

FINANCIAL STATEMENTS
FONDO MIVIVIENDA S.A.
SEPTEMBER 2023

Fondo MIVIVIENDA S.A.
Statement of Financial Position
As of september 30, 2023 and December 31, 2022
(Stated in thousands of Nuevos Soles)

	Notes	As of September 30, 2023	As of December 31, 2022		Notes	As of September 30, 2023	As of December 31, 2022
ASSETS				LIABILITIES			
CASH AND DUE FROM BANKS	4	2,767,847	1,636,275	OBLIGATIONS WITH THE PUBLIC		508	202
Cash		0	0	Demand deposits		0	0
Banco Central de Reserva del Perú		4,210	2,690	Saving Account Deposits		0	0
Banks and other companies of the financial system		2,331,931	1,633,562	Long-term Saving Account Deposits		0	0
Foreign banks and other companies of the financial system		-97	0	Other liabilities		508	202
Exchange		0	0	INTERBANK FUNDS		0	0
Other cash and due from banks		431,803	23	FINANCIAL ORGANIZATIONS		0	0
INTERBANK FUNDS		0	0	Demand Deposits		0	0
INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS		0	0	Saving Deposits		0	0
Equity Instrument		0	0	Time Deposits		0	0
Debt instrument		0	0	DUE TO BANKS AND FINANCIAL OBLIGATIONS	13	8,533,649	7,378,352
Investments in commodities		0	0	Dues and Obligations with Banco Central de Reserva del Perú		0	0
AVAILABLE-FOR-SALE INVESTMENTS	5	0	34,140	Dues and Obligations with Domestic Banks and Other Financial system companies	13.a)	575,006	576,210
Instruments representing the equity		0	0	Dues and Obligations with Foreign Companies and International Financial Bodies	13.b)	3,323,693	1,476,736
Instruments representing the debt		0	34,140	Other Dues and Obligations of the Country and Abroad		0	0
HELD-TO-MATURITY INVESTMENTS	5	94,511	140,561	Securities	13.c)	4,634,950	5,325,406
LOAN PORTFOLIO	6	22,547	26,587	TRADINGS DERIVATIVE FINANCIAL INSTRUMENT		5,399	0
Current Loan Portfolio		20,388	24,431	HEDGING DERIVATIVE FINANCIAL INSTRUMENT	7	321,351	158,629
Restructured Loan Portfolio		0	0	ACCOUNTS PAYABLES	14	1,339,823	938,559
Refinanced Loan Portfolio		156	201	PROVISIONS	15	2,530	3,092
Non-performing Loan Portfolio		86,515	88,809	Provisions for Contingent Loans		0	0
Loan Portfolio in Judicial Collection		72	72	Provisions for Lawsuits and Disputes		1,543	1,942
(-) Provisions for Loans		-84,584	-86,926	Others		987	1,150
TRADING DERIVATIVE FINANCIAL INSTRUMENT		24	0	CURRENT INCOME TAXES		0	0
HEDGING DERIVATIVE FINANCIAL INSTRUMENT	7	58,393	128,359	DEFERRED INCOME TAXES		0	0
ACCOUNTS RECEIVABLES		10,692,054	9,944,157	OTHER LIABILITIES	15	48,654	25,244
Accounts Receivables for Sale of Goods and Services and Trust (net)	8	10,690,130	9,817,877	TOTAL LIABILITIES		10,251,914	8,504,078
Other Account Receivables (net)	9	1,924	126,280				
REALIZABLE ASSETS RECEIVED IN PAYMENTS, AWARDED		0	0	SHAREHOLDER'S EQUITY			
Realizable Assets		0	0	Capital Shares	18.A	3,479,607	3,423,505
Assets Received in Payment and Awarded		0	0	Additional Capital		0	0
SHARES		0	0	Treasury Shares		0	0
Branch companies		0	0	Reserve	18.B	40,867	34,633
Affiliated and shares in joint ventures		0	0	Retained Earnings		-500	-598
Others		0	0	Net Income for the Year		77,536	62,336
PROPERTY, FURNITURE AND EQUIPMENT (NET)	10	983	680	Adjustment to Equity	18.C	-116,377	-41,841
INTANGIBLE ASSET DIFFERENT THAT THE CAPITAL GAIN	11	7,656	7,274	TOTAL SHAREHOLDER'S EQUITY		3,481,133	3,478,035
CAPITAL GAIN		0	0				
CURRENT INCOME TAXES	16.(a)	14,034	23,920				
DEFERRED INCOME TAXES	17	68,608	32,644				
NONCURRENTASSETS KEPT FOR SALE		0	0				
OTHER ASSETS	12	6,390	7,516				
TOTAL ASSETS		13,733,047	11,982,113	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		13,733,047	11,982,113
MEMORANDA CONTINGENTS		4,580,959	4,079,489				
MEMORANDA ACCOUNTS		14,549,897	4,298,694				
CONTRA CREDIT ACCOUNT		4,367,993	4,293,625				
TRUST, COMMISSIONS OF MEMORANDA TRUSTEE AND CONTRA CREDIT ACCOUNT OF TRUST		63,784	72,731				

Note: The Financial Statements weren't translated by Langrow, because they preserved the same format than other periods.

Fondo MIVIVIENDA S.A.
Statement of Income
For the periods ended september 30, 2023 and 2022
(Stated in thousands of Nuevos soles)

	Notes	For the specific quarter from julyl 1 to september 30, 2023	For the specific quarter from julyl 1 to september 30, 2022	For the period specific from January to September 30, 2023	For the period specific from January to September 30, 2022
INTERESTS INCOME					
Available		45,241	19,730	123,042	42,837
Interbank funds		0	0	0	0
Investments at fair value with changes in results		0	0	0	0
Available-for-sale investments		0	165	43	573
Held-to-maturity investments		1,462	2,141	4,805	7,126
Direct Loans Portfolio		1,298	1,730	4,327	5,157
Income from hedging transactions		0	0	0	0
Accounts receivables		171,388	146,532	483,617	411,390
Other financial income		-2	29	25	82
TOTAL INTEREST INCOME	21	219,387	170,327	615,859	467,165
INTEREST EXPENSES					
Obligations with the public		0	0	0	0
Interbank funds		0	0	0	0
Deposits of companies from the financial system and international financial organizations		0	0	0	0
Dues and Financial obligations		-114,315	-81,313	-301,830	-251,729
Dues and obligations with Banco Central de Reserva del Perú		0	0	0	0
Dues and obligations of the country's financial system		-5,926	-5,926	-17,563	-18,056
Dues and obligations with foreign financial institutions and international financial bodies		-43,832	-2,892	-89,324	-6,986
Other dues and obligations of the country and abroad		0	0	0	0
Commissions and other charges of dues and financial obligations		0	2,644	-250	-22,797
Securities and outstanding liabilities		-64,557	-75,139	-194,693	-203,890
Interests of accounts payable		0	0	0	0
Income from hedging transactions		0	0	0	0
Other financial expenses		-6,057	-11,111	-25,658	-30,914
TOTAL INTEREST EXPENSES	21	-120,372	-92,424	-327,488	-282,643
GROSS FINANCIAL MARGIN		99,015	77,903	288,371	184,522
(-) Provisions for direct loans		233	558	2,342	734
GROSS FINANCIAL MARGIN		99,248	78,461	290,713	185,256
FINANCIAL SERVICE REVENUES	22	1,473	1,215	4,721	2,818
Indirect loans income		0	0	0	0
Trusts and trust commissions income		45	49	143	154
Income from issuing electronic money		0	0	0	0
Miscellaneous income		1,428	1,166	4,578	2,664
FINANCIAL SERVICE EXPENSES	22	-582	-462	-1,861	-1,435
Indirect loans expenses		0	0	0	0
Trust expenses and trust commissions		-47	-45	-123	-134
Premium for the deposits insurance fund		0	0	0	0
Miscellaneous Expenses		-535	-417	-1,738	-1,301
NET FINANCIAL MARGIN OF FINANCIAL SERVICES REVENUES AND EXPENSES		100,139	79,214	293,573	186,639
FINANCIAL OPERATING INCOME	23	-30,376	-32,699	-96,424	-78,205
Investments at fair value with changes in results		0	0	0	0
Investments at fair value with changes in results		0	0	0	0
Investments in commodities		0	0	0	0
Available-for-sale investments		0	0	0	0
Trading derivative instruments	23	-6,350	-208	-4,283	-1,734
Income of hedging derivative instruments	23	-31,826	-32,016	-95,608	-79,996
Profits (losses) in shares		0	0	0	0
Profit-loss of exchange rate difference	23	6,892	-1,417	3,027	906
Others	23	908	942	440	2,619
OPERATING MARGIN		69,763	46,515	197,149	108,434
ADMINISTRATIVE EXPENSES					
Personnel and board of directors expenses	24	-6,557	-6,247	-26,010	-22,800
Expenses due to services received from third parties	24	-4,934	-4,963	-16,938	-16,402
Taxes and contributions	24	-146	-120	-512	-451
DEPRECIATIONS AND AMORTIZATIONS NET		-493	-531	-1,494	-1,349
NET FINANCIAL MARGIN		57,633	34,654	152,195	67,432
VALUATION OF ASSETS AND PROVISIONS					
Provisions for indirect loans		0	0	0	0
Provisions for uncollectibility of account receivables		-15,136	-6,692	-40,996	1,184
Provisions for realizable, received in payment, recovered, awarded and other assets		0	0	0	0
Provision for noncurrent assets kept for sale		0	0	0	0
Investment impairment		0	0	0	0
Impairment of property, furniture and equipment		0	0	0	0
Impairment of intangible assets		0	0	0	0
Provisions for litigation and claims		-413	-345	-489	-964
Other provisions		-43	-19	-156	-115
OPERATING INCOME		42,041	27,598	110,552	67,537
Other income and expenses	25	288	571	1,381	1,767
INCOME BEFORE INCOME TAX		42,329	28,169	111,933	69,304
INCOME TAX	16.(b)	-13,668	-1,557	-34,397	-22,453
NET INCOME		28,661	26,612	77,536	46,851
Basic incomes (loss) per share		0.008	0.008	0.023	0.014
Diluted incomes (loss) per share		0.008	0.008	0.023	0.014

Fondo MIVIVIENDA S.A.
Statement of the Comprehensive Income
For the periods ended september 30, 2023 and 2022
(Stated in thousands of Nuevos Soles)

	Notes	For the specific quarter from julyl 1 to september 30, 2023	For the specific quarter from julyl 1 to september 30, 2022	For the period specific from January to September 30, 2023	For the period specific from January to September 30, 2022
Net income (Loss)		28,661	26,612	77,536	46,851
Other comprehensive income:					
Exchange difference due to transactions abroad		0	0	0	0
Gain (loss) of investments in equity instruments at fair value		0	0	0	0
Hedging of cash flow		-38,952	-16,357	-107,677	-4,502
Hedging of net investment of business abroad		0	0	0	0
Share in another comprehensive income of affiliates, associates and joint ventures		0	0	0	0
Revaluation surplus		0	0	0	0
Others		63	339	1,393	355
Another comprehensive income before taxes		-38,889	-16,018	-106,284	-4,147
Income tax related to components of another comprehensive Income					
Exchange difference due to transactions abroad		0	0	0	0
Gain (loss) of investments in equity instruments at fair value		0	0	0	0
Hedging of cash flow		11,491	3,497	31,765	-1
Hedging of net investment of business abroad		0	0	0	0
Share in another comprehensive income of affiliates, associates and joint ventures		0	0	0	0
Revaluation surplus		0	0	0	0
Others		2	-77	-17	0
Sum of income taxes related to components of another comprehensive Income		11,493	3,420	31,748	-1
Other comprehensive Income:		-27,396	-12,598	-74,536	-4,148
Total comprehensive Income, net of the Income tax		1,265	14,014	3,000	42,703

Fondo MIVIVIENDA S.A.
Statement of Cash Flow
For the periods ended september 30, 2023 and 2022
(Stated in thousands of Nuevos Soles)

	Note	As of September 30, 2023	As of September 30, 2022
CASH FLOW FROM OPERATING ACTIVITIES			
NET INCOME		77,536	46,851
ADJUSTMENTS			
Depreciation and amortization		1,494	1,349
Provisions		86,491	29,902
Impairment		0	0
Other adjustments		143,673	575,743
NET CHANGES IN ASSETS AND LIABILITIES			
(Net increase) decrease in assets			
Loans		6,381	7,009
Investments at fair value through profit and loss		0	0
Available-for-sale investments		34,883	15,842
Accounts receivables and others		-791,699	-886,666
Net increase (decrease) in liabilities			
Financial liabilities, non-subordinated liabilities		1,140,508	538,686
Accounts receivables and others		411,376	91,046
Cash flow and equivalent to cash after adjustments and net change in assets and liabilities		1,110,643	419,762
Cash collected (paid) from income taxes		-28,695	10,222
NET CASH FLOW FROM OPERATING ACTIVITIES		1,081,948	429,984
CASH FLOW FROM INVESTMENT ACTIVITIES			
Cash from the sale of shares		0	0
Cash paid to purchase shares		0	0
Sale proceeds from intangibles and property, furniture and equipment		0	0
Acquisition of intangibles and property, furniture and equipment		-2,224	-1,491
Sale proceeds from held-to-maturity investments		47,848	61,687
Acquisition of held-to-maturity investments		0	0
Other inflows related to investment activities		87,722	0
Other outflows related to investment activities		-431,778	-91,563
NET CASH FLOW FROM INVESTMENT ACTIVITIES		-298,432	-31,367
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuing subordinated financing liabilities		0	0
Outflow from recovery subordinated financial liabilities		0	0
Proceeds from issuing stock		0	0
Dividends paid to shareholders		0	0
Other inflows related to financing activities		0	0
Other outflows related to financing activities		0	0
NET CASH FLOW FINANCING ACTIVITIES		0	0
Net increase (decrease) in cash and cash equivalent before changes on the exchange rate		783,516	398,617
Effects of the changes on the cash and cash equivalent exchange rate		4,097	5,608
Net increase (decrease) of cash and cash equivalent		787,613	404,225
Cash and cash equivalent at the beginning of the period		1,548,553	1,181,754
Cash and cash equivalent at the end of the period		2,336,166	1,585,979

Fondo MIVIVIENDA S.A.
Statement of Changes in Net Equity
For the periods ended september 30, 2023 and 2022
(Stated in thousands of Nuevos Soles)

