487,978</u>

As of December 31, 2023 and 2022, in accordance with the recommendation of the SBS, specific provisions have been recorded for transactions carried out through "Participations Agreements", taking into consideration the qualification of the final beneficiaries.

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### Notes to the financial statements (continue)

#### 7. Trading and hedging derivatives, accounts receivable, intangible assets and other assets

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Fair value - trading derivatives - forward, note 11(b)	1,165	924
<b>Trading and hedging derivatives</b>	<b>1,165</b>	<b>924</b>
Other accounts receivable (b)	761,486	757,103
First floor accounts receivable (c)	334,922	-
Commissions receivable (d)	23,629	123,821
Accounts receivable from trading investments	20,148	-
Accounts receivable associated with transferred loans (e)	13,690	14,049
Guarantee funds	5,387	6,376
Allowance for doubtful accounts receivable and others (f)	(37,996)	(21,030)
Accrued interest on accounts receivable (b)	6,326	6,408
<b>Accounts receivable, net</b>	<b>1,127,592</b>	<b>886,727</b>
Software (g)	25,564	23,132
Accumulated software amortization	(21,506)	(20,074)
<b>Intangible assets, net</b>	<b>4,058</b>	<b>3,058</b>
Realizable, received in payment and seized assets (h)	2,177	2,177
Provisions	(2,177)	(2,177)
<b>Realizable, received in payment and seized assets, net</b>	<b>-</b>	<b>-</b>
Commissions and other payments in advance	11,225	13,467
Artwork and library	763	763
Other	1,510	1,684
<b>Other assets</b>	<b>13,498</b>	<b>15,914</b>
	<b>1,146,313</b>	<b>906,623</b>

(b) As of December 31, 2023, the balance mainly includes the account receivable from the MEF for US\$191,558,000 and interest capitalizations for US\$5,872,000, the sum of both components equals S/732,267,000 (as of December 31, 2022, includes the account receivable from the MEF for US\$191,558,000, and the first interest capitalization for US\$2,914,000, the sum of both components is equivalent to S/741,715,000) corresponding to the sale of 13,490 series B shares of CAF (note 5) to be paid in annual installments over a ten-year term that includes two grace periods, whose first installment matures on June 6, 2024 and the last installment on June 6, 2031 at an effective annual interest rate of 1.5 percent on the acquisition amount.

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### Notes to the financial statements (continue)

As of December 31, 2023 and 2022, accrued interests for receivable amounted to US\$1,706,000, equivalent to S/6,326,000, and US\$1,680,000, equivalent to S/6,408,000, respectively. During 2023 and 2022, accrued interest amounted to US\$2,983,000 and US\$2,939,000, equivalent to S/11,144,000 and S/11,280,000, respectively, which are recorded in the statement of income.

Also, as of December 31, 2023, this item includes a balance receivable from Compañía Eléctrica El Platanal S.A., as a result of the credit transfer of the loan with Termochilca S.A. in the amount of US\$4,877,000, equivalent to S/18,090,000 (see note 6(e.3) (\*\*\*)).

- (c) As of December 31, 2023, the caption includes a balance receivable from the MEF of S/334,922,000, resulting from the transfer of the obligations of the Urban Transportation Authority for Lima and Callao - ATU corresponding to the payment of indemnities established by arbitration awards in favor of the companies Transvial Lima S.A.C. and Perú Masivo S.A., whose collection rights have been assigned by these companies in favor of COFIDE, see 6(c).
- (d) As of December 31, 2023 and 2022, the balance corresponds to trust administration fees accrued and pending collection from the Trustors.
- (e) As of December 31, 2023 and 2022, the balance mainly includes the account receivable from Minera IRL S.A. for penalties and indemnities of US\$3,421,000 and US\$3,421,000, equivalent to S/12,690,000 and S/ 13,049,000, respectively (note 6(b.1)). These amounts have been fully provided for.
- (f) The movement in the allowance for doubtful accounts receivable was as follows:

	2023 S/(000)	2022 S/(000)
Opening balances	21,030	18,321
Provision for the year	17,278	5,438
Recoveries	(55)	(2,103)
Difference in exchange	(257)	(626)
<b>Closing balances</b>	<b>37,996</b>	<b>21,030</b>

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### Notes to the financial statements (continue)

- (g) Software consists mainly of SAP system licenses. As of December 31, 2023, new licenses have been acquired for S/2,432,000 (licenses were acquired for S/1,699,000 as of December 31, 2022) and recorded an amortization expense of S/1,538,000 (S/1,536,000 as of December 31, 2022), and are presented under "Depreciation and amortization" in the statement of income.
- (h) As of December 31, 2023 and 2022, COFIDE has seized assets consisting of real estate, works of art and miscellaneous items that are 100 percent provisioned.

The aforementioned seized assets maintain a market value which, if sold, could generate extraordinary income for COFIDE, which will be recorded under "Other income".

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### Notes to the financial statements (continue)

#### 8. Property, furniture and equipment, net

Changes in the cost and accumulated depreciation of property, furniture and equipment as of December 31 2023 and 2022, were as follows:

	Land S/(000)	Buildings and facilities S/(000)	Furniture, furnishings and fixtures S/(000)	Miscellaneous equipment S/(000)	Total -
<b>Cost -</b>					
Balance as of January 1, 2022	469	15,455	2,838	17,342	36,104
Additions	-	351	9	498	858
Withdrawals / impairment	-	-	(2)	(13)	(15)
<b>Balance as of December 31, 2022</b>	<b>469</b>	<b>15,806</b>	<b>2,845</b>	<b>17,827</b>	<b>36,947</b>
Additions		190	65	1,866	2,121
<b>Balance as of December 31, 2023</b>	<b>469</b>	<b>15,996</b>	<b>2,910</b>	<b>19,693</b>	<b>39,068</b>
<b>Depreciation - Depreciation</b>					
Balance as of January 1, 2022	-	(13,081)	(2,474)	(15,949)	(31,504)
Additions	-	(430)	(73)	(303)	(806)
Withdrawals / impairment	-	-	1	9	10
<b>Balance as of December 31, 2022</b>	<b>-</b>	<b>(13,511)</b>	<b>(2,546)</b>	<b>(16,243)</b>	<b>(32,300)</b>
Additions		(495)	(63)	(346)	(904)
Withdrawals / impairment and other minor		(60)	(134)	(84)	(278)
<b>Balance as of December 31, 2023</b>	<b>-</b>	<b>(14,066)</b>	<b>(2,743)</b>	<b>(16,673)</b>	<b>(33,482)</b>
<b>Net cost -</b>					
Balance as of December 31, 2023	469	1,930	167	3,020	5,586
Balance as of December 31, 2022	469	2,295	299	1,584	4,647

COFIDE has formalized insurance policies to cover the possible risks to which the various elements of its property, furniture and equipment are subject, as well as possible claims that may arise from the exercise of its activity.

As of December 31, 2023, fully depreciated property, furniture and equipment still in use amount to S/19,709,000 (S/17,430,000 as of December 31, 2022).

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Notes to the financial statements (continue)

9. Obligations with the public and deposits of companies in the financial system

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Security deposits (b) and (c)	50,144	228,180
Compensation for service time	320	293
	<u>50,464</u>	<u>228,473</u>
Accrued interest	770	2,373
	<u>51,234</u>	<u>230,846</u>

(b) The following is a detail of this caption:

	2023 S/(000)	2022 S/(000)
<b>Operaciones Back to back</b>		
Caja Municipal de Ahorro y Crédito Arequipa	22,032	170,898
Caja Municipal de Ahorro y Crédito Huancayo	18,545	-
Caja Municipal de Ahorro y Crédito Piura	-	21,093
Caja Municipal de Ahorro y Crédito Trujillo	-	19,070
	<u>40,577</u>	<u>211,061</u>
<b>Depósitos en garantías por retenciones de créditos</b>		
Cooperativa de Ahorro y Crédito Nuestra Señora del Rosario	2,247	2,138
Cooperativa de ahorro y crédito San Martín de Porres	2,176	2,071
Cooperativa de Ahorro y Crédito Norandino Ltda.	1,275	1,214
Cooperativa de Ahorro y Crédito Santo Domingo de Guzman	1,250	1,190
Caja Municipal de Ahorro y Crédito de Paita S.A.	819	120
Caja Municipal de Ahorro y Crédito Sullana S.A.	790	5,186
Caja Municipal de Ahorro y Crédito del Santa S.A.	510	485
Cooperativa de Ahorro y Crédito San Isidro de Huaral	291	277
Caja Municipal de Crédito Popular de Lima	121	115
COOPAC Progresiva Cooperativa de Ahorro y Crédito	88	84
Empresa de créditos Acceso Crediticio S.A.	-	4,239
	<u>9,567</u>	<u>17,119</u>
	<u>50,144</u>	<u>228,180</u>

(c) The obligations, excluding the balance of compensation for service time and interest, have the following maturities:

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Notes to the financial statements (continue)

	2023 S/(000)	2022 S/(000)
Up to one month	22,032	-
More than 1 month and up to 3 months	18,545	-
More than 3 months and up to 6 months	9,567	207,087
More than 6 months and up to 12 months	-	21,093
	<u>50,144</u>	<u>228,180</u>

**10. Debtors and outstanding securities, bonds and debentures**

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Debts (b)	2,370,400	3,024,510
Securities and bonds outstanding (d)	<u>5,741,624</u>	<u>5,887,447</u>
	<u>8,112,024</u>	<u>8,911,957</u>

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### Notes to the financial statements (continue)

(b) Debts with domestic and foreign financial companies are as follow:

	Rate %	2023 S/(000)	2022 S/(000)	Expiration
<b>Direct debts</b>				
Banco de la Nación (i)	From 4.25 to 8.95	991,334	1,234,003	February 2028
Kreditanstalt Fur Wiederaufbau RV (ii)	5.99	551,693	567,311	November 2035
Scotiabank Perú S. A. A.	From 5.10 to 8.85	222,381	342,943	November 2024
BBVA Peru Bank	From 5.70 to 9.06	183,000	124,500	June 2024
Official Credit Institute of Spain ICO	From 6.15 to 6.51	141,227	148,892	March 2037
Banco de Crédito del Perú	From 7.54 to 9.26	114,500	186,500	June 2024
CAF share issuance - financial liabilities	Libor p.a. + 4.50	18,389	22,061	February 2025
American Family Life Assurance of Columbus, INC. Japan Branch - AFLAC, note 3	3.75	-	262,287	September 2023
Sub total		<u>2,222,524</u>	<u>2,888,497</u>	
<b>Due from carryforward of resources (iv)</b>				
Kreditanstalt Fur Wiederaufbau EREE Phase II	2.00	48,592	61,062	June 2028
Inter-American Development Bank - IDB (iii)	6.64077	46,302	-	February 2047
Japan International Cooperation Agency JICA	0.60	18,652	25,813	October 2027
Subtotal due for carryforward of resources		<u>113,546</u>	<u>86,875</u>	
Sub total		<u>2,336,070</u>	<u>2,975,372</u>	
Interests		<u>34,330</u>	<u>49,138</u>	
Total		<u>2,370,400</u>	<u>3,024,510</u>	

- (i) As of December 31, 2023, corresponds to 42 medium-term debt contracts with a balance of S/977,334,000 and 1 short-term debt contract with a balance of S/14,000,000 entered into with Banco de la Nación (as of December 31, 2022, it corresponded to 71 medium-term debt contracts with a balance of S/1,211,003,000 and 1 short-term debt contract with a balance of S/23,000,000).
- (ii) On September 18, 2020, COFIDE entered into a loan agreement with Kreditanstalt Fur Wiederaufbau, whose credit line is up to €250,000,000 (equivalent to S/1,020,550,000) to be disbursed in dollars and destined to the execution of the COVID-19 "Green Reactivation" Program, which has two components: (i) Support for Micro and Small Enterprises (FAE-MYPE and FAE-Tourism) and (ii) financing of projects to combat climate change, respectively. From 2020 to 2022, the Kreditanstalt Fur Wiederaufbau disbursed to COFIDE the amount of US\$148,744,000. As of December 31, 2023 and 2022, the balance owed amounts to S/551,693,000 and S/567,311,000, respectively.



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- (iii) On January 3, 2023, the Ministry of Economy and Finance and the Inter-American Development Bank signed a loan agreement for the execution of the Financing Program for Women Entrepreneurs in Peru, with COFIDE acting as Executing Agency. On October 25, 2023, the first disbursement was made in the amount of US\$12,484,000, equivalent to S/46,302,000.
- (iv) These loans were originally granted by the multilateral entities detailed in the table above to the Republic of Peru, represented by the MEF, and were transferred to COFIDE through "Agreements for the Transfer of Resources". Additionally, in support of debt service compliance in these agreements, an irrevocable payment authorization is included on the ordinary account in foreign currency established by COFIDE in the BCRP.

(c) Debts (without considering interest) have the following maturities:

	2023 S/(000)	2022 S/(000)
Up to one month	236,861	82,282
More than 1 month and up to 3 months	207,918	357,241
More than 3 months and up to 6 months	229,858	529,737
More than 6 months and up to 12 months	245,138	600,653
More than 12 months	<u>1,416,295</u>	<u>1,405,459</u>
	<u>2,336,070</u>	<u>2,975,372</u>

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(d) As of December 31, 2023 and 2022, outstanding securities, bonds and debentures are as follow:

	Date S/(000)	Amount S/(000)	Expiration date S/(000)	Interest rate %	2023 S/(000)	2022 S/(000)
<b>In local currency -</b>						
<b>Third Program - Bonds (d.1)</b>						
Ninth series A	27/04/2012	150,000	27/04/2027	6.65	150,000	150,000
Tenth series A	28/06/2012	50,000	15/07/2027	6.20	50,000	50,000
Tenth series A	28/06/2012	50,000	28/06/2037	6.20	50,000	50,000
Serious eleventh A	30/10/2012	90,000	30/10/2042	5.63	90,000	90,000
					<u>340,000</u>	<u>340,000</u>
<b>Fourth program - Bonds (d.2)</b>						
Second series A	30/04/2013	100,000	30/04/2043	5.35	100,000	100,000
Tenth series A	06/10/2016	150,000	06/10/2026	6.88	150,000	150,000
Tenth series B	28/10/2016	50,000	28/10/2026	6.88	50,000	50,000
Eleventh series A	20/12/2016	300,000	20/12/2046	7.84	300,000	300,000
					<u>600,000</u>	<u>600,000</u>
<b>Fifth program - Bonds (d.3)</b>						
Second issue - series A - VAC Bond	19/07/2019	100,000	19/07/2029	3.00 on the VAC index	121,845	117,570
Fourth issue - series A	28/01/2021	143,850	28/01/2024	1.84	143,850	143,850
					<u>265,695</u>	<u>261,420</u>
<b>Short-term debt instruments - 3rd program (d.4)</b>						
Second issue - series B	26/01/2022	53,500	20/01/2023	4.75	-	53,500
Second issue - series C	26/07/2022	77,500	21/07/2023	7.84	-	77,500
Second issue - series D	14/10/2022	76,500	09/10/2023	7.81	-	76,500
Third issue - series A	22/12/2022	140,000	15/12/2023	8.22	-	140,000
<b>Short Term - 4th Program (d.5)</b>						
First issue - series A	19/07/2023	76,100	12/07/2024	7.8125	76,100	-
Second issue - series A	13/10/2023	100,000	04/10/2024	7.3438	100,000	-
Second issue - series B	21/12/2023	100,000	13/12/2025	6.375	100,000	-
					<u>276,100</u>	<u>347,500</u>
<b>Total, face value</b>					<u>1,481,795</u>	<u>1,548,920</u>
Accrued interest					36,536	38,608
<b>Total, local currency</b>					<u>1,518,331</u>	<u>1,587,528</u>
<b>In foreign currency - In foreign currency</b>						
Second international subordinated debentures (d.6)	15/07/2014	300,000	15/07/2029	5.25	945,795	972,570
Third international issue notes DUE 2025 (d.7)	15/07/2015	411,548	15/07/2025	4.75	1,526,432	1,569,644
Fourth international issue 2027 (d.8)	28/09/2020	500,000	28/09/2027	2.40	1,690,811	1,698,805
<b>Total nominal value</b>					<u>4,163,038</u>	<u>4,241,019</u>
Net price difference (low/above par) and related expenses					(7,109)	(10,371)
Accrued interest					67,364	69,271
<b>Total foreign currency</b>					<u>4,223,293</u>	<u>4,299,919</u>
					<u>5,741,624</u>	<u>5,887,447</u>

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

(d.1) Third Program - Bonds

This program has been approved for up to US\$200,000,000, equivalent to S/741,800,000, or any foreign currency. The Program has an AA+(pe) risk rating granted by Apoyo & Asociados Internacionales S.A. and AA+.pe granted by Moody's Local PE.