	Capital shares	Additional capital	Own Shares in the Portfolio	Legal reserves	Voluntary reserves	Retained Earnings	Net Income	Adjustments to Equity								Total Net Equity
								Exchange differences in Translation of Foreign Operations	Gain (Losses) of Investment in Equity Instruments at fair value	Cash flow hedging	Hedging of net investment of foreign business	Participation in another Comprehensive Income of Affiliates, Associates and joint Ventures	Revaluation Surplus	Other adjustments	Total adjustments to equity	
Balance as of January 1, 2022	3,385,762	0	0	30,440	0	41,291	0	0	0	19,573	0	0	0	-5,554	14,019	3,471,512
1. Adjustments due to changes in the accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Adjustments due to correction of errors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Initial balance after adjustments	3,385,762	0	0	30,440	0	41,291	0	0	0	19,573	0	0	0	-5,554	14,019	3,471,512
4. Changes in the Equity:																
5. Comprehensive Income:																
6. Income							46,851									46,851
7. Other Comprehensive Income:								0	0	-4,503	0	0	0	356	-4,147	-4,147
8. Total Comprehensive Income:							46,851	0	0	-4,503	0	0	0	356	-4,147	42,704
9. Changes in the net Equity (not included in comprehensive income)																
10. Transference of the Income to retained Earnings				0	0	0	0									0
11. Declared cash dividends							0									0
12. Issuance of Capital stock (different than business combination)	37,743	0	0	0	0	-37,743										0
13. Reduction of Capital (different than business combination)	0	0	0	0	0	0										0
14. Increase (decrease) of Business Combination	0	0	0	0	0	0										0
15. Increase (decrease) due to trades of treasury stock	0	0	0	0	0	0										0
16. Increase (decrease) due to Transference and Other Changes	0	0	0	4,193	0	-4,194										-1
Total changes in equity	37,743	0	0	4,193	0	-41,937	46,851	0	0	-4,503	0	0	0	356	-4,147	42,703
Balance as of september 30, 2022	3,423,505	0	0	34,633	0	-646	46,851	0	0	15,070	0	0	0	-5,198	9,872	3,514,215
Balance as of January 01 , 2023	3,423,505	0	0	34,633	0	61,738	0	0	0	-36,901	0	0	0	-4,940	-41,841	3,478,035
1. Adjustments due to changes in the accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Adjustments due to correction of errors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Initial balance after adjustments	3,423,505	0	0	34,633	0	61,738	0	0	0	-36,901	0	0	0	-4,940	-41,841	3,478,035
4. Changes in the Equity:																
5. Comprehensive Income:																
6. Income							77,536									77,536
7. Other Comprehensive Income								0	0	-75,912	0	0	0	1,376	-74,536	-74,536
8. Total Comprehensive Income							77,536	0	0	-75,912	0	0	0	1,376	-74,536	3,000
9. Changes in the net Equity (not included in Comprehensive Income)																
10. Transference of the Income to retained Earnings				0	0	0	0									0
11. Declared cash dividends							0									0
12. Issuance of Capital stock (different than business combination)	56,102	0	0	0	0	-56,102										0
13. Reduction of Capital (different than business combination)	0	0	0	0	0	0										0
14. Increase (decrease) of Business Combination	0	0	0	0	0	0										0
15. Increase (decrease) due to trades of treasury stock	0	0	0	0	0	0										0
16. Increase (decrease) due to Transference and Other Changes	0	0	0	6,234	0	-6,136										98
Total changes in equity	56,102	0	0	6,234	0	-62,238	77,536	0	0	-75,912	0	0	0	1,376	-74,536	3,098
Balance as of september 30, 2023	3,479,607	0	0	40,867	0	-500	77,536	0	0	-112,813	0	0	0	-3,564	-116,377	3,481,133



Notes to the Financial Statements September 30, 2023

1. Identification and Business Activity

A. Identification.

Fondo MIVIVIENDA S.A. (hereinafter "the Fund") is a state-owned company under private law and is governed by Law N° 28579 "Conversion Law of the Housing Mortgage Fund - Fondo MIVIVIENDA to Fondo MIVIVIENDA S.A." and its bylaws. The Fund is included in the National Fund for the Financing of the Business Activities of the State – FONAFE under the Ministry of Housing, Construction and Sanitation (MVCS). The Law N° 28579 disposed the conversion of Mortgage Fund for Housing Promotion – Fondo MIVIVIENDA into a corporation named Fondo MIVIVIENDA S.A., since January 1, 2006.

The legal domicile of the entity is located at Calle Amador Merino Reyna N° 285, San Isidro, Lima, Peru.

B. Business activity

The Fund is engaged in the promotion and financing of acquisition, improvement and construction of homes, especially social interest housing. Likewise, it is engaged in the promotion of capital flow to the housing finance market, participation in the secondary mortgage loans market, and contributing to the development of the Peruvian capital market. All of the Fund's activities are regulated by the Superintendency of Banking, Insurance and AFP (hereinafter "SBS") through SBS Resolution N° 980-2006, Regulations for the Fondo MIVIVIENDA S.A.

As of the date of these financial statements, the Fund manages the following programs and resources:

- i. MIVIVIENDA Program.
- ii. Techo Propio Program - Management of the Household Housing Bonus (BFH), commissioned by the MVCS.
- iii. Resources of the Fondo Ley N° 27677, commissioned by the Ministry of Economy and Finance (MEF).

The characteristics of each program and resource are as follows:

i. MIVIVIENDA Program

The Fund, through the Trust Agreement with COFIDE, channels resources to financial institutions that are part of the Peruvian financial system for the granting of housing mortgage loans, whose characteristics include the Good Payer Award as a complement to the down payment (PBP-CI), the Good Payer Bonus (BBP) and the Credit Risk Coverage (CRC).

The following products form part of Fondo MIVIVIENDA program:

- Nuevo Crédito MIVIVIENDA
- Loan - MICONSTRUCCIÓN (*)
- Loan - MICASA MÁS (*)
- Loan - MITERRENO
- Loan - MIHOGAR (*)
- Standardized loan - MIVIVIENDA (*)
- Traditional loan - MIVIVIENDA (*)

Notes to the Financial Statements September 30, 2023

- Loan - Techo Propio Complementary Financing (Complementary Financing to the Household Housing Bonus - BFH)
- Credit Risk Coverage Service-CRC and Good Payer Award-PBP (Financing of Intermediary Financial Institutions, hereinafter the "IFI") (*)

(*) As of September 30, 2023, and December 31, 2022, these products have been discontinued; the balances correspond only to outstanding receivable balances (note 7). The loans MICONSTRUCCIÓN and MICASA MÁS were repealed by Board of Directors Meeting N° 01-20D-2017, dated August 24, 2017; likewise, an adaptation period was allowed until December 31, 2017, to cease its granting. The CRC - PBP service and the standardized loan MIVIVIENDA were discontinued in November 2009, loan MIHOGAR was discontinued in August 2009 and traditional loan MIVIVIENDA was discontinued since May 2006.

ii. **Techo Propio Program - Management of the Household Housing Bonus (BFH)**

The Techo Propio program subsidy, transferred by the MVCS, is granted in three modalities:

- (i) Acquisition of New Housing (AVN)
- (ii) Construction on Own Site (CSP); and
- (iii) House Renovations (MV).

In all cases, the financing of housing under this program involves the participation of up to three components:

- (a) a subsidy channeled by the Fund with resources from the State called Household Housing Bonus (BFH);
- (b) family savings and;
- (c) if necessary, Complementary Financing to the Household Housing Bonus (Techo Propio Program) that must be provided by an IFI.

In accordance with the provisions of the Third Temporary Provision of Law N° 28579, after the end of 2005, the Fund was commissioned by the Executive Branch to administer the Household Housing Bonus and the funds of the Techo Propio Program, through the execution of an agreement with the MVCS.

On April 28, 2006, the Fund, the MVCS and FONAFE signed the "Management Agreement +563 of the Household Housing Bonus and the funds of the Techo Propio Program", under which the Fund is responsible for managing of the BFH and the funds of the Techo Propio Program. It includes the promotion, registration, recording and verification of information, the qualification of applicants, allocation, and transfer of the BFH to the developer, seller-builder, or the respective technical unit. This Agreement establishes that FONAFE is the entity that will allocate to the Fund the resources that will allow it to meet the costs and expenses of the administration of the Program. By Ministerial Resolution N° 236-2018-VIVIENDA dated June 26, 2018, the Operating Regulations for Access to the Household Housing Bonus - BFH were amended, for the Application of Construction on Own Site modality.

iii. **Fondo Ley N° 27677**

The Fund was entrusted with the management, reimbursement and channeling of resources resulting from the liquidation of the National Housing Fund - FONAVI, according with Law N° 27677, dated March 1, 2002.

Notes to the Financial Statements September 30, 2023

On the other hand, Law N° 29625, which came into force on December 8, 2010, ordered the return of contributions to workers who contributed to FONAVI. Article 4 of this Law contemplates the constitution of an Ad Hoc Committee, which shall be responsible for conducting and supervising all procedures related to the reimbursement of contributions to FONAVI. The constitution of the Committee was approved on September 24, 2012, through Ministerial Resolution N° 609-2012-EF/10. Pursuant to these rules, the Fund would provide to the Ad Hoc Committee with all relevant documentation and reports so that it will be in charge of the management and recovery of debts, funds and assets of FONAVI, as well as the liabilities. Since 2014, the Fund has transferred the managed resources for S/ 454,668 thousand, in accordance with the requirements of the Ad Hoc Committee.

On January 17, 2020, Supreme Decree N° 003-2020-MEF was issued, which regulates Law N° 29625 "Law for the return of money from FONAVI to the workers who contributed to it" and which in its Article 3 related to the Administration of the assets owned by FONAVI, ratifies the Fund as the administrator of the assets and liabilities owned by FONAVI.

On April 27, 2021, Law N° 31173 "Law that guarantees compliance with Law N° 29625, Law for the return of FONAVI money to the workers who contributed to it, prioritizing the vulnerable population, as a consequence of the Covid-19 pandemic" was issued.

Article 7 of Supreme Decree N° 003-2020-MEF, which ratified Fondo MIVIVIENDA S.A. as administrator of the assets and liabilities owned by FONAVI, is hereby repealed.

Therefore, until the transfer of the administration of the Equity is carried out at the request of the Ad Hoc Committee, we will continue with the status of diligent administrator as of today.

iv. CRC and PBP Nuevos Soles Trusts and CRC and PBP US Dollars Trusts

Likewise, the Fund constituted the CRC and PBP Nuevos Soles Trusts and CRC and PBP US Dollars Trusts to cover the Fund's obligations to provide PBP and CRC payments, and, on the other hand, to assure the resources to attend the amount equivalent to a third (1/3) of the total registered by each IFI that contracts such service. It should be noted that these trusts are regulated by SBS Resolution N° 980-2006, which approves the Regulations for the Fund.

Under the service agreements with the CRC and PBP Trusts, the Fund provides the IFI with the following services:

- Credit Risk Coverage Service (CRC service), as defined by Article 21 of the CRC and PBP Regulation, is a guarantee that the Fund provides to the IFI for either up to one third (1/3) of the unpaid balance of the covered loan or one third (1/3) of the loss, whichever the lower. Said amount shall be notified by the IFI to the Fund, on terms and conditions provided for in the Regulation.
- Good Payer Award Service (PBP service), defined in Article 24 of the CRC and PBP Regulations as the service provided to the IFI, for which the Fund assumes the payment of the installments corresponding to the concessional

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tranche (amount of the good payer award) charged to the beneficiaries of the covered credits who have complied with the timely payment of the installments corresponding to the non-concessional tranche. This award is used to pay every six months the amount of the installment payable in the said period that corresponds to the concessional tranche of the MIVIVIENDA loan.

c. COVID-19 Impact

Due to the COVID-19 pandemic, the Peruvian government has proposed a series of measures to mitigate the impact of this new coronavirus. The first action taken by the Peruvian Government is to declare a national health emergency for a period of 90 calendar days, according to Supreme Decree N° 008-2020-SA published on March 11, 2020. This announcement comes after the World Health Organization (WHO) declared COVID-19 as a global pandemic.

Likewise, by means of Superintendence Resolution N° 099-2020/SUNAT on May 29, 2020, a new schedule of due dates for monthly returns for the periods of March, April, May, June, July and August is considered, other than for main taxpayers who have obtained third category net income of up to 5,000 Tax Units.

On the other hand, the SBS authorized the entities of the financial system to make modifications to the credit contracts so that debtors may comply with their payments, through Multiple Official Letter N° 5345-2010-SBS, dated February 5, 2010, and related regulations, where it established details in this respect.

The National State of Emergency has been gradually extended on different dates and currently, the Government has lifted the restrictions as of October 28, 2022, through Supreme Decree N° 130-2022-PCM of October 27, 2022. However, by Supreme Decree N° 015-2022-SA published on August 16, 2022, the state of health emergency continues until February 25, 2023, because the coronavirus pandemic has not ended.

d. Approval of the financial statements

The financial statements as of September 30, 2023, have been approved by the Board of Directors of Fondo MIVIVIENDA S.A. on October 25, 2023.

The financial statements as of December 31, 2022, have been approved by the Board of Directors of Fondo MIVIVIENDA S.A. on January 25, 2023, and approved by the General Shareholders' Meeting on March 31, 2023.

The financial statements as of December 31, 2021, were approved by Management and the Board of Directors on January 26, 2022, and approved by the General Shareholders' Meeting on March 28, 2022.

2. Trust Agreement – Corporación Financiera de Desarrollo – COFIDE

On March 25, 1999, a Trust Agreement was signed between the Mortgage Fund for Housing Promotion - MIVIVIENDA (now Fondo MIVIVIENDA S.A.) and Corporación Financiera de Desarrollo S.A. - COFIDE. Its purpose was the creation of a legal trust

Notes to the Financial Statements September 30, 2023

relationship whereby COFIDE receives the resources from the Fund and performs as the executing agency thereof, in order to channel the funding through the IFI for loans to final borrowers who wish to use them for the acquisition, expansion or improvement of homes and residences, in accordance with Article 12 of Supreme Decree N° 001-99-MTC "Regulation on the Mortgage Fund for Housing Promotion – Fondo MIVIVIENDA".

COFIDE's main obligations are as follows:

- Compliance with Articles 241 to 274 of Law N° 26702 "General Law of the Financial and Insurance Systems and SBS Organic Law" and its amendments.
- Verifying compliance with requirements and conditions of the IFI according to Supreme Decree N° 001-99- MTC.
- Signing the Resources Intermediary Agreement with the IFIs that have fulfilled the corresponding requirements and conditions.
- Monitoring the use of resources, according to the provisions of the Fund's Regulation and the Resources Intermediary Agreement.
- Collecting the loans granted to the IFI.
- Contracting the necessary audit services covered by the Fund.
- Periodically submitting reports on the development of the Trust Agreement; as well as recommendations for exposure limits of the IFI (*).
- Establishing operating procedures necessary for the proper management of the Fund.
- Other duties necessary to ensure the normal development of the objectives and functions of both the Trust and the Fund.

() On May 18, 2012, the Fund signed Addendum N° 1 to the Trust Agreement annulling the obligation of COFIDE to issue recommendations on exposure limits of the IFI with the Fund, since the Fund is a corporation supervised by the SBS. Through Resolution SBS N° 3586-2013, the Fund is not subject to the limits established by the Article N° 204 of the Law of Banks N° 26702, because it acts as a second-tier bank. However, the Fund has established internal limits to prevent the loans concentration to IFI, taking into account factors of regulatory capital size, risk rating and risk-weighted regulatory capital ratio.*

The Fund's main obligations are as follows:

- Establishing the policies for the management and use of the Fund's resources.
- Approving eligibility criteria of the IFI that will receive resources from the Fund for financing the acquisition of homes and the borrowing limits for each of them.
- Establishing the terms and conditions under which the Fund will make resources available to the IFI, and the modalities of placing them.

The main faculties of COFIDE are as follows:

Notes to the Financial Statements September 30, 2023

- Intermediating and monitoring the Fund's resources, being able to enter into all public and private deeds and documents necessary for that purpose.
- Requiring that the IFI constitute guarantees on behalf of the beneficiaries.
- Exercising all the powers contained in Articles 74 and 75 of the Code of Civil Procedure necessary for carrying out the assignment given. Consequently, COFIDE may sue, counterclaim, answer complaints and counterclaims, desist processes or claims, agree to claims, reconcile, settle and arbitrate the claims in the process.
- It is stated that COFIDE is not responsible for the solvency of the IFI.

On December 30, 2016, the Addendum N° 2 to the Trust Agreement was signed, with the purpose of modifying the commissions for the services provided by COFIDE and the modification of the term of the Trust, as follows:

There two commissions for the services provided by COFIDE, in force since January 2, 2017, are the following:

- A monthly trust commission payable by the Fund amounting to S/ 10,000 plus IGV. This commission will be charged on the last business day of each month covered by the Fund's resources.
- A collection commission equivalent to 0.23 percent annual effective to rebut on debt balance, for the accounts receivable (Trust Agreement - COFIDE) beginning January 2, 2017, and chargeable to the IFI. This commission shall be charged on collection dates of loan installments granted by the IFI.

The term of the Trust will be 3 years counted since January 2, 2017, and will be automatically renewed if, within 30 days prior to its expiration, none of the parties expresses its will to resolve it.

3. Significant Principles and Accounting Practices

A. Basis of presentation and use of estimates and accounting changes

i. Basis of preparation and use of estimates

The accompanying financial statements have been prepared from the Fund's accounting records, which are maintained in nominal monetary terms at each transaction's date, in accordance with SBS regulations established for the Fund, in force in Peru as of September 30, 2023, and December 31, 2022, and in a supplemental manner, in the absence of specific SBS regulations, with the International Financial Reporting Standards (henceforth "IFRS") approved in Peru through resolutions issued by the Peruvian Accounting Council (CNC, for its Spanish acronym) in force in Peru as of September 30, 2023, and December 31, 2022.

The preparation of the accompanying financial statements requires the Management perform estimates that affect the reported amounts of assets and liabilities, income and expenses and the disclosure of material events in the notes to the financial statements. Estimates are continually evaluated and are based on historical experience and other

Notes to the Financial Statements September 30, 2023

factors. Actual results could differ from those estimates. The most significant estimates in relation to the accompanying financial statements correspond to the provision for doubtful accounts, valuation of investments, valuation of derivative financial instruments, estimation of useful life and recoverable value of property, furniture and equipment and intangible assets, and assets and liabilities for deferred income tax, whose accounting criteria are described in this note.

ii. Changes in accounting policies

Applicable from 2023 and 2022 onwards

The Fund's accounting policies as of September 30, 2023 have not changed in relation to those indicated in the report audited by Caipo y Asociados S. Civil de Resp. Ltda. affiliated to KPMG International Cooperative for the years ended December 31, 2022, and 2021.

B. Currency

The Fund considers the Sol as its functional and presentation currency, since it reflects the nature of the economic events and circumstances relevant to the Fund, 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.

Transactions and balance in foreign currency

Assets and liabilities in foreign currency are recorded at the exchange rate at the date that the transactions are performed. Monetary assets and liabilities denominated in foreign currency are translated into soles at the closing exchange rate of the corresponding month by using the exchange rate set by the SBS, see **Note 26.B.iii**. Gains or losses resulting from the translation of monetary assets and liabilities from foreign currency at the exchange rates prevailing at the date of the statements of financial position are recorded in the income statements of the period as "(Loss) gain on exchange difference and exchange operations, net" of the caption "Income from financial transactions", see **Note 21**.

C. Financial instruments

Financial instruments are classified as Assets, Liabilities or Equity according to the substance of the contractual agreement that originated them. Interests, dividends, gains and losses generated by a financial instrument classified as assets or liabilities are recorded as income or expense. Financial instruments are offset when the Fund has a legal enforceable right to offset them and Management has the intention to settle them on a net basis or to realize the asset and settle the liability simultaneously. Likewise, see **Note 3.I** regarding the criteria for accounting policy of accounts receivable from the CRC and PBP Trusts.

Financial assets and liabilities presented on the statement of financial position correspond to: "Available", "Available-for-sale and held to maturity investments", "Loan portfolio, net", "Accounts receivable for derivative financial products", "Accounts receivable, net", "Other accounts receivable, net" and other liabilities in general, except for the identified in the caption "Provisions and other liabilities", see **Note 15**. Likewise, all derivative financial products are considered financial instruments.

Notes to the Financial Statements September 30, 2023

Accounting policies on recognition and valuation of these items are disclosed then in this note.

D. Recognition of income and expenses

i. Interest income and expenses

Interest income and expenses are recorded in the income statement of the period in which they are accrued, based on the term of the transactions that generate them and the interest rates established. Likewise, for the interest income corresponding to loan portfolio and accounts receivable (Trust Agreement - COFIDE), the accounting treatment is as follows:

▪ Interest income corresponding to loan portfolio

Loan portfolio interest income is recognized in the income statement of the period in which they are accrued, based on the effective term of the underlying transactions and the interest rates freely agreed upon with the borrowers; except for the interest accrued on past due loans, refinanced, restructured and under legal collection; as well as loans classified as doubtful or loss categories, which interest is recognized as earned as it is collected. When Management determines that the debtor's financial condition has improved and the loan is reclassified as current and/or in normal, potential problems or substandard the category, such interests are recognized again on an accrual basis.

▪ Interest income corresponding to accounts receivable (Trust Agreement - COFIDE)

Because the Fund grants credit lines to the IFI to channel its resources, which disbursements of loans are made through the COFIDE Trust, and not when they are placed to subborrower, in accordance with the SBS Accounting Manual for Financial Companies, the yields are recorded on an accrual basis and suspended interest is only recognized when an IFI does not honor its debt, and therefore the accounting treatment stipulated by the SBS for the Fund is applied.

ii. Good Payer Bonus and Award

In accordance with the accounting treatment accepted by SBS for the Fund, the Good Payer Bonus and Award, including their interests, are recognized as follows:

- The Good Payer Bonus (henceforth "BBP") was created in compliance with Law N° 29033, issued on June 7, 2007, as a nonrepayable direct assistance to eligible final borrowers in a maximum of S/ 12,500 in force since April 22, 2010, (S/ 10,000 before April 22, 2010) which is granted to borrowers who have complied with promptly cancellation of six consecutive monthly installments of the non-concessional tranche of MIVIVIENDA Loan. For these purposes, the Fund divides the total amount of MIVIVIENDA Loan disbursement plus its related interest into 2 schedules:
 - A half-annual amortization schedule called "concessional tranche" corresponding to the amount of the Good Payer Bonus (capital and interest); and
 - A monthly amortization schedule called "non-concessional tranche" corresponding to total amount of Crédito MIVIVIENDA disbursement less the amount of the concessional tranche (capital and interest).

Notes to the Financial Statements September 30, 2023

In these cases, the BBP is received from the MVCS (to the extent the MVCS has funds available) at the request of the Fund, and it is recorded for financial reporting and control, in the statement of financial position as a liability in "Good Payer Bonus (capital) received from MVCS" of the caption "Other accounts payable" of the statement of financial position.

When a MIVIVIENDA Loan is disbursed through the COFIDE Trust, the Fund records the full amount disbursed in the account "Accounts receivable, net (Trust Agreement - COFIDE)" and generates the two schedules mentioned above.

The interests of both tranches are recognized on an accrual basis, based on the preferential rates agreed with financial entities with which agreements have been signed, recognizing the resulting interest as financial income.

Subsequently, the Fund sends to the MVCS the list of BBP beneficiaries, reclassifying such bonus due to eligible beneficiaries from the liability account "Good Payer Bonus received to the liability account "Good Payer Bonus – assigned".

- In the cases where the Good Payer Bonus is directly assumed by the Fund (when the requirements of Law N° 29033 and its amendments are not met; for instance, where the value of the house to purchase is greater than 25 Tax Units or when the bonus is granted with the Fund's own resources, among others), it is called "Good Payer Award (PBP)".
- In both cases, the bonus or award are granted for the timely compliance with six installments of the payment schedule of the concessional tranche, said amount varies depending on the type of loan granted.
- By means of Emergency Decree N° 002-2014 published on July 28, 2014, as per indicated in the Article 14.2, it has been established for the granting of Good Payer Bonus the value of the property to be acquired is greater than 14 Tax Units and does not exceed 50 Tax Units. The BBP shall be used as a non-reimbursable financial support up to a maximum amount of S/ 12,500. For that purpose, Banco de la Nación was authorized to lend to the Fund an amount of S/ 500,000,000 through the participation of MVCS for payment purposes, as established in the loan agreement. In these cases, the Fund previously received all BBP resources for its assignment during 2014.

For these purposes, the Fondo MIVIVIENDA had two modalities of BBP application in accordance with said Emergency Decree:

- Applied to finance the Good Payer Bonus (PBP) for an amount of S/ 10,000 for housing values over 14 Tax Units and not exceeding 25 Tax Units for MIVIVIENDA loans granted from January 1, 2014, to July 28, 2014. From July 29, 2014, to finance for an amount of S/ 12,500 for housing values greater than 14 Tax Units and lower than 50 Tax Units.
- Applied as a complement to the down payment, the BBP will serve as a complement to the beneficial owners' contribution to reach the required minimum down payment and is applied at the time of loan disbursement, therefore, it is not part of the loan.

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- Under the guidelines of Supreme Decree N° 003-2015-VIVIENDA published on January 22, 2015, the tranching application of the BBP was established for housing values of 14 up to 50 Tax Units, as follows:

<i>In soles</i>	BBP Value
Home Value	
Up to 17 Tax Units	17,000
More than 17 Tax Units up to 20 Tax Units	16,000
More than 20 Tax Units up to 35 Tax Units	14,000
More than 35 Tax Units up to 50 Tax Units	12,500

For these purposes, the Fondo MIVIVIENDA has two modalities of BBP:

- BBP applied as a complement to the down payment, which will serve as a complement to the clients' contribution to reach the minimum down payment required and is applied at the time of disbursement of the loan to the IFI, and therefore does not form part of the loan.
 - BBP granted to finance the PBP for the timely payment of six consecutive monthly installments corresponding to the non-concessional tranche of the loan. This BBP applies to those PBP that were granted to housing value between thirty-five (35) and fifty (50) Tax Units, corresponding to the previous PBP modality, which was set at S/ 12,500.
- By means of Supreme Decree N° 001-2017 of January 13, 2017, the Regulation of Law N° 29033, Creation of the Good Payer Bonus Law was modified, approved by Supreme Decree N° 003-2015, in which was established the following tranching application of the BBP:

<i>In soles</i>	BBP Value
Home Value	
More than 20 Tax Units up to 30 Tax Units	14,000
More than 30 Tax Units up to 38 Tax Units	12,500

For these purposes, the Fund had the modality of considering the BBP as a complement to the down payment, which will serve as a complement to the clients' contribution to reach the minimum down payment required and is applied at the time of disbursement of the loan to the IFI, and therefore does not form part of the loan.

The BBP guidelines established in Supreme Decree N° 003-2015-VIVIENDA were applicable until the entry into force of the Supreme Decree N° 001-2017.

- By means of Supreme Decree N° 017-2017 of June 24, 2017, the Regulation of Law N° 29033 approved by Supreme Decree N° 003-2015, and modified by Supreme Decree N° 001-2017 was modified, which established the following housing values and BBP values:

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<i>In Tax Units</i>	BBP Value	BBP Amount
Home Value (CPI)		
From S/ 56,700 to S/ 81,000	4.19753	17,000
More than S/ 81,000 up to S/ 121,500	3.45679	14,000
More than S/ 121,500 up to S/ 202,500	3.08642	12,500
More than S/ 202,500 up to S/ 300,000	0.74074	3,000

- By means of Supreme Decree N° 002-2018 of January 24, 2018, which amended the Regulation of Law N° 29033 approved by Supreme Decree N° 017-2017. The home values and BBP were established as follows:

<i>In Tax Units</i>	BBP Value	BBP Amount
Home Value (CPI)		
From S/ 57,500 to S/ 82,200	4.19753	17,500
More than S/ 82,200 up to S/ 123,200	3.45679	14,400
More than S/ 123,200 up to S/ 205,300	3.08642	12,900
More than S/ 205,300 up to S/ 304,100	0.74074	3,100

- By Supreme Decree N° 004-2019 of January 23, 2019, which amended the Regulations of Law N° 29033 approved by Supreme Decree N° 002-2018. The home values and BBP were established as follows:

<i>In Tax Units</i>	BBP Value	BBP Amount
Home Value (CPI)		
From S/ 58,800 to S/ 84,100	4.19753	17,700
More than S/ 84,100 up to S/ 125,900	3.45679	14,600
More than S/ 125,900 up to S/ 209,800	3.08642	13,000
More than S/ 209,800 up to S/ 310,800	0.74074	3,200

- By Supreme Decree N° 003-2020 of January 24, 2020, which amended the Regulations of Law N° 29033 approved by Supreme Decree N° 004-2019. The home values and BBP were established as follows:

<i>In Tax Units</i>	BBP Value	Traditional BBP Amount	Sustainable BBP Amount
Home Value (CPI)			
From S/ 60,000 to S/ 85,700	4.19753	18,100	5,000
More than S/ 85,700 up to S/ 128,300	3.45679	14,900	5,000
More than S/ 128,300 up to S/ 213,800	3.08642	13,300	5,000
More than S/ 213,800 up to S/ 316,800	0.74074	3,200	5,000

- By Supreme Decree N° 007-2020 of May 16, 2020, which amended the Regulations of Law N° 29033 approved by Supreme Decree N° 003-2020. The home values and BBP were established as follows:

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<i>In Tax Units</i>	BBP Value	Traditional BBP Amount	Sustainable BBP Amount
Home Value (CPI)			
From S/ 60,000 to S/ 85,700	5.58139	24,000	5,000
More than S/ 85,700 up to S/ 128,300	4.65116	20,000	5,000
More than S/ 128,300 up to S/ 213,800	4.25581	18,300	5,000
More than S/ 213,800 up to S/ 316,800	1.58139	6,800	5,000

- By Supreme Decree N° 003-2021 of January 24, 2021, which amended the Regulations of Law N° 29033 approved by Supreme Decree N° 007-2020. The home values and BBP were established as follows:

<i>In Tax Units</i>	BBP Value	Traditional BBP Amount	Sustainable BBP Amount
Home Value (CPI)			
From S/ 61,200 to S/ 87,400	5.58139	24,600	5,100
More than S/ 87,400 up to S/ 130,900	4.65116	20,500	5,100
More than S/ 130,900 up to S/ 218,100	4.25581	18,800	5,100
More than S/ 218,100 up to S/ 323,100	1.58139	7,000	5,100

- As of the date of this report, by Supreme Decree N° 003-2022 of May 1, 2022, which amended the Regulations of Law N° 29033 approved by Supreme Decree N° 003-2021, home and BBP values were established as follows:

<i>In Tax Units</i>	BBP Value	Traditional BBP Amount	Sustainable BBP Amount
Home Value (CPI)			
From S/ 61,200 to S/ 87,400	5.58139	25,700	5,400
More than S/ 87,400 up to S/ 130,900	4.65116	21,400	5,400
More than S/ 130,900 up to S/ 218,100	4.25581	19,600	5,400
More than S/ 218,100 up to S/ 323,100	1.58139	10,800	5,400

These BBP values will be updated by the Tax Unit variation, with rounding to the nearest hundred. In relation to the housing ranges value of the product, they will be expressed in soles and will be updated as a result of the multiplication of the previous year's home value by the annual change in the Consumer Price Index - CPI of Lima Metropolitana, of 5% to the NCMV, entered into COFIDE, with rounding to the nearest hundred.