(d.2) Fourth program - Bonds

This program has been approved for up to US\$400,000,000, equivalent to S/1,483,600,000, or any foreign currency. The corporate bonds have the highest local risk rating granted by Moody's Local PE AA+.pe and AA+(pe) granted by Apoyo & Asociados Internacionales S.A.

(d.3) Fifth program - Bonds

This program has been approved for up to US\$500,000,000, equivalent to S/1,854,500,000 or any foreign currency. The corporate bonds have the highest local risk rating granted by Moody's Local PE-AA+.pe and AA+(pe) granted by Apoyo & Asociados Internacionales S.A. The risk ratings were granted with accounting information as of September 30, 2023.

On July 18, 2019, COFIDE held the auction of the Second Issue of the Fifth Debt Instruments Program for S/100 million adjusted to the VAC index and obtained an interest rate of 3 percent over the VAC index.

On January 28, 2021, COFIDE held the auction of the Fourth Issue of the Fifth Debt Instruments Program corresponding to the COVID Bond, the amount awarded was S/144 million, with a 3-year term and an interest rate of 1.84375 percent.

(d.4) Third short-term debt instruments program. This program has been approved for up to US\$200,000,000, equivalent to S/741,800,000, to be issued in soles. The short-term instruments have the highest local risk rating granted by Apoyo & Asociados Internacionales S.A. and by Class & Asociados S.A. (merged with Moody's Local PE), and are CP-1+(pe) and ML A-1+pe, respectively.

(d.5) Fourth Short-Term Debt Instruments Program

This program was approved for an equivalent amount in Soles of US\$200,000,000, equivalent to S/741,800,000. The short-term instruments have the highest local risk rating granted by Apoyo & Asociados and Moody's Local PE, CP-1+(pe) and ML A-1+.pe, respectively.

On July 19, 2023, COFIDE held the auction of the First Issue of the Fourth Short-Term Series A Instruments Program for an amount in soles of S/76,100,000 with a term of 359 days and a spread over the CDBCRP of 88 bps.

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

On October 13, 2023, COFIDE held the auction of the Second Issue of the Fourth Short-Term Series A Instruments Program for an amount in soles of S/100,000,000 with a term of 357 days and a spread over the CDBCRP of 84 bps.

On December 21, 2023, COFIDE held the auction of the Second Issue of the Fourth Series B Short-Term Instruments Program for an amount in soles of S/100,000,000 with a term of 358 days and a spread over the CDBCRP of 90 bps.

(d.6) Second bond issue in the international market (notes - Due 2029)

At the General Shareholders' Meeting held on May 19, 2014, it was approved to issue senior and/or subordinated bonds. On July 8, 2014, COFIDE carried out the placement of bonds in the international capital market for US\$600,000,000, equivalent to S/2,225,400,000, in two tranches: of US\$300,000,000, equivalent to S/1,112,700,000, of senior bonds for a term of 5 years, placed at a coupon of 3.25 percent per annum and a yield of 3.297 percent, these bonds were rated investment grade BBB+ by Standard & Poor's and Fitch Ratings BBB+; to date these bonds are not outstanding ; and US\$300,000,000, equivalent to S/1,112,700,000, of Tier II subordinated bonds for a term of 15 years, placed at a coupon of 5.250 percent per annum and with a yield of 5.263 percent until year 10, after which they become variable rate instruments.

During the second quarter of 2022, COFIDE has repurchased its subordinated bonds in the international capital market. It is also reported that these repurchases were made in the secondary market as a result of individual negotiations with different bondholders and for a total aggregate amount of US\$45,000,000, representing 15% of the total amount initially issued. As of December 31, 2023, the outstanding balance of the Tier II subordinated bonds is US\$255,000,000, equivalent to S/945,795,000.

The Subordinated Bonds are currently rated BB+ investment grade by Standard & Poor's and BB+ by Fitch Ratings.

(d.7) Third bond issue in the international market

At the General Shareholders' Meeting held on May 19, 2014, it was approved to issue senior and/or subordinated bonds. On July 15, 2015, COFIDE placed bonds in the international capital market for US\$800,000,000, equivalent to S/2,967,200,000, in two tranches: US\$200,000,000, equivalent to S/741,800,000, of Notes Due 2019 for a term of 4 years, placed at a coupon of 3.250 per cent per annum and a yield of 3.367 per cent; to date these bonds are not outstanding; and US\$600,000,000, equivalent to S/2,225,400,000, of Notes Due 2025 for a term of 10 years, placed at a coupon of 4.75 per cent per annum and a yield of 4.874 per cent. These bonds were rated BBB- investment grade by Standard & Poor's and BBB by Fitch Ratings.

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

The financial resources obtained were mainly used to finance the increase in the loan portfolio for infrastructure and productive investment projects, which represent one of COFIDE's four strategic pillars.

As approved at the Board of Directors' Meeting held on September 10, 2019, during the third quarter of 2020, COFIDE has made repurchases of its subordinated bonds in the secondary market for a total aggregate amount of US\$188,452,000. As of December 31, 2023, the outstanding balance of these subordinated bonds is US\$411,548,000, equivalent to S/1,526,432,000.

(d.8) Fourth bond issue in the international market

On September 28, 2020, within the framework of the Debt Management Plan (Liabilities), COFIDE issued a new bond for US\$500,000,000, equivalent to S/1,854,500,000, with a coupon rate of 2.40 percent and maturity in 2027. This bond was rated BBB investment grade by Standard & Poor's and BBB+ by Fitch Ratings.

The proceeds of this bond were used to repurchase US\$363,720,000, equivalent to S/1,349,037,000, at par value, of the bond maturing in 2022, and US\$96,865,000, equivalent to S/359,272,000, at par value, of the bond maturing in 2025 (paragraph (d.7) above).

Currently, the bonds maturing in 2027 are rated investment grade "BBB-" by Standard & Poor's and "BBB" by Fitch Ratings.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### 11. Accounts payable for trading and hedging derivative instruments, accounts payable, provisions and other liabilities

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Fair value - Trading derivatives - Forwards (b.i)	19,945	15,915
Fair value - Hedging derivatives - Currency swaps (b.ii)	4,236	3,458
<b>Accounts payable for derivative instruments</b>	<u>24,181</u>	<u>19,373</u>
Accounts payable for repurchase agreements (c)	228,313	514,327
Current taxes	14,358	-
Other accounts payable	11,588	6,594
Taxes payable	610	471
<b>Accounts payable</b>	<u>254,869</u>	<u>521,392</u>
Provision for contingent loans, note 6(i)	51,571	32,575
Provision for accrued vacation	2,283	2,288
Provision for retirees Law No. 20530	1,252	1,156
Provision for litigation and claims	1,023	982
<b>Provisions for litigation, claims and others</b>	<u>56,129</u>	<u>37,001</u>
Deferred credit fees	112,785	7,125
Operations in process	3,785	4,717
<b>Other liabilities</b>	<u>116,570</u>	<u>11,842</u>
	<u>451,749</u>	<u>589,608</u>

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

(b) Trading and hedging derivatives

Corresponds to accounts receivable and/or payable for currency swaps, interest swaps and forwards, derivative financial instruments held by COFIDE and mainly comprise the amounts originated by fluctuations resulting from the valuations of such financial instruments.

Description	No. of operations S/(000)	Nominal value S/(000)	Exchange difference		Profit/(Loss)		Fair value	
			Assets S/(000)	Liabilities S/(000)	Not performed S/(000)	Made S/(000)	Assets, note 7(a) S/(000)	Liabilities S/(000)
<b>2023 -</b>								
Trading forwards (i)	48	928,054	44,731	63,997	-	486	1,165	19,945
Currency swaps - YEN/US\$ (i) and (ii)	1	18,653	-	-	(3,757)	-	-	4,236
			<u>44,731</u>	<u>63,997</u>	<u>(3,757)</u>	<u>486</u>	<u>1,165</u>	<u>24,181</u>
<b>2022 -</b>								
Trading forwards (i)	36	701,293	52,091	65,423	-	(1,659)	924	15,915
Currency swaps - hedges - YEN/US\$ (i) and (ii)	1	25,813	-	-	(4,145)	-	-	3,458
			<u>52,091</u>	<u>65,423</u>	<u>(4,145)</u>	<u>(1,659)</u>	<u>924</u>	<u>19,373</u>

(i) As of December 31, 2023, the net position receivable from hedging and trading operations of Currency Swap and Forward amounted to S/23,016,000 (S/18,449,000 receivable as of December 31, 2022) which offset the decrease in liabilities due to the depreciation of the Yen against the U.S. dollar.

(ii) As of December 31, 2023 and 2022, COFIDE has recorded a currency swap contract to offset the risk of a revaluation of the yen on debts received from the Japan International Cooperation Agency (JICA).

During 2023, for hedging derivative financial instruments, an unrealized net loss of S/3,757,000 (unrealized net loss of S/4,145,000 during 2022) has been recorded; and, for trading derivative financial instruments, a net realized loss of S/486,000 (realized net loss of S/1,659,000 in 2022) has been recorded.

(c) As of December 31, 2023, the repurchase agreements comprise resources in local currency borrowed from the BCRP that accrue interest at an annual rate of between 0.50 percent and are collateralized with restricted foreign currency deposits in the BCRP for US\$61,105,000, equivalent to thousands of S/226,639,000 (note 4(d)) and maturing in May 2024 (US\$136,305,000, equivalent to thousands of S/519,867,000 maturing in May 2024, as of December 31, 2022 and bearing interest at an annual rate between 0.50 percent).

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

#### 12. Equity

##### (a) Capital stock -

As of December 31, 2023, COFIDE's capital is represented by 1,970,375,350 common shares and 9,383,859 preferred shares with a par value of S/1.00 each, authorized and paid. Also, as of December 31, 2023, COFIDE holds 3,127,953 preferred shares in its portfolio. As of December 31, 2022, COFIDE's capital was represented by 1,970,375,350 common shares and 10,947,835 preferred shares with a par value of S/1.00 each, authorized and paid. As of December 31, 2023 and 2022, the total number of shares pending of subscription is 74,088,000 shares,

Also, as of December 31, 2023 and 2022, COFIDE held 3,127,953 and 1,563,977 preferred shares in its portfolio, respectively.

The composition of COFIDE's capital stock is as follows:

Class of shares	Holder	2023		2022	
		No. of shares	Participation	No. of shares	Participation %
Class A - common shares (i)	MEF - FONAFE	1,375,509,201	69.37	1,375,509,201	69.37
Class C - common shares (ii)	MEF - FONAFE	594,866,149	30.00	594,866,149	30.00
		<u>1,970,375,350</u>	<u>99.37</u>	<u>1,970,375,350</u>	<u>99.37</u>
Class B - preferred shares (iii)	CAF	9,383,859	0.47	10,947,835	0.55
Class B - preferred shares (iii)	COFIDE (in portfolio)	3,127,953	0.16	1,563,977	0.08
		<u>12,511,812</u>	<u>0.63</u>	<u>12,511,812</u>	<u>0.63</u>
		<u>1,982,887,162</u>	<u>100.00</u>	<u>1,982,887,162</u>	<u>100.00</u>

(i) Class "A" shares belong to the Peruvian State. They are unseizable and may not be subject to collateral or usufruct.

(ii) Class "C" common shares belong to the Peruvian State. They are freely negotiable and may be listed on the stock exchange and/or any registry required to be traded on the stock exchange, subject to the prior approval of the Board of Directors.

(iii) Class "B" preferred shares belong to entities and companies other than the Peruvian State (unless repurchased). They are preferred, redeemable or repurchaseable; non-voting shares and accrue annually a preferential and cumulative dividend (360-day Libor plus 4.5 percent, on the placement value paid in dollars by CAF). During 2022, as approved at COFIDE's Ordinary Shareholders' Meeting on January 26, 2022, preferred shares in COFIDE's portfolio were cancelled in the amount of S/3,127,953.



## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

Pursuant to the Capital Contribution Agreement signed with CAF on December 3, 2013 whose issuance of preferred shares represented a contribution equivalent to US\$8,263,000 (equivalent to S/23,095,000), COFIDE is obligated to repurchase the "B Preferred" shares subscribed by CAF at the same value of its contribution (set at the same amount of dollars originally contributed) within a maximum term of ten years from their issuance date (January 28, 2014) according to the following: 10 percent repurchase on the Sixth, Seventh, Eighth and Ninth anniversary of the issue date; and a 60 percent repurchase on the Tenth anniversary).

As of December 31, 2023, COFIDE has made the following repurchases of preferred shares held by CAF:

Repurchase date	# of shares repurchased	Amount US\$	% of total shares
January 28, 2020	1,563,977	826,000	10
January 28, 2021	1,563,976	826,000	10
February 04, 2022	1,563,977	826,000	10
January 27, 2023	1,563,976	826,000	10

On the date of each repurchase, COFIDE derecognized the debt recorded with CAF for the same amount, since from the accounting point of view these shares are recognized as debts (note 10(b)).

According to COFIDE's legal advisors, the withdrawal of these securities must be formalized through a General Shareholders' Meeting, after which the corresponding securities will be derecognized.

On November 22, 2023, at the General Shareholders' Meeting, it was approved that the payment of 60% of the tenth anniversary repurchase will be made in two parts, 30% in year 10 (2024) and the remaining 30% in year 11 (2025).

#### (b) Additional capital

As of December 31, 2023, corresponds to the capital which is in process of registration in public records, derived from the approval of reinvestment of 100 percent of the distributable profits of the following years:

Year of distributable profits	Date of COFIDE's General Shareholders' Meeting	Amount S/
2021	March 31, 2022	35,795,000
2020	March 31, 2021	16,617,000
2019	July 29, 2020	21,676,000
		<u>74,088,000</u>

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

(\*) Equivalent to 35,794,965 new common shares (25,056,475 Class "A" common shares and 10,738,490 Class "C" common shares).

(\*\*) Equivalent to 16,616,784 new common shares (11,631,749 Class "A" common shares and 4,985,035 Class "C" common shares).

(\*\*\*) Equivalent to 21,676,412 new common shares (15,173,488 Class "A" common shares and 6,502,924 Class "C" common shares).

Also, as of December 31, 2023 and 2022, this caption includes a donation received in furniture for S/84,000.

(c) Mandatory reserves

In accordance with the General Corporations Law, COFIDE must maintain a legal reserve of no less than 35 percent of its paid-in capital. This reserve is constituted by the annual transfer of no less than 10 percent of net profits.

At the General Shareholders' Meeting held on March 31, 2023 and 2022, the shareholders approved the creation of a legal reserve for the equivalent of 10 percent of the profits for the year 2022 and 2021, for S/3,370,000 and S/4,122,000, respectively.

(d) Retained earnings and adjustments to shareholders' equity

During the period 2022, COFIDE recorded a reversal of commissions accrued during previous periods for S/15,849,000 against a decrease in accumulated results, which corresponds to the accrual of commissions from Reactiva Peru in favor of COFIDE. Likewise, minor adjustments were recorded increasing the accumulated results for S/1,760,000.