- When the Good Payer Bonus is granted, at the time the beneficiary has complied timely with the payment of six consecutive monthly installments, the Fund credits the accounts receivable (capital) of the concessional tranche and charges the liability "Good Payer Bonus (capital) assigned to COFIDE", see Note 13(e). Interest of the concessional tranche installment are recognized as an expense of the Fund and is presented net of the "Income from accounts receivable (Trust Agreement - COFIDE)" included in the caption "Interest Income" of income statements.

Notes to the Financial Statements September 30, 2023

- The Good Payer Award (henceforth "PBP") are resources assumed directly by the Fund to grant a Bonus.

Until June 2017, the home values in force for the PBP were as follows:

<i>In soles</i>	BBP Value
Home Value	
More than 50 Tax Units up to 70 Tax Units	5,000

For these purposes, the Fondo MIVIVIENDA had two modalities of PBP:

- PBP as a complement to the down payment, which will serve as a complement to the clients' contribution to reach the minimum down payment required and is applied at the time of disbursement of the loan, and therefore does not form part of the loan.
- PBP granted for the timely payment of six consecutive monthly installments corresponding to the non-concessional tranche of the loan. It is recognized in the accounts on a semiannual basis.

By means of Board of Directors Agreement N° 04-16D-2017 dated July 3, 2017, the modification of the home values and the PBP value was approved as a complement to the down payment according to the following detail:

<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 202,500 up to S/ 300,000	0.74074	3,000

Currently, the PBP amount as a complement to the down payment, is in force under the Board of Directors Agreement N° 04-03D-2018 from February 8, 2018, according to the following:

Year 2018

<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 205,300 to S/ 304,100	0.74074	3,100

Year 2019

<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 209,800 to S/ 310,800	0.74074	3,200

Year 2020

<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 213,800 to S/ 316,800	0.74074	3,200

Year 2021

<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 218,100 to S/ 323,100	0.74074	3,300

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Year 2022		
<i>In Tax Units</i>	PBP Value	PBP Amount
Home Value		
More than S/ 232,100 up to S/ 344,100	0.74074	3,500

The PBP as a complement to the down payment will continue being covered by the Fund, which will be added to the BBP in the same range of home values that is in force; likewise, it will be updated by the Tax Unit variation, with rounding to the nearest hundred; the application amount as of September 30, 2023, is S/ 3,500. In relation to the housing ranges value of the product, they will be expressed in soles and will be updated as a result of the multiplication of the previous year's home value by the annual change in the Consumer Price Index - CPI of Lima Metropolitana, with rounding to the nearest hundred.

- Upon payment of the assigned Good Payer Award, with own resources, with the fulfillment of the conditions by the final beneficiary, the Fund records such amounts as expenses; therefore the accounts receivable (capital) of the concessional tranche quotas are decreased with a charge to the "Interest expenses" account in the income statement, while the interest, as in the previous case, is recorded as an expense and is presented net of the "Income from accounts receivable (Trust Agreement - COFIDE)" of the caption "Interest income" of income statements.
- Through Board of Directors Agreement N° 02-12D-2015 dated June 16, 2015, the attribute "Bono Mivivienda Sostenible" (Sustainable Bonus MIVIVIENDA, BMS, by its Spanish acronym), applicable to the MIVIVIENDA Loans, was approved. The BMS is an additional attribute of the MIVIVIENDA Loans, which consists of direct non-reimbursable financial assistance granted to people who access sustainable housing with the MIVIVIENDA Loan through the IFI. This attribute increases the amount of the down payment and is an additional benefit to those provided by the MIVIVIENDA products such as the BFH, BBP and PBP as a complement to the down payment, according to the following detail:

	Grade 1	Grade 2
Amount of financing		
Up to S/ 140,000	4%	4%
More than S/ 140,000 up to the maximum amount of financing for MIVIVIENDA products	3%	4%

The Bonus is calculated by discounting the home value, the down payment and the corresponding BBP, if applicable. The amount to be financed is divided by 1.04 and/or 1.03 and multiplied by 0.04 and/or 0.03 depending on the grade of the bonus, and the BMS is obtained.

It may be granted in addition to the Household Housing Bonus, Good Payer Bonus and/or Good Payer Award as a supplement to the down payment, provided that it complies with the conditions established in its Regulations.

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It is granted to people who access MIVIVIENDA Loan to purchase sustainable housing, with the objective of encouraging and promoting the acquisition of houses that help reduce the environmental impact on their surroundings.

Projects must have the certificate for Eligibility of Sustainable Housing Projects. BMS is granted in accordance to range determined by this certificate.

By means of Board of Directors Agreement N° 002-16D-2019, it is approved to maintain the Sustainable Bonus MIVIVIENDA (BMS) in force and the preferential rate of 5% for "Nuevo Crédito MIVIVIENDA Verde" credits until December 31, 2019.

By means of Board Agreement N° 03-03D-2020, the extension and conditions for the granting of the BMS are approved, and the BMS (3% or 4% of the financing value) for the MIVIVIENDA loans entered (complying with the presentation of the complete credit file) to COFIDE until 03.31.2020 and a preferential rate of 5% to the NCMV, entered to COFIDE until 03.31.2020.

By means of Board of Directors Agreement N° 02-09D-2020, a new term of validity was approved for Board of Directors Agreement N° 03-03D-2020 until June 9, 2020 (complying with the presentation of the complete credit file to COFIDE).

E. **Accounts receivable (Trust - COFIDE) and provision for doubtful accounts**

Accounts receivable are recorded when conducting the disbursement of funds through COFIDE to IFI that channel the Fund's resources for the placement of the MIVIVIENDA product portfolio.

The calculation of provision for doubtful accounts was made according to the criteria established by the SBS in the Regulation on Evaluation and Classification of Debtor and Provisions Requirements, SBS Resolution N° 11356-2008, in accordance with the following methodology:

First Component: Provision for IFI Risk

- The principal balance of each disbursement is divided into two: capital balance with mortgage guarantee and capital balance without mortgage guarantee.
- The calculation of provision is carried out considering the classification of the IFI based on the criteria established by SBS Resolution N° 11356-2008.
- The part of the provision corresponding to the capital balance with mortgage guarantee is calculated as the product of the capital balance without credit risk coverage by the SBS rate in Table 2, according to the IFI classification.
- The part of the provision corresponding to the capital balance without mortgage guarantee is calculated as the product of the capital balance without mortgage guarantee by the SBS rate in Table 1, according to the IFI classification.

Second Component: Provision for Credit Risk Coverage (CRC)

The capital balance of each disbursement is multiplied by the sum of the coverage factors (CRC and CRCA), resulting in the balance with credit risk coverage:

Notes to the Financial Statements September 30, 2023

- If the Unhedged Balance of Credit Risk is less than the Guarantee Amount, the corresponding provision is calculated as follows: (Total Balance (TS) - Guarantee Amount (MG, by its Spanish acronym)) by the SBS rate in Table 1 according to the subborrower classification plus (Guarantee Amount - Unhedged Balance of Credit Risk (SSCRC)) by the SBS rate in Table 2 according to the subborrower classification. The representation of the calculation is as follows:

$$\text{Provision} = (\text{ST} - \text{MG}) * (\text{SBS Rate Table 1}) + (\text{MG} - \text{SSCRC}) * (\text{SBS Rate Table 2})$$

- If the Unhedged Balance of Credit Risk is greater than or equal to the Guarantee Amount, the corresponding provision is calculated from the product of the Hedged Balance of Credit Risk by the Rate in Table 1 SBS, according to the Subborrower Classification. The representation of the calculation is as follows:

$$\text{Provision} = \text{SSCRC} * (\text{SBS Rate Table 1})$$

The Fund applies the following percentages to determine its provisions:

	Table 1	Table 2
Risk category		
Standard	0.70%	0.70%
With potential problems (CPP)	5.00%	2.50%
Substandard	25.00%	12.50%
Doubtful	60.00%	30.00%
Loss	100.00%	60.00%

To determine the risk classification by IFI, the Fund has established, within its internal regulations, a methodology for the regulatory classification of IFIs equivalent to the risk category established by the SBS.

Additionally, given the intervention of the SBS to Financiera TFC, as of September 30, 2023, the portfolio of MIVIVIENDA mortgage loans disbursed by that institution has been provided for subborrower risk by applying the SBS tables within the COFIDE Trust.

As a result of the pandemic, as of September 30, 2023, there has been a reprogramming of credits from the accounts receivable-COFIDE Trust, which are provisioned in accordance with the current methodology with the balances reported at that cut-off.

F. Loan portfolio and provision for doubtful receivables

The Fund determines the provision of doubtful collection in the loan portfolio in accordance with the provisions of Resolution SBS N° 11356-2008 "Regulations for the Evaluation and Classification of the Debtor and the Requirement of Provisions". In accordance with this Resolution, borrowers are classified into the following categories: (i) standard, (ii) with potential problems, (iii) substandard, (iv) doubtful or (v) loss, based on the degree of default of each debtor.

The calculation of the provision is carried out according to the classification granted and considering specific percentages, which vary depending on whether the credits are backed by preferred self-liquidating guarantees - CGPA (cash deposits and letter of credit rights), or preferred guarantees that are very quickly realized - CGPMRR (public debt instruments issued by the Central Government, securities belonging to the Selective Index of the Lima Stock Exchange, among others) or preferred guarantees - CGP (first pledge on instruments financial or movable and immovable property, first agricultural or mining pledge, export credit insurance, among others). The guarantees received are considered at their estimated performance value, determined by

Notes to the Financial Statements September 30, 2023

independent appraisers. In addition, for the calculation of the provision, the classification of the guarantor or guarantor must be considered, if the credits have the subsidiary liability of a company in the financial or insurance system (credits related to the replacement of a credit counterparty - CAC), as of September 30, 2023, the following percentages are used:

	CSS (i)	CGP (ii)	CGPMRR (iii)	CGPA (iv)
Risk category				
Standard	0.70%	0.70%	0.70%	0.70%
With potential problems (CPP)	5.00%	2.50%	1.25%	1.00%
Substandard	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%

Where:

- (i) Loans without guarantees.
- (ii) Loans with preferred guarantees.
- (iii) Loans with readily preferred guarantees.
- (iv) Loans with preferred self-liquidating guarantees.

In addition to the provision by credit classification of debtors, the SBS requires the constitution of procyclical provisions, which are calculated for credits classified in the standard category and in accordance with the percentages established by the SBS. As of September 30, 2023, and December 31, 2022, the procyclical component of the provision is deactivated.

The loan portfolio as of September 30, 2023, corresponds to the credits of the Former Rural Savings and Credit Fund, Señor de Luren and the PrestaPerú Savings and Credit Cooperative, as a result of the execution of Clause 13 of the agreement signed with said IFIs.

As a result of the pandemic, as of September 30, 2023, there has been a rescheduling of loans from the mortgage portfolio for housing, which are provided in accordance with the current methodology with the balances reported to that cut.

G. Derivative financial instruments

Resolution SBS N° 1737-2006 "Regulations for the Negotiation and Accounting of Derivative Financial Products in Companies in the Financial System" and amendments establish the criteria for the accounting record of transactions with derivatives classified as trading or hedging; as well as implicit derivatives; as explained below:

Negotiation

Derivative financial instruments are initially recognized in the Fund's statement of financial position at cost and are subsequently brought to their fair value, an asset or liability being recognized in the statement of financial position, note 7, and the corresponding gain or loss in the income statement. In addition, transactions with derivative financial instruments are recorded in off-balance sheet accounts at the reference value in the committed currency.

Fair values are obtained on the basis of exchange rates and market interest rates.

Notes to the Financial Statements September 30, 2023

Hedging

A derivative financial instrument that seeks to achieve economic coverage of a certain risk is designated for accounting purposes if, on the date of its trading, 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 cash flows of the hedged item directly attributable to the hedged risk from the outset, which must be documented when trading the derivative financial instrument and during the hedging period. A hedge is considered highly effective if the changes in the fair value or cash flows of the hedged instrument and the one used as a hedge are expected to be in the range of 80 to 125 percent.

As of September 30, 2023, and December 31, 2022, the Fund maintains instruments for hedging cash flows and fair value, note 7. For cash flow hedges, the effective part of the changes in fair value is recognized directly in Equity under the caption "Unrealized Results" as a cash flow coverage reserve, net of its tax effect, and the gain or loss related to the ineffective portion is recognized immediately in the income statement. The amounts recorded in the Equity are transferred to the income statement in the periods when the hedged item is recorded in the income statement or when an expected transaction occurs.

For the fair value hedging, gains and losses resulting from the variation of the fair value of the derivative financial instrument are recorded in the income statements of the period, and the gain or loss of the item hedged, of financial assets or liabilities, corresponding to the changes of its fair value are recognized in the income statements for the fiscal year.

In the event that the SBS considers that the documentation is insufficient or finds weaknesses in the methodology applied, it may require the elimination of the hedging accounting and record the derivative financial instrument as a trading instrument; in consequence, from that moment on any change in the fair value must be recorded in the income statements for the fiscal year.

On the other hand, if the hedging instrument expires, is sold, settled or exercised, or at the moment that the hedging instrument does not comply with the required accounting criteria for hedges, the hedge is terminated in a prospective manner and the balances recorded in the Equity are transferred to the income statements during the hedged item's term.

Embedded derivatives

As of September 30, 2023, and December 31, 2022, the Fund does not hold any financial instruments with embedded derivatives that must be separated.

H. Available-for-sale and held-to-maturity investments

Investments are evaluated following SBS Resolution N° 7033-2012 "Regulation of Classification and Valuation of Investments of Financial System Companies" and its amendments, and SBS Resolution N° 2610-2018.

The criteria for the classification and valuation of investments are as follows:

i. Classification

Investments at fair value through profit and loss

This category has two sub-categories:

Notes to the Financial Statements September 30, 2023

- Trading instruments are acquired with the purpose of selling or repurchasing them in the short term.
- Investment instruments at fair value through profit and loss, since their inception, are part of an identified portfolio of financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking.

Available-for-sale Investments

Investments designated into this category are held for an indefinite period and may be sold for purposes of liquidity, changes in interest rates, exchange rates or cost of capital; or do not qualify to be registered at fair value through profit and loss or held-to-maturity.

Held-to-Maturity Investments

The financial instruments that are classified in this category must comply with the following requirements:

- Be acquired or reclassified for the purpose of holding them until their maturity date; except for the cases when their sale, assignment or reclassification are allowed by the SBS.
- They must have risk classifications as required by the SBS.

Likewise, in order to classify their investments in this category, financial entities must assess they have the financial capability to hold them until their maturity. This capability must be evaluated at the closing date of each annual period.

ii. Date of registration of transactions

Transactions must be recorded using the trading date; that is, the date at which the reciprocal obligations that must be performed within the term established by regulations and the usual practice on the market at which the operation takes place.

iii. Initial recognition and measurement of investments maintained by the Fund

- Available-for-sale Investments - The initial accounting record is performed at fair value, including the transaction costs that are directly attributable to their acquisition. Its valuation corresponds to fair value and the gain or loss caused by the variation between the initial accounting record and its fair value is recognized directly in the Equity, unless an impairment loss is recorded. When the financial instrument is sold, the gain or loss, previously recorded as a part of the Equity, is transferred to the income statements of the year.

In the case of instruments representing debt, prior to valuation at fair value, the amortized cost is updated accounting by applying the effective interest rate methodology, and based on the amortized cost obtained, gains or losses due to the variation in fair value are recognized.

- Held-to-maturity investments: Their initial accounting is at fair value, including the transaction costs that are directly attributable to their acquisition. Their valuation corresponds to the amortized cost by applying the effective interest rate method.

Notes to the Financial Statements September 30, 2023

Interests are recognized by applying the effective interest rate method, which includes both the receivable interest and the amortization of the premium or discount existing in the acquisition.

The difference between the revenues received from the disposal of these investments and their carrying amount is recognized in the income statements.

iv. Impairment assessment

SBS Resolution N° 7033-2012 and its respective amendments, as well as SBS Resolution N° 2610-2018, establish a standard methodology for the identification of impairment of financial instruments classified as available-for-sale and held-to-maturity investment. Said methodology contemplates the following analysis:

Debt instruments

At the end of each quarter, for the entire debt representative portfolio, the following occurrences should be evaluated:

- Weakening in the financial situation or financial ratios of the issuer and its economic group.
- Discount in any of the credit ratings of the instrument or the issuer, in at least 2 “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.
- Interruption of transactions or of an active market for the financial asset, due to financial difficulties of the issuer.
- The observable data indicate that, since the initial recognition of a group of financial assets with characteristics similar to the instrument evaluated, there is a measurable decrease in its estimated future cash flows, although it cannot yet be identified with individual financial assets of the group.
- Decrease in value due to regulatory changes (tax, regulatory or other governmental).
- Significant decrease in fair value below amortized cost. It is considered a significant decrease if the fair value at the closing date has decreased at least 40 percent below its amortized cost as of that date.
- Prolonged decrease in fair value. It is considered a prolonged decrease if the fair value at the closing date has decreased by at least 20 percent compared to the amortized cost of the previous 12 months and the fair value at the closing date of each month during the previous 12-month period, has always remained below the amortized cost corresponding to the closing date of each month.

The fair value to be used for the purpose of evaluating criteria 6 and 7 is that considered for the purpose of the valuation of debt instruments available for sale, in accordance with the criteria established by the aforementioned Resolution, regardless of the accounting classification that has the debt instrument. However, if the decrease in the fair value of the debt instrument is the result of an increase in the risk-free interest rate, this decrease should not be considered an indication of impairment.

Notes to the Financial Statements September 30, 2023

If at least 2 of the situations described above are met, it will be considered that there is impairment. In the event that at least two (2) of the situations described above have not been given, it is sufficient that one of the following specific situations be presented to consider that impairment exists:

- Breaching of contractual clauses, such as an interruption in the payment of interest or capital.
- Renegotiation of the instrument's contractual conditions of the instrument due to legal factors or financial problems related to the issuer.
- Evidence that the issuer is in the process of forced restructuring or bankruptcy.
- When the risk rating of an instrument that was classified as investment grade is reduced, towards a classification that is below the investment grade.

Equity instrument

At the end of each quarter, for all instruments representing capital, the following events must be evaluated:

- When the risk rating of a debt instrument of the issuer that was classified as an investment grade is reduced, towards a classification that is below the investment grade.
- There have been significant changes in the technological, market, economic or legal environment in which the issuer operates, which may have adverse effects on the recovery of the investment.
- Weakening in the financial situation or financial index of the issuer and its economic group.
- Interruption of transactions or of an active market for the financial asset, due to financial difficulties of the issuer.
- The observable data indicates that, since its initial recognition of a group of financial assets similar to the instrument evaluated, there is a measurable decrease in its estimated future cash flows, although it cannot yet be identified with individual financial assets of the group.
- Decrease in value due to regulatory changes (tax, regulatory or other governmental).

If at least 2 of the situations described above are met, it will be considered that there is impairment. If at least 2 of the situations described above have not occurred, it is sufficient that one of the following specific situations be present to consider that impairment exists:

- Significant decrease in fair value below its acquisition cost. It is considered a significant decrease if the fair value at the closing date has decreased at least 40 percent below its cost. As cost value or acquisition cost, the initial cost will always

Notes to the Financial Statements September 30, 2023

be taken as a reference, regardless of whether an impairment in value has been previously recognized for the capital instrument analyzed.

- Prolonged decrease in fair value. It is considered a prolonged decrease if the fair value at the closing date has decreased by at least 20 percent compared to the fair value of the previous 12 months and, the fair value at the closing date of each month during the previous period of 12 months, has always remained below the acquisition cost.
- Breaching of the statutory provisions by the issuer, related to the payment of dividends.
- Evidence that the issuer is in the process of forced restructuring or bankruptcy.

The fair value to be used for the purpose of evaluating the situations indicated in paragraphs a) and b), is the fair value considered for the purposes of the valuation of the available-for-sale equity instruments, in accordance with the guidelines established in the aforementioned Resolution. The above-mentioned numerals a) and b) do not apply to capital instruments classified in the category available for sale and valued at a cost due to the absence of reliable fair value.

On the other hand, when the SBS considers it necessary to establish any additional provision for any type of investment, such provision must be determined on the basis of each individual instrument, and should be recorded in the income statements of the period in which the SBS requires such provision.

v. Recognition of exchange differences

For available-for-sale instruments, 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. For available-for-sale instruments, 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.

vi. Changes in the classification category

In the case of changes in the classification category from available-for-sale investment to held-to-maturity investment, the fair value of the financial asset on the date of the transaction becomes its new amortized cost. Any previous gain or loss of the asset that has been recognized in other comprehensive income shall be amortized over the remaining life of the investment using the effective interest method. Any difference between the new amortized cost and maturity amount shall be amortized using the interest rate method during the life of the financial instrument in a similar manner as the amortization of a premium or discount. If the investment instrument were to subsequently suffer a deterioration in value, any gain or loss that would have been directly recognized in the equity will be transferred and recognized in the result of the period.

Held-to-maturity investments cannot be taken to another category, unless as a result of a change in the financial capacity to hold an investment, the classification as held to maturity is no longer adequate. In this case, it will be reclassified as available for sale and measured at fair value. The difference between the carrying amount and the fair

Notes to the Financial Statements September 30, 2023

value will be accounted for in accordance with the valuation criteria for said investment category.

I. **Accounts receivable related to CRC and PBP Trusts**

Includes the assets of the CRC and PBP Trusts, which correspond to assets (due from banks, investments and accrued yields) and liabilities of the Fund, but that in accordance with SBS regulation (SBS Resolution N° 980-2006, "Regulation for the Fondo MIVIVIENDA S.A.") they must be recorded as a net balance in the caption "Other accounts receivable, net" on the statement of financial position since the Fund acts like both trustee and trustor. The assets and liabilities included in such trusts are valued according to the criteria of the Fund for similar items, as described in this note.

Also, the surplus (deficit) generated by the aforementioned trusts is recorded in the caption "Interest income and expenses" of the income statements, see **note 21**.

The CRC and PBP Trusts were established in 2007 to ensure that sufficient resources are available to meet the Fund's obligations that come from the contracts to provide CRC and PBP coverage, signed with certain IFI; as well as to manage the resources efficiently.

J. **Other accounts receivable, net**

Includes accounts receivable for term deposits, certificates of deposit, assets received in lieu of payment related to banks in liquidation, and other accounts receivable that, since they are under litigation, do not accrue interest. Any related recovery is recorded on a cash basis.

To determine the provisions for loan losses of these accounts, the Fund assigns a risk rating in accordance with SBS Resolution N° 11356-2008.

The provision for the classification of the portfolio is performed based on the review that which Fund's Management regularly conducts in order to classify it into the categories of "Standard", "With potential problem", "Substandard", "Doubtful" or "Loss", depending on the degree of each borrower's risk of failure to pay. Guarantees received are considered by the Fund only to the extent they are registered in the Public Registries without observations or annotations.

The provision for borrowers classified as doubtful or loss for over 36 and 24 months, respectively, is determined without considering the value of the guarantees.

Details of the rates by risk category are set forth in item 3.E, corresponding to the accounts receivable with CRC.

K. **Property, furniture and equipment, net**

Assets in the property, furniture and equipment caption are recorded at acquisition cost, less accumulated depreciation.

Depreciation is calculated on a straight-line basis using the following estimated useful lives:

	Years
Buildings	20
Facilities	10
Furniture and equipment	10
Miscellaneous equipment	10
Vehicles	5

Notes to the Financial Statements September 30, 2023

Computer equipment

4

Maintenance and repair costs are charged to the results of the period; all renewals and improvements are capitalized only when disbursements improve the condition of the asset and increase its useful life beyond the time originally estimated. The cost and related accumulated depreciation of assets sold or retired are eliminated from the respective accounts and the gain or loss generated is included in the income statement for the year.

L. Assets received as payments and assets seized through legal actions

Assets received as payment and assets seized through legal actions (from the resolution of a leasing contract) are initially recorded at the value of judicial adjudication, extrajudicial, market value or debt outstanding value, the lowest; recognizing in turn a provision equivalent to 20 percent of the seized or recovered value of the asset and can be maintained for this purpose the provision that was made by the related credit.

Subsequently, in accordance with SBS regulations, uniform monthly provisions will be established on the net carrying amount from the twelfth month. Additionally, SBS Resolution N° 1535-2005 allows the granting of a six-month extension, in which case, monthly provisions will be established on the net carrying amount from the eighteenth month. In both cases, the provisions will be constituted until reaching one hundred percent of the net carrying amount within a period of three and a half years, counted from the date on which the monthly provisions began to be constituted. As of September 30, 2023, and December 31, 2022, the Management of the Fund has provisioned the assets received in payment and adjudicated at 100 percent.

Subsequently, additional provisions should be recorded as follows:

- *Moveable property* - A uniform monthly provision starting the first month of grant, the award or recovery, for a period of twelve months, until providing for one hundred percent of the net seized or recovered value.
- *Real estate* - Uniform monthly provisions are constituted on the net carrying amount obtained at the twelfth month; provided that the six-month extension contemplated in SBS Resolution N° 1535-2005 has not been obtained, in which case uniform monthly provisions will be constituted on the net carrying amount obtained at the eighteenth month. On both situations, provisions must be made until providing for one hundred percent of the net carrying amount in a term of three and a half years, starting the date monthly provisions began to be provided.

The annual update of these assets' fair value, determined by an independent appraiser, involves, if necessary, the constitution of an impairment provision.

M. Intangible assets, net

Intangible assets, included in the caption "Other assets, net" of the statement of financial position comprise development and licensing of computer software used in the Fund's operations. Software licenses purchased by the Fund are capitalized on the basis of costs incurred to acquire and bring to use the specific program. These intangible assets are amortized on a straight-line basis over the estimated useful life of 5 years.

The amortization method is periodically reviewed to ensure that it is consistent with the expected pattern of economic benefits from intangible items.

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N. Impairment of long-lived assets

When events or economic changes indicate that the value of property, furniture and equipment and intangibles may not be recoverable, the Management of the Fund reviews the value of those assets in order to verify that there is no permanent impairment in value. When the carrying amount of the asset exceeds its recoverable amount, an impairment loss shall be recognized in the income statement. An asset's recoverable amount is the highest between the net selling price and its value in use. The net selling price is the amount that can be obtained from the sale of an asset in a free market, while the value in use is the present value of future expected cash flows from the continued use of an asset and its disposal at the end of its depreciation period. In Management's opinion, there are no evidence of impairment in the value of such assets as of September 30, 2023, and as of December 31, 2022.

O. Securities and bonds outstanding

The liabilities from the issuance of outstanding securities and bonds are accounted for at their nominal value, recognizing accrued interest in the income statements. The discounts granted or incomes generated in the placement are deferred and presented net of its issuance value and is amortized over the life of the securities and bonds outstanding by applying the effective interest method.

P. Income tax

Current Income Tax is computed based on the taxable income determined for tax purposes, which is determined using criteria that differ from the accounting principles used by the Fund.

Therefore, the Fund recorded deferred income taxes, considering the guidelines of IAS 12 - Income Tax. The deferred Income Tax reflects the effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the amounts determined for tax purposes. Deferred assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which temporary differences are expected to be recovered or settled. The measurement of deferred assets and liabilities reflects the tax consequences arising from the manner in which the value of the assets and liabilities is expected to be recovered or settled at the date of the statement of financial position.

Deferred assets and liabilities are recognized regardless of when it is estimated that the temporary differences will be reversed. Deferred tax assets are recognized when it is probable that sufficient taxable income will be generated against which the deferred tax assets can be offset. At the date of each statement of financial position, Management evaluates the non-recognized deferred assets and the carrying amount of the recognized deferred tax assets, recording deferred assets not previously recognized to the extent that probable future tax benefits will allow their recovery, or reducing a deferred asset to the extent that it is not likely that future tax benefits will be sufficient to allow the use of part or all of the deferred assets previously recognized.

In accordance with IAS 12, the Fund determines its income tax considering the tax rate applicable to its non-distributed earnings; any additional tax on dividends distribution is recorded on the date a liability is recognized.

Q. Provisions

Provisions are recognized only when the Fund has a present obligation (legal or implicit) as a result of past events, it is probable that an outflow of resources will be required to settle such obligation, and also has been possible to estimate a reliable amount.

Notes to the Financial Statements September 30, 2023

Provisions are reviewed in each period and are adjusted to reflect their best estimate as of the statement of financial position date. When the effect of the time value of money is significant, the amount recorded as a provision is the present value of future payments required to settle the obligation.

R. Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed in notes to the financial statements unless the possibility of an economic flow being disbursed is remote.

Contingent assets are not recorded in the financial statements; they are disclosed if it is probable that an inflow of economic benefits will be realized.

S. Cash and cash equivalents

Cash and cash equivalents considered in the statements of cash flows correspond to balances of available funds of the statement of financial position; which include deposits with original maturities less than or equal to 91 days, excluding the available funds included in the trusts, see note 8 (b).