At general shareholders meetings held on May 24, 2023 and March 31, 2022, the distribution of dividends of S/30,323,000 and S/1,306,000, respectively, were approved.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### 13. Risks and contingent commitments

(a) This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Risks and contingent commitments (b)</b>		
Guarantees given and letters of guarantee, note 6	103,060	153,436
Other contingent accounts	46,636	47,957
Various responsibilities	<u>147,836</u>	<u>172,525</u>
	<u>297,532</u>	<u>373,918</u>
<b>Memorandum accounts:</b>		
<b>Trusts and trust commissions (c)</b>		
Trust and trust commissions	20,361,281	16,961,675
Trust accounts	20,283,736	16,987,162
Guarantees for trust credit operations	9,422,545	10,162,828
Funds in trust commissions	<u>896,657</u>	<u>711,333</u>
	<u>50,964,219</u>	<u>44,822,998</u>
<b>Guarantees of loan operations (d)</b>		
Promissory notes	8,891,432	9,653,811
Documentary guarantees	3,064	2,998
Security deposits	49,893	229,400
Mortgages	13,941	117,996
Other guarantees (d.1)	609,476	724,556
Other memorandum accounts	18,345,397	18,972,126
Commercial pledge	<u>-</u>	<u>138,143</u>
	<u>27,913,203</u>	<u>29,839,030</u>
<b>Swaps and forwards (e)</b>		
Currency swap and forward transactions	<u>946,707</u>	<u>727,106</u>
	<u>79,824,129</u>	<u>75,389,134</u>
<b>Total contingent risks and commitments</b>	<u>80,121,661</u>	<u>75,763,052</u>

(b) In the normal course of business, COFIDE engages in transactions with risk outside the statement of financial position. These transactions expose COFIDE to credit risk in addition to the amounts presented in the statement of financial position.

## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

The credit risk in contingent operations is related to the probability that one of the participants in the respective contract will not honor the terms established therein. The corresponding contracts consider the amounts that COFIDE would assume for credit losses in contingent operations.

COFIDE uses similar policies for the evaluation and granting of loans, both for direct loans and contingent loans.

In management's opinion, the contingent transactions do not represent an exceptional credit risk, since a portion of these contingent loans are expected to expire unused, the total amounts of contingent loans do not necessarily represent future cash disbursements for COFIDE.

When, in Management's judgment, there is a reasonable degree of probability that a contingent transaction could give rise to a loss for COFIDE, such transaction is included in the determination of the allowance for loan losses as if it were a direct loan.

Other contingent accounts correspond to unused lines of credit outstanding as of December 31, 2023 and 2022.

COFIDE's management estimates that no significant losses will arise in addition to the amounts recorded in the caption provision for contingent loans related to the current contingent operations as of December 31, 2023 and 2022.

- (c) As of December 31, 2023, COFIDE managed 5 funds, 198 trust funds and 6 programs (7 funds, 195 trust funds and 2 programs as of December 31, 2022), for which it received commissions according to contract, charged on a monthly, quarterly or semi-annual basis. COFIDE has no responsibility for the funds, assets or programs.
- (d) The balance of collateral received is determined based on the agreed value of the collateral at the date of the loan agreement. This balance does not necessarily represent the market value of the assets pledged as collateral backing COFIDE's claims.

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

(d.1) As of December 31, 2023 and 2022, the balance mainly includes collaterals from the Peruvian Government as follows:

	2023 S/(000)	2022 S/(000)
<b>Other collaterals -</b>		
IMPULSO-PERU Guarantees	460,212	-
FAE-TURISMO Guarantees	75,477	103,806
PAE-MYPE Guarantees	41,354	105,347
FAE-MYPE II Guarantees	29,421	319,779
FAE-TEXCO Guarantees	3,003	472
FAE-MYPE I Guarantees	9	944
FAE-AGRO Guarantees	-	1,136
	<hr/>	<hr/>
<b>Total collaterals for government programs</b>	<b>609,476</b>	<b>531,484</b>
	<hr/>	<hr/>
Specialized Structured Corporate Financing (FEEE) loan guarantee	-	193,072
	<hr/>	<hr/>
	<b>609,476</b>	<b>724,556</b>
	<hr/>	<hr/>

(e) Corresponds to the nominal value of COFIDE's derivative financial instruments at the end of 2023 and 2022. COFIDE has commitments mainly to exchange flows of different currencies and interest rate swaps in order to hedge risks related to debts in foreign currency (note 11(b)).

### 14. Interest income

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Direct loan portfolio	402,662	323,614
Available for sale investments, note 5(d)	133,472	125,361
Cash and cash equivalents, note 4(f)	14,767	5,884
Accounts receivable, note 7(b)	11,144	11,280
Held to maturity investments	27	-
Other financial income	779	-
	<hr/>	<hr/>
	<b>562,851</b>	<b>466,139</b>
	<hr/>	<hr/>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### 15. Interest expense

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Securities, bonds and debentures outstanding	(303,108)	(300,352)
Due from financial obligations	(150,692)	(96,726)
Fees and other charges for debts and financial obligations	(8,679)	(4,821)
Obligations with the public	(5,138)	(3,213)
Accounts payable	(1,026)	(2,815)
Result from hedging transactions	(991)	(1,226)
Deposits of financial system entities	(15)	(8,049)
Other financial expenses	(5,055)	(9,158)
	<u>(474,704)</u>	<u>(426,360)</u>

### 16. Income and expenses from financial services, net

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Income -</b>		
Income from trust administration and trust commissions	69,880	101,985
Indirect credit income	1,606	1,555
Other income	116	44
	<u>71,602</u>	<u>103,584</u>
<b>Expenses -</b>		
Other service charges	(4,496)	(7,918)
	<u>(4,496)</u>	<u>(7,918)</u>
	<u>67,106</u>	<u>95,666</u>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### 17. Results from financial operations

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Profit from portfolio sale, see 6(e.3)(***)	39,183	-
Foreign exchange gain, note 26(ii)	22,651	12,080
Trading derivatives	(37,194)	(24,480)
Results from hedging operations	(1,213)	(5,031)
Available for sale investments	(716)	4,379
Others	16,967	3,438
	<u>39,678</u>	<u>(9,614)</u>

### 18. Personnel and directory expenses

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Salaries	(18,345)	(17,255)
Bonuses	(5,073)	(4,256)
Profit sharing	(4,839)	(1,380)
Gratuities	(3,417)	(3,254)
Social and other charges	(2,530)	(2,268)
Compensation for time of service	(1,871)	(1,767)
Board per diems	(768)	(755)
Assignments	(711)	(118)
Vacations	(687)	(443)
Other personnel expenses	(4,729)	(3,895)
	<u>(42,970)</u>	<u>(35,391)</u>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### 19. Expenses for services received from third parties

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
IT rental and development service	(6,753)	(6,655)
IGV tax apportionment	(4,828)	(3,943)
Rentals	(2,585)	(2,423)
Electronic processing	(2,459)	(2,189)
Professional fees	(1,950)	(2,177)
Consulting Services	(2,501)	(1,874)
Repair and maintenance	(1,825)	(1,487)
Communications	(625)	(740)
Energy and water	(521)	(353)
Advertising	(421)	(295)
Surveillance and protection	(365)	(348)
Miscellaneous supplies	(286)	(228)
Insurance	(162)	(158)
Transportation	(147)	(174)
Other services	(3,299)	(2,743)
	<u>(28,727)</u>	<u>(25,787)</u>

### 20. Other income and expenses

During 2023, it mainly corresponds to the payment of fine resolutions as a result of the inspection carried out by the Tax Authority for the year 2017 income tax for S/31,041,000. COFIDE made the aforementioned payment, however, it is still in process of claim; the Company considers that it has solid arguments to defend its position. During 2022, it corresponds to various expenses.



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## Notes to the financial statements (continue)

### 21. Basic and diluted earnings per share

The weighted average number of common shares comprises the following:

	Outstanding shares S/(000)	Base shares for averaging S/(000)	Days in effect until year-end S/(000)	Weighted average common shares S/(000)
<b>2023</b>				
Balance as of January 1, 2023	<u>1,896,287</u>	<u>1,896,287</u>	365	<u>1,896,287</u>
<b>Balance as of December 31, 2023</b>	<u>1,896,287</u>	<u>1,896,287</u>		<u>1,896,287</u>
<b>2022</b>				
Balance as of January 1, 2022	<u>1,896,287</u>	<u>1,896,287</u>	365	<u>1,896,287</u>
<b>Balance as of December 31, 2022</b>	<u>1,896,287</u>	<u>1,896,287</u>		<u>1,896,287</u>

Earnings per share calculated on a weighted average per share basis comprise the following:

	2023 S/(000)	2022 S/(000)
Net income for the year	71,862	33,693
Preferred stockholders (*)	<u>(1,885)</u>	<u>(1,153)</u>
	<u>69,977</u>	<u>32,540</u>
Weighted average shares outstanding	1,896,287	1,896,287
Basic earnings per share	0.037	0.017

(\*) Corresponds to accrued dividends on preferred shares as of December 31, 2023 and 2022.

### 22. Tax Status

- (a) COFIDE is subject to the Peruvian tax regime. As of December 31, 2023 and December 31, 2022, the income tax rate was 29.5 percent, on taxable income after deducting workers' participation, which is calculated at the rate of 5 percent.

Legal entities not domiciled in Peru and individuals are subject to the withholding of an additional tax on dividends received. In this regard, pursuant to Legislative Decree No. 1261, the additional tax on dividends on profits generated is 5 percent.

For the years ended December 31, 2023 and 2022, COFIDE has determined a current income tax of S/27,123,000 and S/7,734,000, respectively.

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### Notes to the financial statements (continue)

(b) Tax loss carryforwards

The tax loss regime regulated by Article 50 of the Income Tax Law establishes two systems for offsetting tax losses:

- A. Offset them year by year, until the amount is exhausted, against the third category net income obtained in the four fiscal years immediately following the fiscal year of generation. The balance that is not offset once this period has elapsed may not be offset in subsequent years.
- B. To compensate them by imputing them year by year, until exhausting their amount, to 50 percent of the third category net income obtained in the immediately subsequent fiscal years. COFIDE opted for the B system, to offset them by allocating them year by year, until exhausting their amount, to 50 percent of the third category net income obtained in the immediately subsequent years. As of December 31, 2023 and 2022, COFIDE has determined its tax loss carryforward for S/782,870,000 and S/879,652,000, respectively.

The amounts of the tax loss carryforward are the following:

In thousands of soles	Per year	Application System B S/(000)	Accumulated balance S/(000)
2017	(671,745)(*)	-	(671,745)
2018	(151,361)	150,087(**)	(521,658)
2019	(448,423)	-	(970,082)
2020	45,735	22,868	(947,213)
2021	78,686	39,322	(907,891)
2022	55,193	28,239	(879,652)
2023	193,563	96,781	(782,870)

(\*) Includes the discount for the objection determined by SUNAT for S/563,198,000 related to the ongoing litigation for the 2017 income tax, which to date is under appeal in the administrative process (Tax Court). In the opinion of Management and its legal advisors, COFIDE has sufficient arguments to defend its position.

(\*\*) Includes the discount for the objection determined by SUNAT for S/451,536,000 related to the inspection of the Third Category Income Tax for the year 2018, note 22(b).

COFIDE only recognized the deferred income tax asset related to the tax loss carryforward that it considers will be recovered with the profits generated in the medium-term, which amounts to S/103,459,000 as of December 31, 2023 and 2022, see note 23.

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## Notes to the financial statements (continue)

- (c) The Tax Authority has the authority to review and, if applicable, correct the income tax calculated by COFIDE in the four years following the year of filing the tax return. The income tax returns for the years 2019 to 2023 are pending audit by the Tax Authority.

In November 2022, COFIDE received several Determination and Fine Resolutions corresponding to the final determination of income tax for the year 2017, for which it filed a claim and subsequent appeal, which is pending resolution.

As a result of this audit, the Tax Authority mainly determined that the tax loss for 2017 was limited to S/671.7 million. As we mentioned, we have filed claims and appeals, since in our opinion we have solid arguments to support the original tax loss reported in our 2017 Affidavit.

At the end of the period December 2023, the Tax Authority has issued the result of the requirement of the Definitive Audit process for the Third Category Income Tax corresponding to the 2018 fiscal period, formulating observations that were reflected in the values (determination and fine resolutions), issued by said tax authority and that reduce the carryforward loss in S/451,536,000. Said values will be subject to challenge in administrative proceedings within the legal term.

Due to the possible interpretations that the Tax Authority may give to the legal regulations in force, it is not possible to determine at this date whether or not the reviews will result in liabilities for COFIDE; therefore, any additional taxes, late payment interest and penalties that may result from possible tax reviews would be applied to the results of the year in which they are recognized. However, in the opinion of management and its in-house legal advisors, any additional tax assessments would not be material to COFIDE's financial statements as of December 31, 2023 and 2022.

- (d) With respect to the General Sales Tax, interest generated by securities issued through public or private offering by legal entities incorporated or established in the country are not taxed, as well as interest generated by securities not placed through public offering, when they have been acquired through any centralized negotiation mechanism referred to in the Securities Market Law.
- (e) In July 2018, Law No. 30823 was published by which Congress delegated to the Executive Branch the power to legislate on various issues, including tax matters. In this context, the main tax regulations that were issued during 2018 and in force to date are as follows:

Legislative Decree N°1369: As from January 1, 2019, the treatment applicable to royalties and retributions for services rendered by non-domiciled companies was modified, eliminating the obligation to pay the amount equivalent to the withholding upon accounting registration of the cost or expense, and now income tax must be withheld upon payment or crediting of the retribution. In order for such cost or expense to be deductible for the local company, the

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### Notes to the financial statements (continue)

remuneration must have been paid or credited up to the date of filing the annual income tax return.

Legislative Decree No. 1422: The Tax Code was amended to provide greater guarantees to taxpayers in the application of Rule XVI of the Preliminary Title of the Tax Code, as well as to provide the Tax Administration with tools for its effective implementation.

As part of this amendment, a new case of joint and several liability is foreseen, when the tax debtor is subject to the application of the measures provided by Rule XVI in case of detection of tax evasion; in such case, the joint and several liability will be attributed to the legal representatives whenever they have collaborated with the design or approval or execution of acts or situations or economic relations foreseen as evasive in Rule XVI. In the case of companies that have a Board of Directors, this corporate body is responsible for defining the tax strategy of the entity and must decide on the approval or not of acts, situations or economic relationships to be carried out within the framework of tax planning, being this power non-delegable. The acts, situations and economic relationships carried out within the framework of tax planning and implemented at the date of entry into force of Legislative Decree N°1422 (September 14, 2018) and that continue to have effects, must be evaluated by the Board of Directors of the legal entity for the purpose of their ratification or modification until March 29, 2019, without prejudice to the fact that the management or other administrators of the company had approved at the time the referred acts, situations and economic relationships.

Likewise, it has been established that the application of Rule XVI, with regard to the recharacterization of the cases of tax avoidance, will occur in the definitive audit procedures in which acts, facts or situations produced since July 19, 2012 are reviewed.

It should be noted that, through Supreme Decree No. 145-2019-EF, the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Preliminary Title of the Tax Code were approved, which allowed the full effectiveness and application of Rule XVI as of the day following its publication (May 06, 2019).

It also states that the fraud, gross negligence and abuse of powers referred to in the third paragraph of Article 16 of the Tax Code are not criminal in nature.