T. Balances in foreign currency

The statement of financial position includes balances of operations in foreign currency, mainly in U.S. dollars (US\$), which are recorded at the exchange rate in soles (S/) established by the SBS, as of September 30, 2023, and December 31, 2022, was US\$ 1 = S/ 3.793 and US\$ 1 = S/ 3.814, respectively. Also, positions are maintained in Euros (EUR), which are recorded at the accounting exchange rate in soles (S/) established by the SBS, which as of September 30, 2023, and December 31, 2022, was EUR 1 = S/ 4.007820 and EUR 1 = S/ 4.082200, respectively.

Foreign currency operations in the country and international trade operations, referring to the concepts authorized by the Central Reserve Bank of Peru, are channeled through the free banking market. As of September 30, 2023, the buying and selling exchange rates used were US\$ 1 = S/ 3.790 and US\$ 1 = S/ 3.797, respectively (US\$ 1 = S/ 3.808 and US\$ 1 = S/ 3.820 sales as of December 31, 2022). Also, at September 30, 2023, the buying and selling exchange rates used were EUR 1 = S/ 3.829 and EUR 1 = S/ 4.195, respectively (EUR 1 = S/ 3.869 and EUR 1 = S/ 4.360 sale at December 31, 2022).

September 30, 2023, and as of December 31, 2022, foreign currency balances in the Statement of Financial Position are summarized as follows:

<i>In thousands of US dollars</i>	As of 09.30.2023	As of 12.31.2022
Assets		
Cash and cash equivalents	152,114	61,117
Investments	19,279	37,343
Accounts receivable (Trust agreement - COFIDE), net	5,146	8,326
Loan portfolio, net	9	13
Derivatives	7,460	2,902
Other accounts receivable, net	119	33,017
Other assets, net	522	657
Total assets	184,649	143,375
Liabilities		

Notes to the Financial Statements September 30, 2023

<i>In thousands of US dollars</i>	As of 09.30.2023	As of 12.31.2022
Borrowings and financial obligations	(1,040,727)	(919,379)
Derivatives	(1,423)	-
Other accounts payable	(968)	(556)
Provisions and other liabilities	(207)	(261)
Total liabilities	(1,043,325)	(920,197)
Net liability position	(858,676)	(776,821)
Derivative financial instruments, net	905,000	775,000
Net position in US dollars	46,324	(1,821)

<i>In thousands of euros</i>	As of 09.30.2023	As of 12.31.2022
Assets		
Cash and cash equivalents	210	38
Derivatives	1,724	563
Other accounts receivable, net	223	40
Total assets	2,157	641
Liabilities		
Borrowings and financial obligations	(285,122)	(229,429)
Other Liabilities	0	(36)
Total liabilities	(285,122)	(229,466)
Net liability position	(282,965)	(228,825)
Derivative financial instruments, net	283,176	229,576
Net position in euros	211	751

U. International Financial Reporting Standards (IFRS)

IFRS issued and in force in Peru as of September 30, 2023, and as of December 31, 2022

On June 23, 2023, through Resolution N° 002-2023-EF/30, the Peruvian Accounting Board (hereinafter "CNC") approved the complete set of International Financial Reporting Standards version 2023, that includes the Conceptual Framework for Financial Reporting.

On September 16, 2022, through Resolution N° 002-2022-EF/30, CNC approved the complete set of International Financial Reporting Standards version 2022, that includes the Conceptual Framework for Financial Reporting.

Since the above standards only apply in addition to those developed in the SBS standards, they will not have any significant effect on the preparation of the accompanying financial statements unless the SBS adopts them in the future through the modification of the Accounting Manual for financial system companies or the issuance of specific standards. The Fund has not estimated the effect on its financial statements if such standards were adopted by the SBS.

V. Main statements issued by SBS

During 2023, the SBS has published the following statements:

Notes to the Financial Statements September 30, 2023

- SBS Resolutions N° 0066-2023 of 01.13.23 and N° 468-2023 of 02.14.2023 Modification of Report N° 13 "Control of Global and Individual Limits Applicable to Financial System Companies".
- SBS Resolutions N° 467-2023 of 02.13.2023; N° 01214-2023 of 04.05.2023; N° 01828-2023 of 05.29.2023 and No. 01829-2023 of 05.29.2023 Modifications to Chapters II, III, IV and V of the Accounting Manual for Financial System Companies.

During 2022, the SBS has published, among others, the following statements:

- Multiple Official Letter N° 21952-2022-SBS of 05.30.2022 Channel and deadline for submission of Dispute Reports.
- Multiple Official Letter N° 25858-2021-SBS of 06.23.2022 Clarifications on the measures established by Emergency Decree N° 015-2022.
- Multiple Official Letter N° 290101-2021-SBS of 07.13.2022 Clarifications on the rescheduling of loans guaranteed by the Reactiva Peru Program referred to in Emergency Decree N° 011-2022.

4. Cash and cash equivalents

This caption includes:

<i>In thousands of soles</i>	2023	2022
Central Reserve Bank of Peru (a)	4,210	2,690
Current and savings accounts (b)	2,311,802	1,506,497
Term deposits (c)	20,000	38,140
Other availabilities	25	23
Accrued income from cash and cash equivalents	129	1,203
Cash and cash equivalents	2,336,166	1,548,553
Plus (minus)		
Time deposits over 90 days	0	87,722
Banks and other foreign financial institutions- Country Risk (d)	(97)	0
Other cash and cash equivalents (e)	431,778	0
Total cash and cash equivalents	2,767,847	1,636,275

- a) Deposits in the Central Reserve Bank of Peru correspond to balances in soles, in U.S. dollars, which are freely available do not generate interest, and are used mainly in the operations carried out by the Fund with COFIDE, by virtue of the Trust Agreement signed.
- b) Current and saving accounts correspond mainly to balances in soles and U.S. dollars, which are freely available and bear interest at market rates. The table below presents the current and saving accounts as of September 30, 2023, and December 31, 2022:

Notes to the Financial Statements September 30, 2023

<i>In thousands of soles</i>	2023	2022
Current accounts		
Banco Internacional del Perú S.A.A. - Interbank	1,021,422	981,143
Banco de la Nación S.A.	231,785	216,130
Banco Interamericano de Finanzas S.A.	394,583	203,634
BBVA Banco Continental S.A.	661,312	241
Banco de Crédito del Perú S.A.	196	110
Scotiabank Peru S.A.A.	2,504	105,087
	2,311,802	1,506,345
Savings account		
BBVA Banco Continental S.A.	0	152
	2,311,802	1,506,497

- c) As of September 30, 2023, it has time deposits in domestic banks denominated in soles, which are freely available and generate interest at annual effective rates in soles of 8.01%, with original maturities of less than or equal to 90 days for S/ 20 million. As of December 31, 2022, it has time deposits in domestic banks denominated in U.S. dollars, which are freely available and generate interest at annual effective rates in U.S. dollars of 4.22%, with original maturities of less than or equal to 90 days for US\$ 10 million.
- d) In accordance with SBS regulations in the Country Risk Management Regulation, as of September 30, 2023, the Fund maintains a provision for country risk of USD 25 thousand equivalent to S/ 97 thousand for the margin call made with Banco Santander S.A., NY Branch, which for presentation of the Financial Statements in accordance with SBS regulations is shown under "Banks and other Foreign Financial Institutions".

Country	Country Risk Category	Counterpart	Caption	Instrument	Total exp. to country risk ¹ thousands (USD)	% Provision	Amount to be Provisioned thousands (USD)	Amount to be Provisioned (Equiv. thousands PEN)
Spain	III	BANCO SANTANDER S.A., NY BRANCH	Derivatives	Swaps Purchase	0.00	1.5%	0.00	0.00
			Other accounts receivable	Margin Call	1,700	1.5%	25	97
			Total		1,700		25	97

- e) The balance of the caption "Other Cash and Cash equivalents" corresponds to the Restricted Funds for the funds in guarantee coming from the Margin Call of the hedging SWAPS according to the following detail, amounts in thousands of S/:

Notes to the Financial Statements September 30, 2023

BANKING INSTITUTION	RESTRICTED CASH AND CASH EQUIVALENT Capital Margin Call	RESTRICTED CASH AND CASH EQUIVALENT Interests Margin Call	2023	2022
Bank Of America - Merrill Lynch	173,795	772	174,567	
JP Morgan Chase Bank N.A.	107,797	726	108,523	
Citibank	65,909	293	66,202	
Morgan Stanley	55,530	246	55,776	
The Bank of Nova Scotia	18,586	78	18,664	
Banco Santander SA	6,410	36	6,446	
Barclays Bank PLC	1,593	7	1,600	
Total Funds in guarantee-Margin Call			431,778	-

5. Available-for-Sale and Held-to-Maturity Investments

The detail of Available-for-Sale and Held-to-maturity Investments is as follows:

	2023			2022		
	Amortized cost	Gains (losses)	Carrying amount	Amortized cost	Gains (losses)	Carrying amount
<i>In thousands of soles</i>						
Available-for-sale Investments						
Corporate bonds (a)				33,901	(252)	33,649
Plus						
Accrued income				491		491
			-	34,392	(252)	34,140
Held-to-Maturity Investments						
Corporate bonds (b)	71,865		71,865	107,080		107,080
Sovereign Bonds of the Republic of Peru (b)	21,173		21,173	31,351		31,351
Term deposits (c)						
Plus						
Accrued income			1,473			2,130
	93,038		94,511	138,431	(252)	140,561
	93,038		94,511	172,823	(252)	174,701

- (a) As of September 30, 2023, the Fund does not hold investments classified as available-for-sale, however, as of December 2022, it held investments classified in this category, which corresponds to bonds acquired from corporate companies and from the first level Financial System of the country, as follows:

<i>In thousands of soles</i>	2023	2022
Issued by Peruvian entities		
Banco Internacional del Peru S.A.A. – Interbank		27,693
Banco de Crédito del Perú S.A.		5,956
	-	33,649

- (b) As of September 30, 2023, corresponds to bonds acquired from corporate and first level Financial System companies in the country, as detailed below:

Notes to the Financial Statements September 30, 2023

	2023	2022
Issued by Peruvian entities		
Banco BBVA Perú	38,618	38,914
Abengoa Transmisión Norte S.A.	33,247	37,695
Cementos Pacasmayo S.A.A.		30,471
	71,865	107,080

During 2016, the Fund reclassified corporate and Peruvian sovereign bonds classified as available-for-sale investments into held-to-maturity investments. The carrying amount at the date of reclassification amounted to approximately S/ 620,965 thousand and the unrealized loss accumulated in equity amounted to S/ 11,846 thousand; this latter amount shall be transferred to results during the remaining term of the instruments, which expire in full until 2042. During 2023 and 2022, S/ 1,155 thousand and S/ 858 thousand, have been transferred to income, respectively. As of September 30, 2023, and December 2022, the carrying amount of these investments, which includes accrued interest, amounts to S/ 94,511 thousand and S/ 140,561 thousand, respectively.

As of September 30, the maturities and annual rates of return on available-for-sale and held-to-maturity investments are as follows:

			Annual effective interest rates							
			2023				2022			
			S/		USD		PEN		USD	
			Min. %	Max. %	Min. %	Max. %	Min. %	Max. %	Min. %	Max. %
Maturities										
2023	2022									
Available-for-sale Investments										
Corporate bonds	Jan-23/ Apr-23		-	-	-	-	-	-	1.17	1.32
Held-to-Maturity Investments										
Corporate bonds	Sep-28 / Oct-28	Feb-23 / Oct-28	-	-	6.21	6.54	-	-	4.61	6.54
Sovereign Bonds of the Republic of Peru	Aug-37 / Feb-42	Aug-26 / Feb-42	4.81	6.95	-	-	4.1	6.95	-	-

As of September 30, 2023, the corporate bonds in U.S. dollars, classified as held-to-maturity investments, are not hedged for exchange rate risk, ("forward sale" for a nominal amount of US\$ 5'120,000, equivalent to S/ 19'527,680, as of December 31, 2022).

As of September 30, 2023, the available-for-sale and held-to-maturity investments, have the following maturity dates:

	2023		2022	
	Available-for-sale Investments	Held-to-maturity Investments	Available-for-sale Investments	Held-to-maturity Investments
<i>In thousands of soles</i>				
Up to 3 months				
From 1 to 12 months			34,140	31,016
From 1 to 5 years		33,274		10,541
More than 5 years		61,237	-	99,004
	-	94,511	34,140	140,561

Notes to the Financial Statements September 30, 2023

6. Loan Portfolio, Net

This caption includes, as of September 30, 2023:

<i>In thousands of soles</i>	2023	2022
Current Loan Portfolio		
Current Loans	21,325	25,597
(-) Deferred Income	-1,281	-1,510
Accrued income	344	344
	20,388	24,431
Refunded Loan Portfolio		
Refunded Loans	262	322
(-) Deferred Income	-106	-121
	156	201
Overdue Loan Portfolio		
Overdue Loans (a)	98,098	100,719
Overdue Refunded Loans (b)	1,296	1,317
(-) Deferred Income	-12,879	-13,227
	86,515	88,809
Loan Portfolio in Judicial Collection		
Loans in Judicial Collection (c)	72	72
(-) Deferred Income	0	0
	72	72
(-) Provisions for Loans		
(-) Specific Provisions for Loans	-84,453	-86,777
(-) Generic Provision for Loans	-131	-149
	-84,584	-86,926
	22,547	26,587

As of September 30, 2023, the loan portfolio consists mainly of the mortgage loans portfolio transferred to the Fund by Caja Rural de Ahorro y Crédito Señor de Luren (hereinafter Ex CRAC Luren), and Ex Cooperativa de ahorro y crédito PrestaPerú, which through SBS Resolution N° 3503-2015 dated June 19, 2015 and SBS Resolution N° 5826-2019 dated December 11, 2019, entered into liquidation process respectively.

As of September 30, 2023, the balance of the direct loan portfolio classified by type of MIVIVIENDA product is as follows:

<i>In thousands of soles</i>	Number of borrowers		Balances	
	2023	2022	2023	2022
Nuevo Crédito MIVIVIENDA	1,567	1,776	95,589	101,238
Techo Propio Complementary Financing	946	990	12,658	13,176
Traditional loan - MIVIVIENDA	8	12	258	313
Loan - MIHOGAR	1	1	41	41
Loan - MI CONSTRUCCIÓN	493	518	12,507	13,257
Deferred income	-	-	(14,266)	(14,857)
	3,015	3,297	106,787	113,168

As of September 30, 2023, the direct loan portfolio is backed by preferred guarantees for S/ 45,049 thousand (S/ 53,355 thousand as of December 31, 2022) and non-preferred guarantees for S/ 86,763 thousand (S/ 93,429 thousand as of December 31,

Notes to the Financial Statements September 30, 2023

2022). In 2023 and 2022, the collections from the direct credit portfolio amount to S/ 10,136 thousand and S/ 16,071 thousand, respectively.