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### Notes to the financial statements (continue)

Legislative Decree No. 1424: Effective January 1, 2019, amendments were included to the IR Law to perfect the tax treatment applicable to:

- Income obtained from the indirect disposal of shares or participations representing the capital of legal entities domiciled in the country. Among the most relevant changes is the inclusion of a new case of indirect alienation, which is configured when the total amount of the shares of the domiciled legal entity whose indirect alienation is made is equal to or greater than 40,000 UIT.
- Permanent establishments of sole proprietorships, partnerships and entities of any nature incorporated abroad. To this effect, new cases of permanent establishment have been included, among them, when services are rendered in the country, in respect of the same project, service or for a related one, for a period that in total exceeds 183 calendar days within any twelve-month period.
- The deduction of interest expenses for the determination of corporate income tax. As from January 1, 2021, net interest will not be deductible in the part that exceeds thirty percent of the EBITDA of the previous fiscal year, being able to be carried forward to the 4 immediate following fiscal years.

In this regard, Supreme Decree No. 402-2021-EF amended the Regulations of the Income Tax Law with respect to the deduction of interest expenses, specifying, among other things, that in cases where in the taxable year the taxpayer does not obtain net income or, having obtained net income, the amount of losses from previous years that can be offset against such income is greater or equal, the EBITDA will be equal to the sum of net interest, depreciation and amortization deducted in such year.

Legislative Decree No. 1425: It establishes the rules for the accrual of income and expenses for tax purposes as from January 1, 2019. Until 2018, there was no normative definition of this concept, so in many cases it was resorted to the accounting standards for its interpretation. In general terms, with the new criterion, for income tax determination purposes, it will now be considered whether the substantial events have occurred for the generation of the income or expense agreed by the parties, which are not subject to a suspensive condition, in which case the recognition will be given when it is fulfilled and the timing of the established collection or payment will not be taken into account.

Legislative Decree No. 1488: Establishes a special depreciation regime and modifies the terms thereof as from fiscal year 2021. Thus, taxpayers may depreciate their fixed assets at the following rates: (i) buildings and constructions at a rate of 20% under certain conditions; (ii) data processing equipment (except slot machines) at a maximum rate of 50%; (iii) machinery and equipment at a maximum rate of 20%; and (iv) land transportation vehicles (except railroads) hybrid (with piston engine and electric motor) or electric (with electric motor) or natural gas vehicles at a maximum rate of 50%.

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Legislative Decree No. 1369: As of January 1, 2019, the treatment applicable to royalties and retributions for services rendered by non-domiciled persons was modified, eliminating the obligation to pay the amount equivalent to the withholding upon accounting registration of the cost or expense, and now income tax must be withheld upon payment or crediting of the retribution.

- (f) Legislative Decree No. 1549 extends until December 31, 2026 the validity of all exemptions currently in force contained in Article 19 of the Income Tax Law.

In this regard, among the above-mentioned extended exemptions applicable or related to COFIDE operations in favor of natural person beneficiaries, are the following:

- Paragraph i) of Article 19º states that any type of fixed or variable rate interest, in local or foreign currency, paid on the occasion of a deposit or deposit in accordance with the General Law of the Financial System and the Insurance System and the Organic Law of the Superintendence of Banking and Insurance, Law No. 26702, as well as capital increases of such deposits and deposits in local or foreign currency, will be exempt, except when such income constitutes third category income.
  - Paragraph l) of Article 19º states that capital gains derived from the sale of securities registered in the Public Registry of the Securities Market through centralized trading mechanisms referred to in the Securities Market Law, as well as those derived from the sale of securities outside centralized trading mechanisms will be exempt, provided that the transferor is a natural person, an undivided estate or a marital partnership that opted to be taxed as such.
- (g) On March 3, 2022, Legislative Decree No. 1529 was published, which amends the Banking Law, in order to promote the use of means of payment and reduce the amount from which means of payment would be used, as follows:
- The amount above which Means of Payment must be used is two thousand soles (S/2,000) or five hundred U.S. dollars (US\$ 500).
  - In order to improve the coverage of the Means of Payment and thus expand the set of traceable transactions, Article 3 of the Bankarization Law was amended to indicate that the payment of sums of money for the transactions indicated in said article, for amounts equal to or greater than 1 UIT, even when partially made, may only be made using the Means of Payment provided for in the Law.
  - The payment of obligations to non-domiciled individuals and/or legal entities that must be made with the Means of Payment indicated in the Law, may be channeled through ESF or non-domiciled banking or financial companies, in those cases in which the obligor carries

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### Notes to the financial statements (continue)

out foreign trade operations, including the obligations derived from the acquisition of real estate and rights related to shares and other marketable securities.

- The use of Means of Payment is considered to be complied with only if the payment is made directly to the creditor, supplier and/or service provider, or when such payment is made to a third party designated by the creditor, provided that such designation is communicated to SUNAT prior to the Payment.
  
- In no case shall the obligation to use Means of Payment referred to in the Law be considered fulfilled when payments are channeled through banking or financial companies that are resident in non-cooperating countries or territories or low or no taxation countries or territories or permanent establishments in such countries or territories.

The regulation came into effect on April 1, 2022, with the exception of the modification referring to payment through non-domiciled companies of the financial system resident in territories of low or no taxation, which would come into effect on January 1, 2023.

- (h) On 2020, Ministerial Resolution 387-2020-EF/15 was issued, stating that the provisions for rescheduled loans - COVID 19 referred to in the Eighth Final and Transitory Provision of the Regulation for the Evaluation and Classification of the Debtor and the Requirement of Provisions, approved by SBS Resolution No. 11356-2008, and amended by SBS Resolution No. 3155-2020, jointly comply with the requirements set forth in Article 37 paragraph h) of the Law, regulated by Article 21 paragraph e) of Article 21 of the Law. 11356-2008, and amended by SBS Resolution No. 3155-2020, jointly meet the requirements set forth in Article 37, paragraph h) of the Law, regulated by Article 21, paragraph e) of the Regulations; in this sense, it is provided that these provisions will be treated as specific provisions and will be accepted for tax purposes by SUNAT.

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On December 31, 2021, Ministerial Resolution No. 394-2021-EF/15 was published, which establishes that the provisions for rescheduled loans - COVID 19, referred to in the Ninth final and transitory provision of the Regulations for the Evaluation and Classification of the Debtor and the Requirement of Provisions, approved by SBS Resolution No. 11356-2008, jointly meet the requirements set forth in paragraph h) of Article 37 of the Income Tax Law. In this regard, paragraph h) of Article 37 of the Income Tax Law states that Financial System companies may deduct from their gross income the provisions that jointly meet the following requirements:

- Specific provisions
- Provisions that do not form part of the regulatory capital and,
- Provisions exclusively related to credit risks, classified in the categories of potential problems, substandard, doubtful and loss.

- (i) On June 30, 2023, Supreme Decree No. 137-2023-EF was published, amending Article 30 of the Income Tax Law Regulations, which regulates the rates applicable to transactions with non-domiciled taxpayers. The amendment updates the use of the SOFR rate as the predominant preferential rate, for the purpose of applying the reduced rate of 4.99%. It should be noted that the aforementioned regulation came into effect on June 30, 2023.

On September 30, 2023, Resolution of Superintendence No. 000204-2023/SUNAT was published, postponing from October 2023 to January 2024, the time period from which those who are required to keep the Sales and Income Record and the Purchase Record through the Integrated System of Electronic Records (SIRE) must keep the aforementioned records. It should be noted that by means of Superintendence Resolution No. 000258-2023/SUNAT, the use of SIRE was postponed from January 2024 to April 2024.

- (j) On December 10, 2023, Superintendence Resolution No. 000236-2023/SUNAT was published establishing the possibility of using the format containing the beneficial owner's information, in order to report the identification of the beneficial owner, through a means other than the physical one. In this regard, it is provided that the format of the natural person that qualifies as beneficial owner established in the Annex to the Regulations of the Final Beneficiary Law may be contained in an electronic document with the digital signature of the beneficial owner, as established in the Regulations of the Law of Digital Signatures and Digital Certificates.

The above may not apply to persons or legal entities supervised by the SMV or SBS, provided that such entities are obliged to declare their beneficial owners and use any of the mechanisms that, in accordance with the provisions of such superintendencies, are implemented to interact with their users, provided that such mechanisms allow the beneficial owner to be reliably identified.

- (k) On November 10, 2023, Resolution No. 039-2023-SUNAT/700000 of the National Deputy Superintendence of Internal Taxes was published, whereby SUNAT's discretionary power to not penalize the infractions typified in paragraphs 2 and 10 of article 175 of the Tax Code related to



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### Notes to the financial statements (continue)

the keeping of books and records related to tax matters in electronic form was applied, provided that the criteria established in the Annex of the aforementioned Resolution are complied with, until April 30, 2024.

- (l) On December 19, 2023, Law No. 31962 was published, whereby interest on refunds of tax payments made unduly or in excess, refunds for withholdings or perceptions not applied of the general sales tax and the corresponding for the updating of fines. The mentioned Law modified the Tax Code in the following terms:
1. Paragraph 1 of Article 181 of the Tax Code is amended by establishing that unpaid fines are updated by applying the legal interest rate set by the Central Reserve Bank of Peru (BCRP) in accordance with the provisions of Article 1244 of the Civil Code. Likewise, paragraph 2 of the aforementioned article is modified establishing that the interest is applied from the date on which the payment of the fine is demanded to the debtor by the Administration.
  2. Article 38 of the Income Tax Law is amended by establishing that refunds of payments made unduly or in excess are made in local currency, adding interest fixed by the Tax Administration, in the period between the day following the date of payment and the date on which the respective refund is made available to the applicant, applying the moratorium interest rate (TIM).
- (m) For fiscal years 2023 and 2022, the Financial Transaction Tax rate has been set at 0.005% and is applicable to charges and credits to bank accounts or movements of funds through the Financial System, unless exempted.

On December 31, 2023, Superintendence Resolution No. 000269 2023/SUNAT was published establishing the general schedule for the Annual Income Tax and Financial Transaction Tax Return for Individuals and Micro and Small Companies included in the scope of application of Law No. 31940 for the 2023 taxable year.

- (n) Based on the analysis of COFIDE operations, the opinion of the Management and its internal legal advisors is that as a result of the application of these regulations, no important contingencies will arise for COFIDE as of December 31, 2023 and 2022.

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23. Deferred tax

(a) The detail and movement of this caption is shown below:

	Balances as of 01.01.2022 S/(000)	2022		Balances as of 12.31.2022 S/(000)	2023		Balances as of 12.31.2023 S/(000)
		Equity S/(000)	Results S/(000)		Equity S/(000)	Results S/(000)	
<b>Deferred assets -</b>							
Generic provision for direct and contingent loans	134,700	-	(260)	134,440	-	63,662	198,102
Interest and commissions COSAC and IITD (Oficio N° 32034-2017-SBS)	109,651	-	-	109,651	-	-	109,651
Tax loss	103,459	-	-	103,459	-	-	103,459
Unrealized gain (loss) on investment securities	(9,556)	57,446	-	47,890	(19,399)	-	28,491
Other generic provisions	2,793	-	(1,480)	1,313	-	40	1,353
Unrealized gain (loss) on derivative instruments	2,560	(1,336)	-	1,224	(114)	-	1,110
Generic provision for accounts receivable	744	-	(81)	663	-	3,189	3,852
Provisions for seized assets	656	-	-	656	-	-	656
Impairment of investments	1,906	-	(1,906)	-	-	-	-
<b>Total deferred assets</b>	<b>346,913</b>	<b>56,110</b>	<b>(3,727)</b>	<b>399,296</b>	<b>(19,513)</b>	<b>66,891</b>	<b>446,674</b>
<b>Deferred liabilities -</b>							
Adjustment to the value of CAF shares, note 12(d)	(336,171)	-	9,776	(326,395)	-	5,932	(320,463)
Depreciation of buildings	(848)	-	-	(848)	-	-	(848)
<b>Total deferred liabilities</b>	<b>(337,019)</b>	<b>-</b>	<b>9,776</b>	<b>(327,243)</b>	<b>-</b>	<b>5,932</b>	<b>(321,311)</b>
<b>Deferred income tax, net</b>	<b>9,894</b>	<b>56,110</b>	<b>6,049</b>	<b>72,053</b>	<b>(19,513)</b>	<b>72,823</b>	<b>125,363</b>

(b) The composition of the balances of the statement of income for the years then ended are as follows:

	2023 S/(000)	2022 S/(000)
Current income tax - expense	27,122	7,734
Deferred tax - (income) expense	(72,823)	(6,049)
	<b>(45,701)</b>	<b>1,685</b>

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### Notes to the financial statements (continue)

- (c) The reconciliation of the effective income tax rate to the tax rate for the years 2023 and 2022 is presented below:

	2023		2022	
	Amount S/(000)	%	Amount S/(000)	%
<b>Profit for the year</b>	<u>26,161</u>	<u>100.00</u>	<u>35,378</u>	<u>100.00</u>
Income tax calculated according to the tax rate	7,717	29.50	10,437	29.50
<b>Tax effect on additions (deductions)</b>				
Non-deductible expenses	9,434	36.06	(8,752)	(24.74)
Tax loss recorded in the period	<u>28,550</u>	<u>109.13</u>	<u>-</u>	<u>-</u>
<b>Current and deferred income taxes recorded at effective rate</b>	<u>(45,701)</u>	<u>174.69</u>	<u>1,685</u>	<u>4.76</u>

- (d) In Management's opinion, the net deferred income tax asset will be recovered with future taxable income generated by COFIDE in the following years, including the portion recorded in shareholders' equity.

#### 24. Transactions with related parties

As of December 31, 2023 and 2022, the main operations carried out with CAF correspond to financing operations.

Operations carried out with CAF include:

- As of December 31, 2023 and 2022, available for sale investments are recorded amounting to S/2,017,003,000 (note 5).
- As of December 31, 2023 and 2022, only the debt with CAF derived from the issuance of preferred shares for S/18,839,000 and S/22,061,000, respectively, is maintained (note 10(b)). This debt generated interest expense of S/1,898,000 during 2023 (S/1,160,000 during 2022).

On January 24, 2023, COFIDE proceeded to repurchase 1,563,976 preferred shares for a total amount of US\$826,000, writing off for the same amount the debt recorded with CAF (until February 2022, 4,691,930 preferred shares had been repurchased for US\$2,479,000), note 10(b) and note 12(a).

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### Notes to the financial statements (continue)

COFIDE's transactions with its related party have been carried out in the normal course of business and under conditions similar to those that would have been carried out with third parties.

#### *Remuneration to the Board of Directors*

The amount paid during 2023 and 2022, for per diems to the Board of Directors, corresponds to S/730,000 and S/755,000, respectively.

#### *Remuneration of directors' salaries*

Salaries, other personnel benefits and professional fees received during 2023 by COFIDE employees with executive responsibility (administrators) amounted to S/3,420,000 (S/3,376,000 during 2022).

#### *Loans and advances to employees*

As of December 31, 2023 and 2022, COFIDE's Directors, officers and employees have credit operations permitted under the General Law, which regulates and establishes certain limits on transactions with Directors, officers and employees of financial institutions in Peru. As of December 31, 2023 and 2022, direct loans to employees, Directors, officers and key personnel amount to S/1,476,000 and S/2,896,000, respectively.

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25. Classification of Financial Instruments

The amounts of financial assets and liabilities of the statement of financial position captions classified by category as established in the Accounting Manual are presented below:

	2023					2022					
	Financial assets and liabilities designated at fair value (for negotiation or coverage) S/(000)	Loans and receivables S/(000)	Financial assets available for sale S/(000)	Held to maturity S/(000)	Financial liabilities at amortized cost S/(000)	Total S/(000)	Financial assets and liabilities designated at fair value (for negotiation or coverage) S/(000)	Loans and receivables S/(000)	Financial assets available for sale S/(000)	Financial liabilities at amortized cost S/(000)	Total S/(000)
<b>Assets</b>											
Cash and cash equivalents	-	716,876	-	-	-	716,876	-	991,800	-	-	991,800
Available for sale and held to maturity investments											
- Equity instruments	-	-	2,121,789	-	-	2,121,789	-	-	2,140,885	-	2,140,885
- Debt instruments	-	-	2,000,135	-	-	2,000,135	-	-	1,990,395	-	1,990,395
Held to maturity investments	-	-	-	25,027	-	25,027	-	-	-	-	-
Loan portfolio, net	-	4,678,753	-	-	-	4,678,753	-	5,736,237	-	-	5,736,237
Trading and hedging derivatives	1,165	-	-	-	-	1,165	924	-	-	-	924
Accounts receivable, net	-	1,127,592	-	-	-	1,127,592	-	886,727	-	-	886,727
Other assets	-	200	-	-	-	200	-	517	-	-	517
	<u>1,165</u>	<u>6,523,421</u>	<u>4,121,924</u>	<u>25,027</u>		<u>10,671,537</u>	<u>924</u>	<u>7,615,281</u>	<u>4,131,280</u>		<u>11,747,485</u>
<b>Liabilities</b>											
Obligations with the public and deposits of companies in the financial system	-	-	-	-	51,234	51,234	-	-	-	230,846	230,846
Debtors and outstanding securities, bonds and debentures	-	-	-	-	8,112,024	8,112,024	-	-	-	8,911,957	8,911,957
Trading derivatives	19,945	-	-	-	-	19,945	15,915	-	-	-	15,915
Hedging derivatives	4,236	-	-	-	-	4,236	3,458	-	-	-	3,458
Accounts payable	-	-	-	-	254,869	254,869	-	-	-	521,392	521,392
	<u>24,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,418,127</u>	<u>8,442,308</u>	<u>19,373</u>	<u>-</u>	<u>-</u>	<u>9,664,195</u>	<u>9,683,568</u>

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### Notes to the financial statements (continue)

#### 26. Financial risk management

Financial risk management comprises the management of the main risks that COFIDE faces due to the nature of its operations, such as credit, market and liquidity risk.

##### *Credit risk*

Arising from the probability that a counterparty to the financial instrument contract or obligated third parties will default on their contractual obligations due to insolvency, inability or unwillingness to pay, resulting in a financial loss for the other party. It includes the management of counterparty risk, concentration risk, country risk and credit risk derived from foreign exchange risk.

##### *Market risks*

Arising from the probability of losses in the value of the positions held, derived from changes in market conditions. Generally includes the following types of risks: foreign exchange, changes in fair value due to interest rate, price, among others.

##### *Liquidity risk*

In relation to COFIDE's inability to meet its payment commitments, due to the inability to convert its assets into liquidity without incurring losses.

The management of these risks by COFIDE, which has a structure and organization specialized in the management, measurement systems, and processes for mitigating and hedging the risks generated by financial instruments, is detailed below:

- (a) Structure and organization of risk management -  
COFIDE has a governance and management structure that allows it to adequately articulate the administration and control of the risks it faces.
  - (i) Board of Directors  
COFIDE's Board of Directors is responsible for establishing adequate risk management and fostering an internal environment that facilitates its proper development. The Board of Directors is kept informed of the degree of exposure of the various risks managed by COFIDE.

The Board of Directors has created several specialized committees to which it has delegated specific functions in order to strengthen risk management and internal control.

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### Notes to the financial statements (continue)

- (ii) **Risk Committee**

The Risk Committee is a body created by the Board of Directors and is responsible for pre-approving policies and establishing procedures and methodologies for comprehensive risk management, as well as identifying and managing the risks faced by COFIDE. The Committee meets every two weeks and reports monthly to the Board of Directors on the main issues discussed and agreements adopted in relation to risk management. The Committee is made up of three Directors, with one of them as Chairman, and the General Management and four COFIDE divisions are considered permanent guests. The Risk Manager acts as secretary.
- (iii) **Management Committee**

The Management Committee is COFIDE's coordinating and decision-making body for strategic, administrative, information technology and management issues. It is also responsible for carrying out the functions of the internal control and eligibility committee; within the latter function, it is responsible for evaluating the eligibility of business proposals submitted by the Business Management, Finance Management and Development and Innovation Management, under the parameters established in COFIDE's policies and strategies. The Committee meets on a weekly basis or when called by the President (General Management), the members are the General Management, Legal Counsel Manager (secretary), Human Resources and Administration Manager, Risk Management, Internal Audit Management.
- (iv) **Monitoring Committee**

The Follow-up Committee is a body created by the General Manager's Office, whose purpose is to coordinate and define actions to be taken in matters of risk follow-up of credit operations, of the different portfolios, to learn of the progress made in the commitments assumed by the different management departments participating in the Committee, as well as with respect to improvements in the follow-up process. The Committee meets every two months and is made up of the General Manager (who chairs it), the Risk Manager, the Legal Counsel Manager, the Business Manager and the Finance Manager of COFIDE, with the Risk Manager acting as secretary.
- (v) **Audit, Ethics and Compliance Committee**

The Audit, Ethics and Compliance Committee is a body created by the Board of Directors. Its main purpose is to oversee the proper functioning of the internal control system in the context of risk management in COFIDE's accounting and financial reporting processes. It also has the purpose of evaluating the activities carried out by the internal and external auditors. The Audit, Ethics and Compliance Committee is made up of three Directors (one of whom chairs it), the Internal Audit Manager, who acts as secretary of the Committee, and the Legal Counsel Manager (to support issues related to regulatory compliance). Both representatives of the Board of Directors does not perform management activities, in order to avoid conflicts of interest and incompatibility of functions. The Committee meets

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### Notes to the financial statements (continue)

at least once every two months on an ordinary basis, and reports to the Board of Directors on the issues discussed when the relevance of the matter so requires (it must submit reports to this body at least twice a year). To carry out its work, it is functionally supported by COFIDE's Internal Audit Management.

(vi) Assets and Liabilities Committee

The Assets and Liabilities Committee (ALCO) is a body created by the Board of Directors. Its main function is to manage the financial structure of COFIDE's balance sheet, in accordance with current policies and regulations. The Assets and Liabilities Committee oversees the adequate management of liquidity, interest rate and foreign exchange risks, deciding on the necessary actions for the implementation of corrective actions required in the event of deviations with respect to risk tolerance levels and exposure levels assumed. The Committee meets at least once a month. To carry out its functions, the Committee is supported by the Finance Management (Department in charge of the investment area). The Committee is comprised of the General Manager (who chairs it), the Finance, Risk, Business, Legal, Development and Innovation and Compliance Managers; each member may propose guests to participate in the Assets and Liabilities Committee, as appropriate.

(vii) General Management

The General Manager is responsible for implementing adequate risk management in the organization in accordance with the provisions of the Board of Directors and the Risk Committee; within COFIDE's regulatory framework, he ensures the adequate management of the departments under his responsibility, as well as the appropriate framework for identifying, evaluating, controlling, monitoring and reporting the main risks to guarantee compliance with policies and adequate risk management.

(viii) Internal audit

Internal Audit reports functionally to the Board of Directors and provides independent assurance and consulting services regarding the proper functioning of the internal control system, in compliance with applicable internal audit, corporate governance and risk management regulations. The purpose of this is to support the Board of Directors and Management in evaluating and ensuring that risks are managed in compliance with regulations and are aligned with the achievement of COFIDE's objectives. Internal Audit informs the responsible areas, Management, the Audit, Ethics and Compliance Committee, the Board of Directors, as well as the regulators (through quarterly reports on compliance with its annual plan) regarding potential risk situations and other relevant aspects related to the evaluation of COFIDE's risk management and internal control.

(ix) Risk management

Risk Management is the independent line body in charge of proposing policies, procedures and methodologies for competent risk management, promoting the alignment of COFIDE's



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### Notes to the financial statements (continue)

risk treatment measures with risk appetite and limit levels and the development of appropriate controls.

(b) Framework for integrated risk management

In order to adequately mitigate the financial risks to which COFIDE is subject, the internal control environment, established objectives, risk identification, evaluation and treatment, information and communication processes, follow-up activities, subcontracting and training are considered.

(i) Credit risk

This is the main risk that COFIDE must manage, and in order to mitigate its exposure and provide adequate coverage, it has established a series of measures, among which the following stand out:

- Policies applicable to the process of identification, measurement, monitoring, control and reporting of credit risk with debtors, as well as to the process of evaluation, analysis, approval, follow-up and recovery.
- Admission policies for corporate, specialized and structured financing operations, financing in which COFIDE assumes the direct or contingent risk of final debtors.
- Guidelines related to the origin and participation of COFIDE in various operations, the negotiation and management of real and personal guarantees to be constituted in support of credit operations, and those considered in the follow-up of the entire portfolio of operations.
- Policies for the recovery and normalization of troubled credit operations (those requesting early changes in the originally agreed conditions and which present deterioration of their obligations in time or form).
- Credit risk policies for intermediaries, related to those risks involved in the operation with the IFIs (financial intermediaries), which should be reflected in the levels of individual exposure and global composition, as well as in the allocation of provisions and risk-based prices.
- Asset and liability management policies related to diversification, concentration risk, counterparty risk and issuer risk.
- Country risk policies, which define the parameters for conducting active financial transactions with persons not domiciled in the country and who may be exposed to country risk.
- Policies for the management of credit risk derived from foreign exchange risk, which define guidelines for the management of credit risk induced by variations in the exchange rate, in the foreign currency loan portfolio with debtors whose income and obligations, as well as their balance sheet structure, are not denominated in terms of the currency.
- Within the framework of the State of Emergency, the SBS issued a series of multiple official letters that allowed financial institutions to carry out individual and massive rescheduling, allowing the extension of the payment schedule for up to 12 months. In

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## Notes to the financial statements (continue)

this context, COFIDE approved the guidelines through which the rescheduling of those debtors requesting this facility would be carried out, adjusting the processes to provide specific facilities to clients in a timely manner under general guidelines approved by the Board of Directors, in line with the guidelines provided by the regulator (SBS). In this regard, during 2023 and 2022, customers have been complying with the payment of such rescheduling.

### (ii) Market risk

Market risks derive from movements in market prices, exchange rate risk and interest rate risk for trading positions. The following is contemplated for the management of market risks:

Limits are defined related to:

- Exchange rate and interest rate volatility alerts.
- Alerts and loss control in the trading portfolio.

Estimates are made on:

- Potential losses to which COFIDE is exposed by holding a portfolio or portfolio composed of active or passive positions in primary instruments or derivatives.
- Maximum probable loss through Value at Risk (VaR) and Stressed Value at Risk (SVaR) indicators for interest rate and exchange rate risk in the trading portfolio and overall foreign currency position.  
The valuation of positions recorded in investments by COFIDE, of investments in debt or equity instruments, recorded as available for sale or held to maturity.
- The market value of derivative financial instruments for purposes of reporting and ongoing monitoring of such positions at market values.
- Potential losses from holding positions sensitive to interest rate changes.
- Estimated losses in crisis situations through stress tests, within the framework of the Market Risk Contingency Plan.

### (iii) Structural risk in the statement of financial position

The structural risk of the statement of financial position represents the potential losses arising from the impact of movements in interest rates and exchange rates on the structural positions of assets and liabilities, both inside and outside the statement of financial position, excluding the trading portfolio.

In the case of interest rate risk, the potential loss analysis focuses on the impact on the net financial margin (one-year earnings at risk) and the impact on the discounted value of assets and liabilities (equity value at risk).

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### Notes to the financial statements (continue)

In the case of structural exchange rate risk, COFIDE has two fundamental sources of risk, one direct and the other indirect. The first comes from COFIDE's structural exchange rate position. The second source comes from the structural dollarization of its portfolio vis-à-vis local debtors, issuers and intermediaries, with which it would face a possible credit risk derived from exchange rate risk.

The following policies have been established to manage this risk:

- Asset and Liability Management Policies.
- Diversification Policies and Concentration Risk.
- Counterparty Risk and Issuer Risk Policies.
- Investment Policies.
- Debt Policies.
- Policy for Derivatives
- Exchange Risk Policies
- Interest Rate Risk Policies.

(iv) Liquidity risk

For liquidity risk management, the Bank has policies that define guidelines for the constitution of a reserve of high quality liquid assets, credit line availability, minimum contingent credit line requirements, as well as limits on the concentration of available funds. It also has a Contingency Plan in the event of a liquidity shortage, which considers the operating procedure to be followed in the event of an individual or systemic liquidity crisis.

(c) Concentration of risks

COFIDE has policies and procedures to ensure adequate diversification of financial assets and liabilities, within and outside the statement of financial position; and to seek, where appropriate, an adequate relationship between concentration risk and the degree of equity capitalization of COFIDE. The diversification and concentration policies of its asset and liability management policy manual establish alerts that reflect its risk appetite such as:

- Asset concentration alerts by single risk.
- Diversification alerts by sector of economic activity.
- Investment diversification alerts and available by market.
- Alerts of concentration of liabilities by single risk.

In addition, COFIDE has established policies on limits so that the credit risk incurred is sufficiently limited and diversified within the corporate objectives of the organization, for which it has established:

- Exposure limits with the IFIs with the highest relative risk.

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### Notes to the financial statements (continue)

- Single Risk Concentration Tracking.
- Monitoring the quality of the implicit credit exposure.
- Monitoring the quality of explicit credit exposure.
- Limits on participation in corporate, specialized, and specialized financing operations.

Likewise, COFIDE has Policies for Levels of Autonomy, which must be approved by the Board of Directors and are related to:

- Loans operations.
- Investment operations.
- Debt operations.
- Operations with derivative financial instruments.
- Negotiation operations.

Regarding investments, COFIDE has defined in its policies alerts for trading portfolio concentration, and has established limits for the investment portfolio by relative risk and portfolio limits by issue risk.

#### (d) Risk measurement and reporting systems

COFIDE uses for risk management, different models and rating tools for the measurement and evaluation of each of the types of risks related to financial instruments. These tools are supported by models, methodologies and applications, allowing better risk decisions.

The tools are monitored and validated periodically to ensure that prediction and performance levels are maintained and that corrective measures or adjustments to the models can be made, if necessary.

Management indicators are reviewed and analyzed in order to identify possible deviations in the risk profile with respect to the risk appetite stipulated by COFIDE, in order to take corrective measures in a timely manner. This information is presented monthly to the Risk Committee and periodically to the Board of Directors.

#### (e) Credit risk

Credit risk is defined as the probability of incurring financial losses arising from noncompliance with the contractual obligations of a counterparty or obligated third parties for reasons of insolvency, inability or unwillingness to pay or any other reason giving rise to noncompliance with the obligations assumed.

The following are the control measures that COFIDE uses to mitigate credit risk:

1. COFIDE has opted for a risk policy that ensures sustained and profitable growth.

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### Notes to the financial statements (continue)

To this end, it incorporates analysis procedures for adequate decision making, as well as tools and methodologies that allow it to identify, measure, mitigate and control the different risks in the most efficient manner and in accordance with the provisions of the SBS. Likewise, it develops management models that allow an adequate measurement, quantification and monitoring of loans, promoting the continuous improvement of policies, tools, methodologies and processes.

#### 2. Maximum exposure to credit risk

As of December 31, 2023 and 2022, Management has estimated that the maximum amount of credit risk to which COFIDE is exposed is represented by the carrying value of financial assets that present a potential credit risk and consist mainly of: cash, available for sale investments, loan portfolio (direct and indirect, without considering the market value of guarantees or collateral), operations with derivative financial instruments, accounts receivable and other monetary assets.

Exposure for each borrower, including banks, investments or other debtors, is established through the assignment of limits covering risks for transactions on and off the statement of financial position (contingent accounts), the timely assessment of transactions, as well as risk limits for items subject to trading, such as foreign currency and interest rate swap contracts. Actual exposures and their comparison against the established limits are reviewed monthly.

In this regard, as of December 31, 2023 and 2022:

- 71.91 percent and 91.23 percent, respectively, of available funds represent the amounts deposited in BCRP vaults,
- 76.6 and 72.5 percent, respectively, of loans are considered neither past due nor impaired.
- 95.23 and 95.04 percent, respectively, of investments are at least investment grade (BBB- or higher) or are debt instruments issued by the Central Government.