According to SBS regulations, as of September 30, 2023, the credit risk rating of borrowers in the direct loan portfolio is as follows:

<i>In thousands of soles</i>	Number of borrowers		Balances	
	2023	2022	2023	2022
Standard	664	835	18,760	21,366
With potential problems	16	56	710	1,542
Substandard	49	53	894	1,292
Doubtful	112	153	2,890	3,912
Loss	2,174	2,200	83,533	85,056
	3,015	3,297	106,787	113,168

The effective annual interest rate of this loan portfolio has been fixed based on market conditions. As of September 30, 2023, and December 31, 2022, the minimum and maximum annual interest rate in the local currency of the direct loan portfolio is 8% and 16%, respectively.

As of September 30, 2023, and December 31, 2022, the suspended interest on loans that are past due, in judicial collection or classified in the credit risk categories "Doubtful" or "Loss" amounted to S/ 41,357 thousand and S/ 38,986 thousand, respectively. These interests are recognized in the income statement when they are collected.

The balance of the direct loan portfolio classified by maturity as of September 30, 2023, is presented below:

<i>In thousands of soles</i>	2023		2022	
Current and refunded loans				
Up to 1 month	118	0.11%	142	0.15%
From 1 to 3 months	240	0.23%	287	0.30%
From 3 months to 1 year	1,103	1.03%	1,325	1.36%
From 1 to 5 years	7,426	6.96%	8,916	9.17%
More than 5 years	12,700	11.89%	15,248	15.68%
	21,587	20.22%	25,918	26.65%
Plus (minus):				
Overdue loans and in judicial collection (a) + (b) + (c)	99,465	93.14%	102,108	86.20%
Deferred income from overdue loans and in judicial collection	(12,984)	(12.16%)	(13,227)	(11.13%)
Deferred income from current and refunded loans	(1,281)	(1.2%)	(1,631)	(1.73%)
	106,787	100.00%	113,168	100.00%

Notes to the Financial Statements September 30, 2023

The movement of provision for uncollectibility of direct loans is as follows:

<i>In thousands of soles</i>	2023	2022
Balance at the beginning of the year	86,926	88,929
Provision for the year	1,278	3,458
Recoveries	-3,620	-5,457
Exchange Difference	0	-4
Balance at the end of the year	84,584	86,926

Management considers that the level of provision for uncollectability of the direct loan portfolio covers the eventual losses that may be generated as of the date of the statement of financial position, and has been made in compliance with the regulatory requirements of the SBS in force as of September 30, 2023, and December 31, 2022.

7. Trading and Hedging Derivatives

Risk in derivative contracts arises from the possibility that the counterparty will not comply with the agreed terms and conditions and that the reference rates, at which the transaction was agreed, will change.

Notes to the Financial Statements September 30, 2023

<i>In thousands of soles</i>	09/30/2023				12/31/2022				2022 and 2023
	Assets	Liabilities	Reference amount (*)	Maturity	Assets	Liabilities	Reference amount (*)	Maturity	Hedging instruments
Derivatives for trading									
Foreign currency forward	24	5,399	182,037	Between October, November and December 2023	0	0	0	-	-
	24	5,399	182,037		0	0	0		
Derivatives designated as hedge									
Cash flow									
Forward of ME	0	0	0	-	226	0	10,107	January 2023	Term deposits
Principal Only Swaps (POS) (**)	0	0	0	-	1,019	98	6,123	March 2023	Debts and securities
Cross Currency Swaps (CCS) (**)	55,450	305,711	4,040,028	Between April 2027, May, August and November 2031 and June 2032	101,083	145,806	3,553,325	Between January and March 2023, April 2027, May and November 2031 and June 2032	Investments, debts and securities
Interest Only Swaps (IOS)	0	0	0	-	24	24	0	-	Debts
Fair value									
Forward	1,180	0	56,895	Between November 2023	1,025	859	125,442	January 2023	Debts
Principal Only Swaps (POS)	0	0	0	-	20,630	587	76,280	January 2023	-
Cross Currency Swaps (CCS)	1,763	15,640	291,994	Between May and August 2024 and June 2025	4,352	11,255	295,437	Between May and August 2024 and June 2025	Debts
	58,393	321,351	4,388,917		128.359	158,629	4,066,714		
Total	58,417	326,750	4,570,954		128.359	158,629	4,066,714		

(*) As of September 30, 2023, and December 31, 2022, the reference values of transactions with derivative financial instruments are recorded in off-balance committed currency.

The above table presents as of September 30, 2023, and December 31, 2022, the fair value of derivative financial instruments, recorded as an asset or liability, with their nominal amounts and maturities. The reference amount, presented gross, is the amount of the underlying asset and is the basis on which changes in the fair value of the derivatives are measured. In September 2023 and September 2022, the Fund recognized for trading derivatives a net loss of S/ 4,283 thousand and a net loss of S/ 1,734 thousand, respectively, and a net loss for hedging derivatives in S/ 95,608 and S/ 79,996 thousand, respectively, **Note 23**.

Notes to the Financial Statements September 30, 2023

8. Accounts Receivable for Trusts, Net

This caption includes:

<i>In thousands of soles</i>	2023	2022
Nuevo Crédito MIVIVIENDA	10,634,890	9,706,065
Traditional loan - MIVIVIENDA	19,501	223,311
Techo Propio Complementary Financing	228,599	32,154
Loan - MIHOGAR	20,725	25,748
Loan - MICONSTRUCCIÓN	2,772	4,230
Loan - MICASA MÁS	3,611	4,019
Standardized loan - MIVIVIENDA	1,660	2,021
Loan - MITERRENO	115	141
	10,911,874	9,998,404
Plus (minus)		
Accrued income from accounts receivable	18,924	15,545
Prov. for doubtful accounts receivable	(262,090)	(221,013)
Total, Accounts Receivable-COFIDE Trust (a)	10,668,708	9,792,936
Accounts receivable from CRC and PBP Trusts Nuevos Soles and US Dollars (b)	21,422	24,941
	10,690,130	9,817,877

As described in Note 2, on a monthly basis the Fund disburses resources to the Trust - COFIDE for it to channel them to the beneficial owners through the IFI. Also, on a monthly basis, the Trust - COFIDE transfers to the Fund the recoveries, prepayments or cancellations of accounts receivable made by the IFI.

As of September 30, 2023, and December 31, 2022, the number of beneficial owners (final debtors) is 111,547 and 108,478 respectively. There is no significant concentration of credit risk in accounts receivable due to the type of credit transactions maintained by the Fund.

The resources that the Fund channels through the IFI are used in the granting of credits for the acquisition of housing in accordance with the provisions of Article 12 of Supreme Decree N° 001-99-MTC.

As of September 30, 2023, and December 31, 2022, the composition of the balance of accounts receivable (Trust Agreement - COFIDE) according to the characteristics of the credits promoted by the Fund, is as follows:

<i>In thousands of soles</i>	2023			2022		
	With credit risk coverage	No credit risk coverage	Total	With credit risk coverage	No credit risk coverage	Total
Nuevo Crédito MIVIVIENDA	3,036,269	7,598,622	10,634,891	2,337,699.17	7,368,366.21	9,706,065.38
Techo Propio Complementary Financing	22,678	205,921	228,599	25,299.72	198,726.06	224,025.78
Traditional loan - MIVIVIENDA	8,744	10,757	19,501	13,723.61	18,430.75	32,154.36
Loan - MIHOGAR	7,942	12,784	20,726	8,946.84	16,801.48	25,748.32
Loan - MICONSTRUCCIÓN	841	1,931	2,772	1,047.15	3,183.18	4,230.33
Loan - MICASA MÁS	1,110	2,501	3,611	1,241.19	2,777.43	4,018.62
Standardized loan - MIVIVIENDA	553	1,106	1,659	673.52	1,347.05	2,020.57
Loan - MITERRENO	20	95	115	70.48	70.48	140.95
	3,078,157	7,833,717	10,911,874	2,388,701.68	7,609,702.63	9,998,404.31

Notes to the Financial Statements September 30, 2023

Accounts receivable (Trust Agreement - COFIDE) are classified by credit risk, as established by SBS regulations in force as of September 30, 2023, and December 31, 2022. According to what is indicated in Note 4.C, the provision for uncollectability of accounts receivable (Trust Agreement - COFIDE) is determined based on the classification of the IFI and the beneficial owners.

The following table presents the accounts receivable (Trust Agreement - COFIDE) corresponding to the balance without credit risk coverage, based on the credit risk rating of the IFI as of September 30, 2023:

IFI credit risk ratings	2023		2022	
	In thousands		In thousands	
	of S/	%	of S/	%
Standard	7,542,405	69.12	7,375,977.65	73.77
With potential problem	18,661	0.17	23,606.59	0.24
Financial TFC in Liquidation (*)	220,605	2.02	203,813.90	2.04
CMAC Sullana (**)				
CMAC Tacna (**)	2,776	0.02	2,291.06	0.02
COOPAC San Francisco (**)	1,823	0.02	1,845.44	0.02
COOPAC AELU in Liquidation (*)	1,798	0.02	1,198.90	0.01
COOPAC Quillacoop (**)	819	0.01	710.95	0.01
COOPAC Santa María Magdalena (**)	220	-	218.85	-
CRAC Prymera (**)	43	-	39.31	-
CRAC Raíz (**)	8,599	0.08	-	-
CAC Pacifico	35,968	0.33		
	7,833,717	71.79	7,609,702.63	76.11
	10,911,874	100.00	9,998,404.31	100.00

(*) As of September 30, 2023, and December 31, 2022, these accounts receivable have been provisioned considering the subborrower's credit risk rating, due to the fact that both IFIs have been intervened by the SBS, Financiera TFC on December 12, 2019, and COOPAC AELU on August 23, 2021. As of September 30, 2023, and December 31, 2022, the provision related to these accounts receivable amounts to S/ 41,156 thousand and S/ 34,228 thousand, respectively.

(**) During 2022, the Fund decided to implement the thirteenth clause of the Resource Channeling Agreements signed with these entities, because their financial indicators deteriorated. The balance without credit risk coverage of these portfolios has been provisioned considering the credit risk of the subborrower. As of September 30, 2023, and December 31, 2022, this provision amounts to S/ 914 thousand and S/ 16,091 thousand.

As of September 30, 2023, the classification of accounts receivable (Trust Agreement - COFIDE) with credit risk coverage, by risk category of the final beneficiaries, is as follows:

In thousands of soles	2023		2022	
	S/ 000	%	S/ 000	%
Risk ratings of the beneficial owner				
Standard	2,736,808	25.08%	2,141,396	21.42%
With potential problem	66,565	0.61%	39,091	0.39%
Substandard	53,099	0.49%	32,756	0.33%
Doubtful	92,407	0.85%	69,054	0.69%
Loss	129,278	1.18%	106,402	1.06%
Financial TFC in Liquidation				
CAC AELU in Liquidation				
	3,078,157	28.21%	2,388,702	23.89%
	10,911,874	100.00%	9,998,404	100.00%

The annual interest rates for the products offered by the Fund are fixed interest rates established for the purpose of promoting the granting of loans. As of September 30, 2023, they are as follows:

Notes to the Financial Statements September 30, 2023

	%
Nuevo Crédito MIVIVIENDA (*)	6.9, 7.4, 7.9
Traditional loan - MIVIVIENDA	6.00
Techo Propio Complementary Financing	8.05
Loan - MIHOGAR	7.60
Loan - MI CONSTRUCCIÓN	8.00
Standardized loan - MIVIVIENDA	6.90 and 7.30
Loan - MICASA MÁS	7.70
Loan - MITERRENO	9.00

(*) The interest rate of the products Techo Propio Complementary Financing and Nuevo Crédito MIVIVIENDA was increased from April 1, 2023, for grades III+ from 6.75 to 6.9, by means of Board of Directors Agreement N° 04-18D-2022 dated September 15, 2022.

As of September 30, 2023, and December 31, 2022, accounts receivable (Trust Agreement-COFIDE) have the following maturities:

<i>In thousands of soles</i>	2023	2022
Up to 1 month	43,208	94,193
From 1 month to 3 months	110,009	212,231
From 3 months to 1 year	325,625	616,769
From 1 to 3 years	1,182,588	1,997,948
From 3 years to more	9,250,444	7,077,262
	10,911,874	9,998,404

Due to the COVID-19 Pandemic, the Peruvian government decreed a State of Emergency in the country, generating a health and economic impact to the population, among them to the subborrowers of MIVIVIENDA loans; therefore, there were 14,531 operations in force as of September 30, 2023, as follows:

<i>In thousands of soles</i>	<i>Number of Loans</i>	S/ 000	US\$000
Nuevo Crédito MIVIVIENDA	13,360	1,275,089	
Traditional loan - MIVIVIENDA	162		556
Loan - Techo Propio Complementary Financing	705	12,011	9
Loan - MIHOGAR	202	3,660	
Loan - MI CONSTRUCCIÓN	75	1,029	
Standardized loan - MIVIVIENDA	7	201	
Loan - MICASA MÁS	18	2,176	
Loan - MITERRENO	2	17	
Balance at the end of the year	14, 531	1,294,183	565

The movement of the provision for uncollectability of accounts receivable (Trust Agreement - COFIDE) determined according to the criteria described in Note 4.C, is as follows:

<i>In thousands of soles</i>	2023	2022
Balance at the beginning of the year	221,013	211,333
Additions debited to results	83,404	74,569
Recovery of provisions	(42,321)	(64,809)
Exchange difference	(6)	(80)
Balance at the end of the year	262,090	221,013

Management considers that the provision for uncollectability of accounts receivable (Trust Agreement - COFIDE) covers the eventual losses that may be generated at the date of the statement of financial position, and has been made in compliance with the regulatory requirements of the SBS in force as of September 30, 2023, and December 31, 2022.

Notes to the Financial Statements September 30, 2023

- (b) It corresponds to the balance of the net assets (total assets minus total liabilities) of the trusts administered by the Fund, which ensure the payment of credit risk coverage (CRC) to the IFI and the good payer award (PBP) to those who access this benefit as part of the credit programs offered by the Fund. The balances mentioned above are presented below:

<i>In thousands of soles</i>	2023	2022
CRC and PBP Trust (Nuevos Soles)	8,221	7,806
CRC and PBP Trust (US Dollars)	13,201	17,135
Net	21,422	24,941

By means of constitutive acts subscribed in June 2007 by the Fund, as trustee and trustor, both Trusts in administration were constituted, with the purpose of ensuring the availability of resources for the Fund to comply with the obligations arising from the CRC and PBP service contracts subscribed with certain IFI, as well as to ensure that such resources are managed in an efficient manner.

The accounting of these trusts is carried out in accordance with the provisions of SBS Resolution N° 980-2006 "Regulations of the Fondo MIVIVIENDA S.A."; i.e., in a single account in the Fund's statement of financial position. The accounting of the trusts is kept separate for control purposes.