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### Notes to the financial statements (continue)

Below is a table of COFIDE's maximum credit risk exposure by type of financial asset:

	2023 S/(000)	2022 S/(000)
Cash and cash equivalents, note 4	716,876	991,800
Available for sale investments, note 5	4,121,924	4,131,280
Held to maturity investments, note 5	25,027	-
Loan portfolio, net, note 6	4,678,753	5,736,237
Trading derivatives, note 7	1,165	924
Accounts receivable, net, note 7	1,127,592	886,727
Other assets	200	517
	<u>10,671,537</u>	<u>11,747,485</u>
<b>Contingents (*), note 6 and 13</b>	<u>98,125</u>	<u>168,818</u>

(\*) Including guarantees given and letters of guarantee and other contingent accounts, net of provisions.

In line with SBS requirements, it has established a follow-up plan and recovery strategies differentiated by risk segment and type of portfolio. Thus, at the end of the fourth quarter of 2023, 4 clients were rescheduled (5 clients as of December 31, 2022), mainly from the non-retail portfolio, representing approximately 9.96 percent of total loans as of December 31, 2023 (11.83 percent as of December 31, 2022).

Likewise, the granting of facilities continued within the framework of the different economic reactivation programs (PAE-MYPE and FAE-Tourism), in these cases in which COFIDE grants financing, guidelines were established for the assignment of individual limits to financial intermediaries based on their level of risk. Likewise, COFIDE, as administrator, continued to take steps to ensure that the Reactiva Perú Program and the COVID-19 Guarantee Program continue to operate. To date, financing through the FAE-TEXCO and Impulso Myperu programs is still in force.

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## Notes to the financial statements (continue)

### Management of guarantees:

(j) Policies and procedures for its management and valuation

COFIDE has policies for the negotiation and management of real and personal guarantees that must be constituted in support of credit operations under any modality, maintaining a minimum margin of coverage between the value of the guarantees constituted and the magnitude of the risk covered, affecting the degree of realization of the assets involved and the final recovery of the debts; which means an important mitigator of the credit risk assumed. The criteria for the valuation of guarantees and procedures for their updating are prescribed in the Manual of Credit Risk Policies with Debtors (Policies for Guarantees), which incorporates the provisions established by the SBS.

It is worth mentioning that COFIDE does not have guarantees for other financial instruments such as the investment portfolio, the trading portfolio and hedging derivatives.

For the management of guarantees, COFIDE has areas specialized in the constitution, management and release of guarantees.

(ii) Types of guarantees

Guarantees in support of credit operations are constituted by real and personal property and financial instruments, and their preferential nature is evidenced by the following conditions:

- Easy convertibility into cash, with which the secured obligation can be cancelled.
- To be constituted in preferential rank against other creditors.
- To cover, with the required slack, the risk value involved.
- To have the corresponding insurance duly endorsed.
- Preference should be given to collateral on assets whose realizable value is not correlated to the evolution or performance of the financed debtor's ability to pay.

Based on these preferences, COFIDE seeks to provide the following types of guarantees:

- Self-liquidating collaterals, or fiduciary equivalents.
- Preferred collaterals of very fast realization.
- Preferred collaterals.

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### Notes to the financial statements (continue)

(iii) Concentrations of risk with respect to collateral

Below is a detail of the concentration of collateral backing the loan transactions as of December 31, 2023 and 2022.

	Non-retail S/(000)	Retailer S/(000)	Total guarantees S/(000)	Related credits S/(000)
<b>Type of collateral</b>				
<b>2023</b>				
Self-liquidating				
guarantees	49,396	-	49,396	1,162,426
Preferred guarantees	13,942	-	13,942	3,556
	<u>63,338</u>	<u>-</u>	<u>63,338</u>	<u>1,165,982</u>
<b>Type of collateral</b>				
<b>2022</b>				
Self-liquidating				
guarantees	229,400	-	229,400	1,351,797
Preferred guarantees	434,566	14,644	449,210	361,620
	<u>663,966</u>	<u>14,644</u>	<u>678,610</u>	<u>1,713,417</u>

(iv) Value of collateral received

The value of the collateral refers to the realizable value of the assets involved, which should be established on a conservative basis as the net result expected to be obtained from the eventual sale in its present condition, deducting all expenses necessary to carry out such sale.

COFIDE considers the following valuations:

- In the case of urban furniture, it should not exceed 70 to 75 percent of its commercial value (likewise for asset trusts).
- In the case of deposits, letters of guarantee and surety insurance, their face value will be considered as realizable value.
- In the case of pledged marketable securities, their market value will be taken as realizable value.
- In the case of credit insurance and credit derivatives, only the excess proportion or amount covered will be considered, according to the particular conditions established in each contract.
- For lien purposes in favor of COFIDE, the total commercial value of the guarantees involved is considered.



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	2023 S/(000)	2022 S/(000)
<b>Collaterals related to direct loans</b>		
Self-liquidating collaterals	43,396	229,400
Preferred collaterals	13,942	449,210
Other collaterals (**)	<u>609,476</u>	<u>531,484</u>
<b>Total (*)</b>	<u>666,814</u>	<u>1,210,094</u>

(\*) Does not include the value of promissory notes, the balance of which is recorded in other credit control accounts.

(\*\*) Corresponds to loan collaterals granted to the Micro and Small Business Assistance Program (FAE-MYPE), the Business Support Fund for MSEs in the Tourism Sector (FAE-Tourism), and the National Government Guarantee Program for Agricultural Business Financing (FAE-Agro) (notes 1(d) and 13(c.1)).

### Credit quality of financial assets -

COFIDE reviews its loan portfolio on an ongoing basis in order to minimize its exposure to risk and adequately determine loan loss provisions. The purpose of this work is to identify and mitigate the risk of loss on loans placed, as well as to plan adequate recovery strategies.

Allowances for loan losses are recorded on direct loans and the exposure equivalent to the credit risk of indirect loans, as established by the SBS. In this regard, generic and specific allowances are recorded.

Within the generic provisions, COFIDE creates provisions for the procyclical component for debtors classified in the "Normal" category, when the "procyclical rule" is activated by the SBS.

Below is a summary of the quality of direct loans classified in three groups, considering the risk classification of credit positions as normal, with potential problems, deficient, doubtful and loss of COFIDE, in relation to the alignment in the financial system:

- (i) Loans that are neither past due nor impaired, which comprise those direct loans that currently do not have delinquency characteristics and are related to customers classified as "Normal" and "With potential problems",

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### Notes to the financial statements (continue)

- (ii) Loans past due, but not impaired, which comprise past due loans from customers classified as normal or with potential problems, and
- (iii) Impaired loans, those loans classified as substandard, doubtful or loss, even if they are not past due (for non-retail loans) and more than 90 days past due (for retail loans).

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**Credit quality of the loan portfolio**

The segmentation of the loan portfolio into "Not past due or impaired", "Past due but not impaired" and "Impaired", is as follows:

	2023						2022					
	Non-retail loans S/(000)	Small and microenterprise loans S/(000)	Consumer loans S/(000)	Home mortgage loans S/(000)	Total S/(000)	%	Non-retail loans S/(000)	Small and microenterprise loans S/(000)	Consumer loans S/(000)	Home mortgage loans S/(000)	Total S/(000)	%
<b>Loans not past due or impaired</b>	4,612,580	19,586	216	2,878	4,635,260	98.36	5,215,140	-	323	3,709	5,219,172	90.84
Normal	3,796,314	16,296	216	2,422	3,815,248	80.96	4,728,610	-	323	3,709	4,732,642	82.37
CPP	816,266	3,290	-	456	820,012	17.40	486,530	-	-	-	486,530	8.47
<b>Past due but not impaired loans</b>	2,427	-	-	6	2,433	0.05	-	-	-	-	-	-
Normal	-	-	-	-	-	-	-	-	-	-	-	-
CPP	2,427	-	-	6	2,433	0.05	-	-	-	-	-	-
<b>Impaired loans</b>	1,391,704	16,530	-	955	1,409,189	29.90	1,980,353	736	4	990	1,982,083	34.49
CPP	305,186	-	-	-	305,186	6.48	276,324	-	-	-	276,324	4.80
Deficient	365,230	3,321	-	-	368,551	7.82	521,855	-	-	-	521,855	9.08
Doubtful	265,232	7,467	-	-	272,699	5.79	518,618	-	4	-	518,622	9.03
Loss	456,056	5,742	-	955	462,753	9.82	663,556	736	-	990	665,282	11.58
Gross portfolio	6,006,711	36,116	216	3,839	6,046,882	128.32	7,195,493	736	327	4,699	7,201,255	125.33
Less: provisions	1,301,447	32,288	2	739	1,334,476	28.32	1,454,031	735	6	631	1,455,403	25.33
<b>Total net</b>	<b>4,705,264</b>	<b>3,828</b>	<b>214</b>	<b>3,100</b>	<b>4,712,406</b>	<b>100.00</b>	<b>5,741,462</b>	<b>1</b>	<b>321</b>	<b>4,068</b>	<b>5,745,852</b>	<b>100.00</b>

The criteria for determining whether a loan is impaired are as follows:

Type of debtor	Impairment criteria
Retailer	Past due loans more than 90 days past due Debtor classified as doubtful or loss
Non-retail	Debtor classified as deficient, doubtful or loss Loans in refinanced or restructured situation

The specific provisions associated with operations that as of December 31, 2023 have been classified as past due and not impaired and impaired loans amount to S/1,039,235,000 (S/1,137,224,000 as of December 31, 2022). During the years 2023 and 2022, customer transactions that throughout those periods were classified as past due and not impaired and as impaired loans have generated financial income of S/330,000 and S/1,705,000, respectively.

As of December 31, 2023 and 2022, guarantees for past due and unimpaired loans and impaired loans amount to S/38,422,000 and S/316,585,000, respectively.

As of December 31, 2023 and 2022, past due but not impaired loans correspond to the Maquiwood channeling FEEE loan for S/1,373,000 and S/1,335,000, respectively.

## Notes to the financial statements (continue)

### **Credit risk management for loan portfolio**

For credit risk management with debtors in which COFIDE assumes the risk of the final debtors, as well as with the IFIs, COFIDE has a process comprising three fundamental stages: i) risk admission, ii) risk follow-up and monitoring, and iii) recovery of the heavy and impaired portfolio. The purpose of these stages of the process is to maintain a portfolio quality in line with the risk appetite defined by COFIDE's Board of Directors.

Stage i) credit admission is based fundamentally on a good knowledge of the client and its economic activity, being the evaluation of its payment capacity, credit history and solvency a determining factor. This process is based on the use of risk management methodologies and tools that allow measuring and assessing the quality of the risk to be granted, which is supported by methodologies and rating systems for credit approval.

Stage ii) portfolio follow-up and monitoring is carried out using a system of alerts for early detection of credit risk of financial intermediaries, based on subsystems that allow identifying entities of the financial system with potential risks that could affect their payment capacity, as well as a follow-up classification methodology, by which ratings are assigned based on the behavior and risk profile of the intermediary, associated with actions to be taken. Likewise, there is a methodology for monitoring the risk profile of debtors (non-intermediary), by means of which debtors are monitored with respect to the evolution of the risks detected, and decisions are made and managed for their normalization or collection.

For each business segment, the main portfolio trends are monitored, in terms of the evolution of quality indicators, sector and product concentration of the loan portfolio, as well as counterparty risk exposure indicators, among others.

Finally, stage iii) loan collection of the heavy and impaired portfolio is carried out through a set of coordinated actions applied for the adequate and timely recovery of loans, aimed at minimizing losses on exposures with high credit risk.

### **Investment credit risk management**

COFIDE controls the credit risk of its investments based on risk assessment of issuers and instruments. In the case of foreign investments, the evaluation considers the ratings issued by international risk rating agencies, as well as the risk of the issuer's country, which is evaluated considering its main macroeconomic variables. In the case of local investments, the ratings of local rating companies are considered and, as the case may be, internal analyses of the financial situation are prepared.

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## Notes to the financial statements (continue)

The following table presents the risk classification of available for sale investments:

	2023 S/(000)	2022 S/(000)
<b>Instruments issued in Peru</b>		
AA - to AA+	414,709	331,078
A- to A+	-	61,102
BBB - to BBB+	10,219	-
4 (pe)	102,167	122,121
<b>National total</b>	<u>527,095</u>	<u>514,301</u>
<b>Instruments issued abroad</b>		
AAA	132,404	-
AA - to AA+	2,017,003	2,017,003
BBB - to BBB+	1,251,597	1,373,840
BB - to BB+	196,849	203,896
<b>Total outside</b>	<u>3,597,853</u>	<u>3,594,739</u>
Accrued interest	22,003	22,240
	<u>4,146,951</u>	<u>4,131,280</u>

### Risk concentrations

COFIDE has policies and procedures to ensure adequate diversification of financial assets and liabilities, within and outside the statement of financial position; and to seek, where appropriate, an adequate relationship between concentration risk and the degree of equity capitalization of COFIDE. The diversification and concentration policies of its asset and liability management policy manual establish alerts that reflect its risk appetite such as:

- Single risk asset concentration alerts: In order to avoid excessive concentration in direct and indirect asset transactions (cash, interbank funds, investments, loans, receivables, accounts receivable and contingent receivables, including the credit risk equivalent exposure of derivative financial instruments) with counterparties constituting the same single risk.
- Diversification alerts by sector of economic activity: The purpose is to maintain an adequate diversification of the entire investment portfolio, based on the sector of economic activity in which each counterparty operates or, in the case of specialized financing transactions, the sector of economic activity on which the underlying risk will depend.

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### Notes to the financial statements (continue)

- Investment diversification alerts and available by market: Related to the differentiated behavior of the markets, for which COFIDE considers it prudent to promote diversification by systemic risk.
- Alerts of concentration of liabilities by single risk: With this alert, COFIDE seeks to avoid the concentration of financing sources by type of creditor institution.

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As of December 31, 2023 and 2022, financial instruments with exposure to credit risk were distributed according to the following economic sectors:

	2023				2022			
	At fair value through profit or loss S/(000)	Loans and receivables S/(000)	Available for sale S/(000)	Total S/(000)	At fair value through profit or loss S/(000)	Loans and receivables S/(000)	Available for sale S/(000)	Total S/(000)
Financial Services	1,165	716,876	2,019,622	2,737,663	924	991,800	2,018,764	3,011,488
Agriculture, livestock, hunting and forestry	-	86,899	68,040	154,939	-	95,448	59,858	155,306
Other manufacturing	-	1,073	-	1,073	-	-	-	-
Electricity, gas and water	-	46	1,067,252	1,067,298	-	88,141	1,091,448	1,179,589
Transportation, warehousing and communications	-	165,564	183,891	349,455	-	354,257	170,977	525,234
Financial intermediation	-	4,210,134	198,345	4,408,479	-	4,988,537	185,070	5,173,607
Real estate business and rental activities	-	202,877	423,132	626,009	-	205,487	422,739	628,226
Other non-retail	-	1,129,571	186,669	1,316,240	-	887,244	182,424	1,069,668
Consumption	-	214	-	214	-	321	-	321
Mortgage	-	3,079	-	3,079	-	4,046	-	4,046
	<u>1,165</u>	<u>6,516,333</u>	<u>4,146,951</u>	<u>10,664,449</u>	<u>924</u>	<u>7,615,281</u>	<u>4,131,280</u>	<u>11,747,485</u>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

As of December 31, Asset financial instruments have the following geographic concentrations:

	2023			
	Financial assets and liabilities designated at fair value	Loans and receivables (*) S/(000)	Available for sale S/(000)	Total S/(000)
<b>Financial instruments</b>				
Peru	1,165	6,357,392	1,822,419	8,180,976
Rest of South America	-	-	2,017,003	2,017,003
Mexico	-	-	169,918	169,918
United States	-	119,130	-	119,130
Europa	-	24,530	-	24,530
Rest of the world	-	22,369	137,611	159,980
	<u>1,165</u>	<u>6,523,421</u>	<u>4,146,951</u>	<u>10,671,537</u>
	2022			
	Financial assets and liabilities designated at fair value S/(000)	Loans and receivables (*) S/(000)	Available for sale S/(000)	Total S/(000)
<b>Financial instruments</b>				
Peru	924	7,135,681	1,901,865	9,038,470
Rest of South America	-	1,707	2,017,003	2,018,710
Europa	-	321,927	-	321,927
United States	-	118,617	-	118,617
Mexico	-	-	94,089	94,089
Rest of the world	-	37,349	118,323	155,672
	<u>924</u>	<u>7,615,281</u>	<u>4,131,280</u>	<u>11,747,485</u>

(\*) As of December 31, 2023 and 2022, includes loan portfolio and accounts receivable.



## Translation of independent auditor's report originally issued in Spanish - Note 31

### Notes to the financial statements (continue)

#### **Liquidity risk:**

Liquidity risk consists of COFIDE's inability to meet the maturity of its obligations or the demand for resources for its loan portfolio, incurring losses that could significantly affect its equity position. This risk is manifested as a result of possible losses due to the early (or forced) sale of assets at unusual and/or significant discounts, in order to quickly obtain the necessary resources; or, due to the impossibility of renewing or contracting new financing under normal conditions for COFIDE.

COFIDE manages liquidity by centralizing its cash flows generated by all intermediation and treasury operations and by all operations related to its own investments, in accordance with liquidity risk tolerance and regulatory requirements.

COFIDE's liquidity is managed by the Assets and Liabilities Committee (ALCO) through the area of This area permanently reviews economic and market conditions in order to execute operations that minimize the cost of liquidity in accordance with the approved parameters; in this way, the Committee can periodically review liquidity levels and total and currency maturity mismatches of the entire portfolio. Liquidity risk is in turn supervised by the Risk Committee and Risk Management, where the level of risk that COFIDE is willing to assume is defined and where the corresponding indicators, limits and controls are also reviewed.

COFIDE also evaluates medium and long-term liquidity through a structural analysis of its cash inflows and outflows at various maturities, using as tools static and dynamic cash flow modeling and estimation of liquidity gaps between asset and liability positions inside and outside the statement of financial position over a given time horizon. This process allows to know the different sources of funding, how liquidity needs are growing and which terms are uncovered. On both the assets and liabilities sides, internal assumptions are considered for transactions that do not have specific maturity dates. Also included are estimated obligations arising from contingent liabilities such as letters of guarantee or unused lines of credit. In light of this information, the necessary decisions are made to maintain target liquidity levels.

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Notes to the financial statements (continue)

In accordance with SBS guidelines, distribution by residual maturities of assets and liabilities as of December 31, 2023 and 2022 , including accrued interests related to the loan and deposit portfolio is as follows. Other accounts receivable and other financial assets are not included:

	Up to 1 month S/(000)	More than 1 month and less than 3 months S/(000)	More than 3 months and less than 6 months S/(000)	More than 6 months and less than 1 year S/(000)	More than 1 year and less than 5 years S/(000)	More than 5 years S/(000)	Overdue and in judicial collection S/(000)	Total S/(000)
<b>2023</b>								
<b>Assets</b>								
Cash and cash equivalents	515,242	92,970	95,971	2,806	6,080	3,807	-	716,876
Available for sale investments	28,767	18,647	81,875	93,438	881,984	3,017,213	-	4,121,924
Held to maturity investments	-	-	531	569	5,709	18,218	-	25,027
Loan portfolio	211,769	729,587	521,370	550,424	1,329,706	856,706	479,191	4,678,753
Trading derivatives	-	-	285	880	-	-	-	1,165
Other assets	4,426	17,913	141,414	17,383	472,863	473,593	-	1,127,592
	<u>760,204</u>	<u>859,117</u>	<u>841,446</u>	<u>665,500</u>	<u>2,696,342</u>	<u>4,369,537</u>	<u>479,191</u>	<u>10,671,337</u>
<b>Liabilities</b>								
Obligations with the public	22,031	18,865	9,568	770	-	-	-	51,234
Debtors and financial obligations	478,180	230,512	243,511	525,752	4,586,349	2,047,720	-	8,112,024
Trading and hedging derivatives	28	10,425	2,223	8,329	3,176	-	-	24,181
Accounts payable	43,443	92,257	104,209	602	-	-	-	240,511
Other liabilities	673	15,703	11,791	55,607	42,820	60,463	-	187,057
	<u>544,355</u>	<u>367,762</u>	<u>371,302</u>	<u>591,060</u>	<u>4,632,345</u>	<u>2,108,183</u>	<u>-</u>	<u>8,615,007</u>

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Notes to the financial statements (continue)

	Up to 1 month S/(000)	More than 1 month and less than 3 months S/(000)	More than 3 months and less than 6 months S/(000)	More than 6 months and less than 1 year S/(000)	More than 1 year and less than 5 years S/(000)	More than 5 years S/(000)	Overdue and in judicial collection S/(000)	Total S/(000)
<b>2022</b>								
<b>Assets</b>								
Cash and cash equivalents	203,398	2,140	87,879	174,838	519,358	4,187	-	991,800
Available for sale investments	23,667	20,038	56,071	78,905	762,099	3,190,500	-	4,131,280
Loan portfolio	179,442	456,531	1,050,563	749,039	1,691,128	1,206,170	403,364	5,736,237
Trading derivatives	-	-	924	-	-	-	-	924
	<u>406,507</u>	<u>478,709</u>	<u>1,195,437</u>	<u>1,002,782</u>	<u>2,972,585</u>	<u>4,400,857</u>	<u>403,364</u>	<u>10,860,241</u>
<b>Liabilities</b>								
Obligations with the public	-	-	292	230,554	-	-	-	230,846
Debtors and financial obligations	234,151	387,737	549,988	897,156	4,858,085	1,984,840	-	8,911,957
Trading and hedging derivatives	515	2,358	896	12,838	2,766	-	-	19,373
Accounts payable	32,147	4,516	86,111	170,800	227,818	-	-	521,392
Other liabilities	792	1,584	3,357	37,326	5,014	770	-	48,843
	<u>267,605</u>	<u>396,195</u>	<u>640,644</u>	<u>1,348,674</u>	<u>5,093,683</u>	<u>1,985,610</u>	<u>-</u>	<u>9,732,411</u>

The following table shows the changes in liabilities from financing activities as indicated by IAS 7:

	2023					Balance as of December 31 S/(000)
	Balance as of January 1 S/(000)	Dividend distribution S/(000)	Cash flow S/(000)	Movement in foreign currency S/(000)	Others S/(000)	
Debtors and outstanding securities, bonds and debentures	8,911,957	-	(145,823)	(258,433)	(395,677)	8,112,024
Dividends payable	-	30,323	(30,323)	-	-	-
<b>Total liabilities from financing activities</b>	<u>8,911,957</u>	<u>30,323</u>	<u>(176,146)</u>	<u>(258,433)</u>	<u>(395,677)</u>	<u>8,112,024</u>
	2022					Balance as of December 31 S/(000)
	Balance as of January 1 S/(000)	Dividend distribution S/(000)	Cash flow S/(000)	Movement in foreign currency S/(000)	Others S/(000)	
Debtors and outstanding securities, bonds and debentures	9,202,988	-	(885,190)	176,563	417,596	8,911,957
Dividends payable	-	1,306	(1,306)	-	-	-
<b>Total liabilities from financing activities</b>	<u>9,202,988</u>	<u>1,306</u>	<u>(886,496)</u>	<u>176,563</u>	<u>417,596</u>	<u>8,911,957</u>

# Translation of independent auditor's report originally issued in Spanish - Note 31

## Notes to the financial statements (continue)

### **Market risk**

Market risk is the probability of loss due to variations in market conditions financial. The main variations can be found in: i) interest rates, ii) exchange rates, iii) interest rates and iii) in prices.

### **Trading portfolio**

With regard to market risk, COFIDE is exposed to interest rate risk, interest rate and interest rate risk. and price, which affect the value of the assets and positions in the trading portfolio.

As of December 31, 2023, the balance of trading derivative financial instruments amounts to S/928,054,000, see note 11 (S/701,293,000 as of December 31, 2022) and S/23,436,000 for sovereign bonds (S/20,716,000 as of December 31, 2022).

COFIDE applies VaR ("Value at Risk") as the basic statistical measure to measure, manage and control market risks, since it estimates maximum expected losses on the positions in the trading portfolio, for a time horizon of 10 days and a confidence level of 99 percent, under normal market conditions. The VaR calculation is analyzed by risk factor: interest rate and exchange rate, mainly.

In order to estimate the value at risk of the interest rate and exchange rate, use is made of the historical method, for which purpose simulated market values are calculated for the instruments that the trading portfolio, as well as for the global position in foreign currencies, this in based on historical information on interest rate and exchange rate market variables.

These market values allow to obtain simulated variations of market values, thus allowing to obtain that the value at risk can finally be estimated based on a statistical confidence level. In addition, stress tests are performed on a quarterly basis, as well as validation tests.

of the model (Backtesting).

### **Non-trading assets and liabilities**

In the case of non-trading assets and liabilities, COFIDE is exposed to the following variations: i) interest rate, and ii) exchange rate.

#### **(i) Interest rate risk**

Interest rate risk arises from the possibility that changes in market interest rates may adversely affect a company's financial condition, affecting its earnings and net equity.

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## Notes to the financial statements (continue)

COFIDE has established in its internal methodologies the differentiation between the effect of interest rate risk on earnings (profits), related to interest receivable and payable (repricing, reinvestment or refinancing); and the effect on economic value (equity value), which is related to the present value of the company's assets and liabilities and the interest rates at which the future flows they generate are discounted. In other words, the impact of changes in interest rates is presented in two ways: the first in the form of an impact on the expected profits, which is directly related to reinvestment risk, refinancing risk and repricing risk. The second is related to the valuation of COFIDE's assets and liabilities and, therefore, to the economic value or real value of COFIDE's equity.

The impact on expected earnings is determined by the earnings at risk (GER), which corresponds to the expected variation in COFIDE's financial margin in the event of expected changes in interest rates. In other words, the impact on the company's profits. The impact on equity is determined by the equity value at risk (VPR), which corresponds to the variation in the value of COFIDE's equity in the event of changes in the interest rates used for its valuation. In other words, the impact of changes in market interest rates on the statement of financial position.

The results of these 2 internal interest rate risk indicators in a normal scenario are as follows:

	2023
	S/
GER (0.521 % of regulatory capital)	16,556,844
VPR (0.750 % regulatory capital)	23,815,135
	2022
	S/
GER (1,111% regulatory capital)	31,341,084
VPR (2.155% regulatory capital)	60,783,217

Interest rate risk monitoring is reported to the Risk Committee, as well as to the ALCO Committee. The Risk Committee approves the various limits to be considered for management and the Risk Management is in charge of the follow-up.

### Repricing Gap -

In order to determine the impact of interest rate movements, a repricing gap analysis is performed. The analysis consists of allocating the balances of the transactions that will change interest rates to different time gaps. Based on this analysis, the impact of the change in the valuation of assets and liabilities is calculated for each gap.

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Notes to the financial statements (continue)

The following table summarizes COFIDE's exposure to interest rate risk. COFIDE's financial instruments are shown at their carrying amounts, classified between the interest rate period of the contract or maturity date, whichever occurs first:

	Up to 1 month S/(000)	More than 1 month and less than 3 months S/(000)	More than 3 months and less than 6 months S/(000)	More than 3 months and less than 1 year S/(000)	More than 1 year and less than 5 years S/(000)	More than 5 years S/(000)	Non-interest bearing S/(000)	Total S/(000)
<b>2023</b>								
<b>Assets</b>								
Cash and cash equivalents	515,242	92,970	95,971	2,806	6,080	3,807	-	716,876
Available for sale investments	28,767	18,647	81,875	93,438	881,984	1,000,210	2,017,003	4,121,924
Held to maturity investments	-	-	531	569	5,709	18,218	-	25,027
Loan portfolio	277,618	956,452	683,490	721,578	1,816,826	1,170,547	(947,758)	4,678,753
Trading derivatives	-	-	285	880	-	-	-	1,165
Accounts receivable, net	4,426	17,913	141,414	17,383	472,863	473,593	-	1,127,592
Other assets	-	-	-	-	-	-	148,505	148,505
<b>Total assets</b>	<b>826,053</b>	<b>1,085,982</b>	<b>1,003,566</b>	<b>836,654</b>	<b>3,183,462</b>	<b>2,666,375</b>	<b>1,217,750</b>	<b>10,819,842</b>
<b>Liabilities</b>								
Obligations with the public	22,031	18,865	9,568	770	-	-	-	51,234
Debtors and financial obligations	478,180	230,512	243,511	525,752	4,586,349	2,047,720	-	8,112,024
Trading and hedging derivatives	28	10,425	2,223	8,329	3,176	-	-	24,181
Accounts payable	43,209	106,615	103,834	602	-	-	609	254,869
Other liabilities	234	-	375	-	-	-	172,090	172,699
Net worth	-	-	-	-	-	-	2,204,835	2,204,835
<b>Total liabilities and equity</b>	<b>543,682</b>	<b>366,417</b>	<b>359,511</b>	<b>535,453</b>	<b>4,589,525</b>	<b>2,047,720</b>	<b>2,377,534</b>	<b>10,819,842</b>
<b>Off-balance sheet</b>								
Assets hedging derivative instruments	20,050	273,113	169,769	465,122	18,653	-	-	946,707
Liability hedging derivative instruments	20,060	284,259	172,272	475,833	23,073	-	-	975,497
Marginal gap	282,361	708,419	641,552	290,491	(1,410,484)	618,655	(1,159,784)	(28,790)
Cumulative gap	282,361	990,780	1,632,332	1,922,823	512,339	1,130,994	(28,790)	-

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Notes to the financial statements (continue)

	Up to 1 month S/(000)	More than 1 month and less than 3 months S/(000)	More than 3 months and less than 6 months S/(000)	More than 3 months and less than 1 year S/(000)	More than 1 year and less than 5 years S/(000)	More than 5 years S/(000)	Non-interest bearing S/(000)	Total S/(000)
<b>2022</b>								
<b>Assets</b>								
Cash and cash equivalents	203,398	2,140	87,879	174,838	519,358	4,187	-	991,800
Available for sale investments	23,667	20,038	56,071	78,905	762,099	1,173,497	2,017,003	4,131,280
Loan portfolio	231,103	587,965	1,353,016	964,684	2,177,998	1,553,421	(1,131,950)	5,736,237
Trading derivatives	-	-	924	-	-	-	-	924
Accounts receivable, net	6,178	102,373	15,975	20,486	370,857	370,858	0	886,727
Other assets	-	-	-	-	72,053	-	30,052	102,105
<b>Total assets</b>	<b>464,346</b>	<b>712,516</b>	<b>1,513,865</b>	<b>1,238,913</b>	<b>3,902,365</b>	<b>3,101,963</b>	<b>915,105</b>	<b>11,849,073</b>
<b>Liabilities</b>								
Obligations with the public	-	-	292	230,554	-	-	-	230,846
Deposits in the financial system	17,470	34,290	131,499	9,010	-	-	-	192,269
Debtors and financial obligations	216,681	353,447	418,489	888,146	4,858,085	1,984,840	-	8,719,688
Trading and hedging derivatives	515	2,358	896	12,838	2,766	-	-	19,373
Accounts payable	31,941	4,516	85,846	170,800	227,818	-	471	521,392
Other liabilities	206	-	265	-	-	-	48,372	48,843
<b>Net worth</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,116,662</b>	<b>2,116,662</b>
<b>Total liabilities and equity</b>	<b>266,813</b>	<b>394,611</b>	<b>637,287</b>	<b>1,311,348</b>	<b>5,088,669</b>	<b>1,984,840</b>	<b>2,165,505</b>	<b>11,849,073</b>
<b>Off-balance sheet</b>								
Assets hedging derivative instruments	22,464	187,595	195,863	295,371	-	25,813	-	727,106
Liability hedging derivative instruments	22,966	190,740	197,336	313,839	-	29,658	-	754,539
Marginal gap	197,031	317,760	875,105	(90,903)	(1,186,304)	1,113,278	(1,250,400)	(27,433)
Cumulative gap	197,031	511,791	1,386,896	1,295,993	109,689	1,222,967	(27,433)	-

**Sensitivity to changes in interest rates**

Exposure to interest rate risk is supervised by the Assets and Liabilities Committee, as well as by the Risk Committee, which approves the maximum allowable limits.

The sensitivity of the interest rate indicators to a shock of 200 basis points (bps) is shown below:

	2023	2022
GER	S/16,888,506 (0.532% Effective net worth)	S/31,957,252 (1,133% Effective net worth)
VPR	S/24,272,506 (0764% Effective net worth)	S/61,872,633 (2,194% Effective net worth)

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### Notes to the financial statements (continue)

(ii) Foreign exchange risk

Foreign currency exchange risk is the risk related to the variation in the value of positions in the statement of financial position and outside the statement of financial position that are negatively affected by exchange rate movements. This risk depends on the position in each currency and the volatility of exchange rates. A significant portion of assets and liabilities are denominated in U.S. dollars. Management sets limits on exposure levels by currency, which are monitored on a monthly basis. The majority of foreign currency assets and liabilities are held in U.S. dollars.

Foreign currency transactions are carried out at free market exchange rates.

As of December 31, 2023, the buying and selling exchange rates used are US\$1 for S/3,705 and US\$1 for S/3,713, respectively (US\$1 for S/3,808 buying and US\$1 for S/3,820 selling, as of December 31, 2022). As of December 31, 2023, the exchange rate for the accounting of assets and liabilities in foreign currency fixed by the SBS was the average of purchases and sales equivalent to S/3,709 for US\$1 (S/3,814 as of December 31, 2022).

	2023			2022		
	US Dollars (000)	Other currencies (000)	Total (000)	US Dollars (000)	Other currencies (000)	Total (000)
<b>Assets -</b>						
Cash and cash equivalents	484,553	112	484,665	643,495	262,606	906,101
Available for sale investments	1,579,964	-	1,579,964	1,628,811	-	1,628,811
Loan portfolio, net	1,362,132	-	1,362,132	1,546,316	-	1,546,316
Trading derivatives	1,165	-	1,165	924	-	924
Accounts receivable net	760,108	-	760,108	755,093	-	755,093
Other assets, net	33	-	33	1	-	1
	<u>4,187,955</u>	<u>112</u>	<u>4,188,067</u>	<u>4,574,640</u>	<u>262,606</u>	<u>4,837,246</u>
<b>Liabilities -</b>						
Obligations with the public and deposits of companies in the financial system	41,347	-	41,347	213,434	-	213,434
Debts and financial obligations	850,263	18,687	868,950	839,248	288,134	1,127,382
Securities, bonds and debentures outstanding	4,223,304	(12)	4,223,292	4,299,936	(17)	4,299,919
Trading derivatives	19,945	-	19,945	15,915	-	15,915
Hedging derivatives	-	4,236	4,236	-	3,458	3,458
Accounts payable	868	152	1,020	311	335	646
Other liabilities	51,313	-	51,313	32,124	-	32,124
	<u>5,187,040</u>	<u>23,063</u>	<u>5,210,103</u>	<u>5,400,968</u>	<u>291,910</u>	<u>5,692,878</u>
<b>Currency swap position, net</b>	<u>904,981</u>	<u>18,653</u>	<u>923,634</u>	<u>671,636</u>	<u>25,813</u>	<u>697,449</u>
<b>Net monetary position</b>	<u>(94,104)</u>	<u>(4,298)</u>	<u>(98,402)</u>	<u>(154,692)</u>	<u>(3,491)</u>	<u>(158,183)</u>



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## Notes to the financial statements (continue)

As of December 31, 2023, COFIDE has recorded a net exchange gain of S/22,651,000 (net exchange gain of S/12,080,000 as of December 31, 2022), which is presented net under the caption "Results from financial operations" in the statement of income.

COFIDE manages foreign exchange risk through the matching of its asset and liability operations, monitoring the global foreign exchange position on a monthly basis. The global foreign exchange position of COFIDE is equal to long positions minus short positions in currencies other than the Sol. The overall position includes the positions in the statement of position (spot) and also positions in derivative financial instruments.

Changes in exchange rates affect the financial statements by modifying income and expenses expressed in local currency, as well as the valuation of all assets and liabilities of the Company. COFIDE. Foreign exchange risk is managed within the limits of the VaR calculation and the sensitivity analysis on exchange rates. Likewise, the regulatory and internal limits of foreign currency positions are monitored on a monthly basis.

The sensitivities in the case of U.S. dollar variations can be seen in the following table. Due to its volume, the US dollar position is the only exposure that could cause a material loss for COFIDE. Negative variations represent potential losses while positive variations represent potential gains.

		2023 S/(000)	2022 S/(000)
<b>Sensitivity analysis</b>			
<b>Devaluation</b>			
U.S. dollar	5%	(49,848)	(40,759)
U.S. dollar	10%	(99,695)	(81,519)
<b>Revaluation</b>			
U.S. dollar	5%	49,848	40,759
U.S. dollar	10%	99,695	81,519

### 27. Fair value

Fair value is the amount for which an asset can be exchanged between a knowledgeable buyer and a knowledgeable seller, or an obligation can be settled between a debtor and a creditor, under the terms of an arm's length transaction.

In cases where the quoted market value is not available, fair value is estimated based on the quoted market value of a financial instrument with similar characteristics, the present value of expected cash flows or other valuation techniques, which may be significantly affected by the different assumptions used.

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### Notes to the financial statements (continue)

Although management uses its best judgment in estimating the fair value of COFIDE's financial instruments, there are inherent weaknesses in any valuation technique; as a result, fair value may not be an approximate estimate of net realizable value or liquidation value.

The following should be considered regarding the methodology and assumptions used in estimating the fair value of COFIDE's financial instruments:

(i) Assets and liabilities whose fair value is similar to their carrying value  
This assumption applies to those assets and liabilities with current maturity, agreed at a variable interest rate and those that by means of Multiple Official Letter No. 43078-2014-SBS, the SBS determined that their fair value corresponds to their book value.

(ii) Fixed rate assets and liabilities  
The methodology used is the projection of future cash flows discounted at market interest rates for instruments with similar characteristics.

(iii) Assets and liabilities carried at fair value  
There are three levels in the determination of fair value:

#### Level 1:

For instruments quoted in active markets the fair value is determined by the price observed in those markets, and for instruments whose market price is not available, but the price of their components is available, the fair value is determined based on the relevant market prices of those components.

#### Level 2:

For instruments quoted in non-active markets, fair value is determined using a valuation technique or models, which uses market data to the greatest extent possible and minimizes internally calculated data.

#### Level 3:

For unquoted instruments, fair value is determined using valuation techniques or models.

In the positions valued at market prices, the following investments are mainly considered that are traded in centralized mechanisms.

The positions valued using valuation techniques include the following financial derivatives instruments.

The fair value of COFIDE's investment in CAF, according to Official Communication No. 45853-2012- SBS, classifies such financial instrument as "Available for sale Investments", taking as cost

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## Notes to the financial statements (continue)

value the last book equity value recorded in COFIDE's books, considering such value as its fair value.

### Carrying value and fair value of financial assets and liabilities:

Taking into account the fair value considerations and Multiple Official Communication No. 43078-2014-SBS, in which the SBS determined that the fair value corresponds to the book value in the case of loans and deposits; as of December 31, the book values and fair values of COFIDE's financial assets and liabilities are presented as follows:

	Book value		Fair value	
	2023	2023	2022	2022
	Book value	Fair value	Book value	Book value
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Assets</b>				
Cash and cash equivalents	716,876	716,876	991,800	991,800
<b>Available for sale investments</b>				
Equity instruments	2,121,789	2,121,789	2,140,885	2,140,885
Debt instruments	2,000,135	2,000,135	1,990,395	1,990,395
Maturity Investments	25,027	25,027	-	-
Loan portfolio	4,678,753	4,678,753	5,736,237	5,736,237
Trading derivatives	1,165	1,165	924	924
Accounts receivable	1,127,592	1,127,592	886,727	886,727
Other assets	200	200	517	517
	<u>10,671,537</u>	<u>10,671,537</u>	<u>11,747,485</u>	<u>11,747,485</u>
<b>Liabilities</b>				
Obligations with the public and deposits of companies in the financial system	51,234	51,234	230,846	230,846
Debts	2,370,400	2,366,800	3,024,510	3,017,986
Securities and bonds outstanding	5,741,624	5,737,569	5,887,447	5,906,287
Trading derivatives	19,945	19,945	15,915	15,915
Hedging derivatives	4,236	4,236	3,458	3,458
Accounts payable	254,869	254,869	521,392	521,392
Other liabilities	55,356	55,356	37,292	37,292
	<u>8,497,664</u>	<u>8,490,009</u>	<u>9,720,860</u>	<u>9,733,176</u>

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## Notes to the financial statements (continue)

### Determination of fair value and hierarchy of values

The following table shows by level of hierarchy the analysis of financial instruments recorded at fair value:

	2023		
	Level 1	Level 2	Level 3
<b>Assets -</b>			
<b>Available for sale investments</b>			
Equity instruments	104,786	-	-
Debt instruments	2,000,135	-	-
Accounts receivable from derivative financial instruments	-	1,165	-
	<u>2,104,921</u>	<u>1,165</u>	<u>-</u>
<b>Liabilities -</b>			
Derivative payables	-	24,181	-
	<u>-</u>	<u>24,181</u>	<u>-</u>
	2022		
	Level 1	Level 2	Level 3
<b>Assets</b>			
<b>Available for sale investments</b>			
Equity instruments	123,882	-	-
Debt instruments	1,990,395	-	-
Accounts receivable from derivative financial instruments	-	924	-
	<u>2,114,277</u>	<u>924</u>	<u>-</u>
<b>Liabilities</b>			
Derivative payables	-	19,373	-
	<u>-</u>	<u>19,373</u>	<u>-</u>

Financial assets included in level 1 are those that are measured on the basis of information that is observable in the market, to the extent that quotations reflect an active, liquid market and are available from a centralized trading facility, broker, price vendor or regulatory entity.

The financial instruments included in level 2 are valued using market prices of other instruments with similar characteristics or financial valuation models based on information from observable market variables (interest rate curves, price vectors, etc.). COFIDE uses this method mainly to value derivative financial instruments.

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### Notes to the financial statements (continue)

#### Hedging and trading operations

COFIDE is exposed to fluctuations in the future cash flows of financial assets and liabilities denominated in foreign currency and/or bearing interest at variable rates. COFIDE uses derivative financial instruments such as cash flow hedges to cover these risks, as well as trading risks.

#### 28. Other Risk Management

##### (a) Operational risk

Operational risk is caused by human error, process, system or external factors, including legal risk, but excluding strategic and reputational risk.

COFIDE has identified its operational risks by focusing on the transversal processes that make up its operations. Likewise, successive improvements are made in the policies and methodologies for the identification, evaluation and follow-up of operational risk, as well as in the definition of the roles and responsibilities of those in charge of its management.

Indicators have been established to analyze the causes and effectiveness of control and mitigation measures for operational risks. On the other hand, various reports are prepared to allow continuous monitoring of these risks and to determine the necessary measures for their mitigation, in accordance with the limits established by the Board of Directors. At the same time, the management and departments designate operational risk coordinators, who are the experts in the processes and are in charge of assessing their risks by applying the operational risk methodology, considering the database of incidents and loss events. Likewise, the effectiveness of the controls to mitigate a risk is evaluated based on their design, operation, coverage, application and maturity.

In this way, COFIDE continuously evaluates and improves risk management aligned to its strategic objectives.

In case of an emergency situation, COFIDE has remote work access, using computer services through secure connections (VPN) and with access credentials to the active directory, which allow maintaining the same access (applications, network drives, folders, among others). In addition, messages were sent to all employees to encourage them to apply good information security practices in order to protect information: e-mails, browsing, virtual meetings and physical protection of equipment.

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### Notes to the financial statements (continue)

(b) Capital management - Cash equity

COFIDE actively manages a capital base to cover the risks inherent in its activities. COFIDE's capital adequacy is monitored using, among other measures, the norms and ratios established by the SBS, with established capital adequacy policies that define capital adequacy risk appetite and limit levels through indicators that seek to optimize the risk-return ratio, as well as guidelines for capital management and allocation.

COFIDE's objectives when managing capital, which is a broader concept than the equity shown in the statement of financial position, are: (i) to comply with the capital requirements established by the SBS; (ii) to safeguard COFIDE's ability to continue operating in a manner that continues to provide returns to shareholders and benefits to other participants; and (iii) to maintain a strong capital base to support the development of its activities.

In accordance with the provisions of the SBS, COFIDE is required to maintain effective equity equal to or greater than 10 percent of risk-weighted assets and contingencies, which include the effective equity requirement for market risk, operational risk and credit risk. By Emergency Decree No. 037-2021 of June 2, 2021, the overall limit was reduced to 8 percent until March 31, 2022.

As of December 31, 2023 and 2022, COFIDE uses the standard method for calculating the Cash Equity requirement for credit risk, market risk and the basic method for operational risk. Likewise, on December 27, 2022, SBS Resolution No. 03953-2022 was published approving the Regulation for the Cash Equity Requirement for Additional Risks, whereby companies must apply requirements for concentration risk and interest rate risk in the banking book. It is worth mentioning that the requirement for economic cycle is activated or deactivated according to the rule of procyclical provisions for credits.

As of December 31, 2023 and 2022, COFIDE's effective equity, determined in accordance with current legislation, is S/3,176,283,000 and S/2,820,496,000, respectively, which is used to calculate certain limits and restrictions applicable to banking entities in Peru, which COFIDE's management considers to be fully complied with.

As of December 31, 2023, credit risk-weighted assets and contingent credits amount to S/8,561,061,000 (S/9,863,915,000 as of December 31, 2022) and the equity requirement for credit, market and operational risk, determined by COFIDE according to current legal standards, total S/834,057,000 (S/1,052,276,000 as of December 31, 2022); which generates an overall capital ratio of 34.54 percent (30.07 percent as of December 31, 2022).

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### Notes to the financial statements (continue)

#### 29. Legal Limits

To date, the overall and individual limits of the Financial System Companies contained in the General Law are being monitored, as reported on a monthly basis in Report No. 13 sent to the SBS.

#### 30. Subsequent events

On Wednesday, January 24, 2024, the second issue (Social ICP) Series C of COFIDE's Fourth Short-Term Debt Instruments Program was auctioned for an amount of S/100 million at a term of 358 days and a spread of 71 bps over the CDBCRP.

These instruments are rated by Moody's Local PE Clasificadora de Riesgo S.A. MLA-1+.pe and Apoyo & Asociados Internacionales S.A.C. Risk Rating Agency CP -1+ (pe).

COFIDE's management is not aware of any subsequent events that have occurred between the closing date of these financial statements and the date of issuance that could significantly affect them.

#### 31. Additional explanation for English translation

The accompanying financial statements are presented based on the generally accepted accounting principles in Peru for financial entities. Certain accounting practices applied by COFIDE, that conform to generally accepted accounting principles in Peru for financial entities, may differ in certain significant respects from generally accepted accounting principles in other countries. In the event of any discrepancy, the Spanish-language version prevails.

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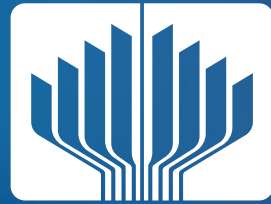
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COFIDE

EL BANCO DE DESARROLLO DEL PERÚ

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