The financial statements of the CRC and PBP Trust (Nuevos Soles) as of September 30, 2023, and December 31, 2022, are as follows:

<i>In thousands of soles</i>	2023	2022
Statement of financial position		
Assets		
Cash and cash equivalents	6,284	2,318
Available-for-sale investments (*)	-	1,514
Held-to-Maturity investments (*)	1,937	3,974
Other accounts receivable (*)		
Total assets	8,221	7,806
Equity and net surplus		
Accumulative results	5,324	4,972
Surplus collections, net	2,924	2,917
Unrealized results	(27)	(83)
Total equity and net surplus	8,221	7,806
(*) During 2016, the CRC and PBP Trust - Nuevos Soles reclassified investments classified as available-for-sale to investments into held-to-maturity investments. The carrying amount at the date of reclassification amounted to approximately S/ 33,683 thousand and the unrealized loss accumulated in equity amounted to S/ 1,344 thousand; this latter amount shall be transferred to results during the remaining term of the instruments. During 2023 and 2022, S/ 37 thousand and S/ 52 thousand, have been transferred to income, respectively.		
<i>In thousands of soles</i>	2023	2022
Income statement		
Income		
Interest income	393	337
Reversal of impairment of investment		101
Total income	393	438
Expenses		
Administration fee	(36)	(37)

Notes to the Financial Statements September 30, 2023

Miscellaneous financial services expense	(5)	(5)
Total expenses	(41)	(42)
Net profit	352	396

The financial statements of the CRC and PBP Trust (US Dollars) as of September 30, 2023, and December 31, 2022, are as follows:

<i>In thousands of soles</i>	2023	2022
Statement of financial position		
Assets		
Cash and cash equivalents	5,369	6,145
Available-for-sale investments (*)		2,085
Held-to-Maturity investments (*)	7,832	8,905
Total assets	13,201	17,135
Equity and net surplus		
Initial equity	411	4,910
Accumulative results	2,565	2,222
Surplus collections, net	10,698	10,524
Unrealized results	(473)	(521)
Total equity and net surplus	13,201	17,135

(*) During 2016, the Equity in the CRC and PBP Trust – US Dollars, reclassified investments classified as available-for-sale investments into held-to-maturity investments. The carrying amount at the date of reclassification amounted to approximately S/ 35,327 thousand and the unrealized loss accumulated in equity amounted to S/ 1,784 thousand; this latter amount shall be transferred to results during the remaining term of the instruments. During 2023 and 2022, S/ 44 thousand and S/ 60 thousand, have been transferred to income, respectively.

<i>In thousands of soles</i>	2023	2022
Income statement		
Income		
Interest income	441	653
Other		
Total income	441	653
Expenses		
Administration fee	(74)	(83)
Exchange difference loss, net	(16)	(19)
Miscellaneous financial services expense	(8)	(7)
Taxes and Contributions		(1)
Total expenses	(98)	(110)
Net profit	343	543

Notes to the Financial Statements September 30, 2023

9. Other Accounts Receivable, Net

<i>In thousands of soles</i>	2023	2022
Accounts Receivable from Banks in Liquidation (a)	99,906	99,944
Accounts Receivable Ex - CONEMINSA Portfolio (b)	12,696	12,730
Account receivable from ICCGSA (c)	3,794	3,794
Accounts receivable from CAC Presta Perú (d)	8,775	8,775
Account receivable from CRAC Sr de Luren in Liquidation	145	145
BFH disbursed in excess, to be recovered (e)	2,468	2,468
Accounts receivable from Las Garzas Trust	88	88
Account receivable from Urb. Ucayali Municipality Trust	470	403
Other accounts receivable - Margin Call	0	125,736
Derivatives pending liquidation	894	0
Security deposits - Rentals	402	402
Invoices receivable	737	676
Accounts receivable from CONEMINSA	21	21
Other accounts receivable	510	303
	130,906	255,485
Less - Provision for doubtful accounts receivable (f)		
Banks in Liquidation (a)	-99,906	-99,944
Ex - CONEMINSA Portfolio (b)	-12,603	-12,633
Account receivable from ICCGSA (c)	-3,794	-3,794
Accounts receivable from CAC Presta Perú (d)	-8,775	-8,775
BFH disbursed in excess, to be recovered (VRAEM)	-2,468	-2,468
Accounts receivable from Las Garzas Trust	-88	-88
Accounts receivable from Urb Ucayali Municipality Trust	-470	-403
Provision for Country Risk-Spain	0	-259
Invoices receivable	-707	-671
Other accounts receivable from Coneminsa	-21	-21
Other accounts receivable	-150	-149
	-128,982	-129,205
Total	1,924	126,280

- (a) It corresponds to accounts receivable for term deposits, certificates of deposit, among others, that the Fund, before being a financial company supervised by the SBS (before January 2006), and held in certain financial institutions that entered into liquidation.

The detail of balances and their provision as of September 30, 2023, and December 31, 2022, is as follows:

<i>In thousands of soles</i>	2,023	2,022
Capital		
Banco Nuevo Mundo, in liquidation (i)	52,205	52,205
Banco República, in liquidation (i)	39,922	39,922
Banco Banex, in liquidation - dation in payment (i)	5,256	5,285
Banco República, in liquidation - dation in payment (i)	2,523	2,532
	99,906	99,944
Less: Provision for uncollectability		
Banco Nuevo Mundo, in liquidation (i)	-52,205	-52,205
Banco República, in liquidation (i)	-39,922	-39,922
Banco Banex, in liquidation - dation in payment (i)	-5,256	-5,285
Banco República, in liquidation - dation in payment (i)	-2,523	-2,532
	-99,906	-99,944
Net	0	0

Notes to the Financial Statements September 30, 2023

During the liquidation process, carried out under the supervision and intervention of the SBS, the Fund has been receiving movable and immovable property and collection of credits as part of the payment of these claims.

The Management of the Fund provided for 100% of the accounts receivable of Bancos Nuevo Mundo, Banco República and Banco Banex, all of which are in liquidation, and recognizes the recoveries it receives when they are realized. During 2023 and 2022, the Fund did not receive recoveries from the banks in liquidation.

The Management of the Fund believes that the provision for uncollectibility of accounts receivable from banks in liquidation established as of September 30, 2023, and December, 2022, is sufficient to cover the related risk of uncollectibility.

- (b) It corresponds to the accounts receivable of the mortgage loan portfolio granted by the Compañía de Negociaciones Mobiliarias e Inmobiliarias S.A. - CONEMINSA, which was received by the Fund under a payment in kind agreement signed on December 30, 2003, for its management and recovery. As of September 30, 2023, and December 31, 2022, this account receivable is 100% provisioned.
- (c) It corresponds to the account receivable from Ingenieros Civiles Contratistas Generales S.A.C. - ICCGSA, for the commercial papers that the Fund held, which expired on October 22, 2018, and for which an account receivable was recognized with its respective provision for doubtful collection in the amount of S/ 3'794,000 approximately, of which S/ 3'500,000 corresponded to capital and S/ 294,000 to interest as of December 31, 2018, Note 5(e). As of September 30, 2023, and December 31, 2022, this account receivable is 100% provisioned.
- (d) In August 2019, after activating the thirteenth clause of the Resource Channeling Agreement subscribed with COOPAC PrestaPerú, the Fund authorized the removal of the balance owed to said IFI from the administration of the COFIDE Trust for S/ 74,462 thousand. Directly demanding payment of the outstanding installments owed to the Fund for the period from February to August 2019, in the amount of S/ 4,230 thousand.

During 2021, after the transfer of the mortgage loan portfolio from COOPAC Presta Perú to the Fund, S/ 4,534 thousand were reclassified from other accounts receivable from customers of COOPAC Presta Perú to Accounts receivable from COOPAC Presta Perú and S/ 69,928 thousand to Loan portfolio.

During 2022, S/ 10 thousand were added to Accounts receivable from COOPAC Presta Perú for the payment of installments of the client Vargas Romero Sara Jessica made to the Temporary Administrators in the CAC Prestaperú).

As of September 30, 2023, the other accounts receivable to COOPAC Presta Perú have a provision for uncollectability of 100%.

- (e) It corresponds to the excess grant of the Household Housing Bonus (BFH) in areas of the VRAE pending recovery.
- (f) The movement of provision for uncollectibility of other accounts receivable is as follows:

Notes to the Financial Statements
September 30, 2023

<i>In thousands of soles</i>	2,023	2,022
Balance at the beginning of the year	129,204	128,884
Plus (minus)		
Additions	108	937
Recovery of provisions	-193	-271
Exchange difference, net	-137	-344
Balance at the end of the year	128,982	129,205

In Management's opinion, the provision for uncollectability of accounts receivable recorded as of September 30, 2023, and December 31, 2022, adequately covers the credit risk of this caption at those dates.

Notes to the Financial Statements September 30, 2023

10. Property, Furniture and Equipment, Net

Movement of the caption so far in 2023 and during 2022:

<i>In thousands of soles</i>	Lands	Buildings	Facilities	Furniture and equipment	Computer equipment	Miscellaneous equipment	Vehicles	Works in progress	Total
Cost									
Balance as of January 1, 2022	103	36	143	656	1,090	804	759	0	3,591
Additions			3	1	65	136	0	2	207
Disposals									0
Balance as of December 31, 2022	103	36	146	657	1,155	940	759	2	3,798
Additions			301	29	73	52	0	32	487
Disposals			-137					-34	-171
Balance at September 30, 2023	103	36	311	686	1,228	992	759	0	4,114
Accumulated depreciation									
Balance as of January 1, 2022	0	12	74	511	1,035	580	759	0	2,971
Additions		0	15	27	53	52			147
Disposals									0
Balance as of December 31, 2022	0	12	89	538	1,088	632	759	0	3,118
Additions		0	16	21	25	43			105
Disposals			-92						-92
Balance at September 30, 2023	0	12	12	559	1,113	675	759	0	3,131
Net carrying amount									
As of December 31, 2022	103	24	57	119	67	308	0	2	680
As of September 30, 2023	103	24	298	127	115	318	0	0	983

Notes to the Financial Statements September 30, 2023

- (a) Financial entities established in Peru are prohibited from pledging their fixed assets as guarantees.
- (b) In Management's opinion, there are no evidences of impairment in the fixed assets as of September 30, 2023, and as of December 31, 2022. As of September 30, 2023, the Fund maintains fully depreciated assets of approximately S/ 2,611,000 (approximately S/ 2,549,000 as of December 31, 2022).
- (c) The Fund maintains insurance policies on its principal property, furniture and equipment in accordance with policies established by the Management. In this regard, as of September 30, 2023, and December 31, 2022, the Fund has taken out an all-risk insurance policy covering the value of the Fund's net assets including property, furniture and equipment. In Management's opinion, its insurance policies are consistent with the usual practices in the industry.

11. Intangible Assets Other than Capital Gains

As of September 30, 2023, and December 31, 2022, this caption includes:

	In thousands of S/			
	<u>Balance as of</u> <u>09.30.2023</u>	<u>Additions</u>	<u>Withdrawals and</u> <u>other</u> <u>adjustments</u>	<u>Balance as of</u> <u>12.31.2022</u>
Cost:				
Software	13,809	0	0	13,809
Licenses	1,574	0		1,574
Software in Development	5,032	1,771	0	3,261
	<u>20,415</u>	<u>1,771</u>	<u>0</u>	<u>18,644</u>
Accumulated amortization:				
Software	11,308	1,354	0	9,954
Licenses	1,451	35		1,416
	<u>12,759</u>	<u>1,389</u>	<u>0</u>	<u>11,370</u>
Net cost	<u>7,656</u>			<u>7,274</u>

Intangible assets comprise software and licenses for the use of computer equipment which total cost as of September 30, 2023, is approximately of S/ 20'415,000 and its accumulated amortization amounted to approximately S/ 12,759,000 (total cost as of December 31, 2022, amounted approximately S/ 18'644,000 and its accumulated amortization amounted to approximately S/ 11,370,000). So far in 2023 and during 2022, Intangible assets have not undergone major variation, showing an increase for software in development for improvements, for approximately S/ 1,771,000 and S/ 1,460,000, respectively. These intangible assets are amortized using the straight-line method over a maximum of 5 years.

12. Other Assets, Net

As of September 30, 2023, and December 31, 2022, this caption includes:

<i>In thousands of soles</i>	2023	2022
Prepaid expenses (a)	3,602	4,031
Other (b)	2,788	3,485

Notes to the Financial Statements September 30, 2023

6,390	7,516
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a) Prepaid expenses include: prepayment for corporate data center services, subscriptions, insurance, among others.

In addition to the collections of Financiera Efectiva for the recoveries of the mortgage loan portfolio, pending deposit to the current accounts of the FUND. These deposits are generally made in the following month.

13. Debts and Financial Obligations

As of September 30, 2023, and December 31, 2022, this caption includes:

<i>In thousands of soles</i>	2023	2022
Debts and financial obligations with companies and financial institutions of Peru	575,006	576,210
Debts and Obligations with Foreign Companies and International Financial Organizations	3,323,693	1,476,736
Securities and Bonds	4,634,950	5,325,406
	8,533,649	7,378,352

As of September 30, 2023, and December 31, 2022, the Fund's Management believes that it has complied with the conditions established for these transactions.

Notes to the Financial Statements September 30, 2023

13.a) Debits and Financial Obligations with Companies and Financial Institutions of Peru:

In soles	Currency	Maturity	Annual Interest Rate	2023				2,022			
				Principal	Above/Under par	Interest and Commissions	Total	Principal	Above/Under par	Interest and commissions	Total
Entity											
Banco de la Nacion	Soles	2025 and 2026	2.5 - 5.55	570,000	0	5,006	575,006	570,000	0	6,210	576,210
				570,000	0	5,006	575,006	570,000	0	6,210	576,210

13.b) Debits and Obligations with Foreign Companies and International Financial Organizations:

This caption includes:

In soles	Currency	Maturity	Annual Interest Rate	2023				2,022			
				Principal	Above/Under par	Interest and Commissions	Total	Principal	Above/Under par	Interest and commissions	Total
Entity											
Agence Francaise de Developpenment (AFD)	Euros	2031	0.7695 - 4.23	694,689	-2,478	1,216	693,427	620,267	-2,958	1,505	618,814
Kreditanstalt für Wiederaufbau (KfW)	Euros	2031	(*)	441,915	-480	7,855	449,290	316,908	-548	1,403	317,763
JP Morgan Chase Bank	Soles	2029	7.7	551,550	-18,683	13,567	546,434	0	0	0	0
JP Morgan Chase Bank	Dollars	2032	(**)	1,668,920	-51,700	17,322	1,634,542	572,100	-37,985	6,044	540,159
				3,357,074	-73,341	39,960	3,323,693	1,509,275	-41,491	8,952	1,476,736

(*) The credit lines with the German Development Bank (KfW) were agreed at variable rates: the first line is equivalent to Euribor 6 months + 110 basis points while the second line is equivalent to Euribor 6 months + 81 basis points. The fixing dates are May and November for the life of the loan.

(**) The first line of loan with JP Morgan (in dollars) was agreed at a variable interest rate, equivalent to Term Sofr 6 months + 60 basis points. In addition, the second line of loan with JPM (USD Tranche) was agreed at a variable rate, equivalent to Term Sofr 6 months + 87 basis points.

As of September 30, 2023, the AFD loan in euros with a principal amount of EUR 173,333 thousand (equivalent to S/ 694,689 thousand) and the KfW loan in euros with a principal amount of EUR 110,263 thousand (equivalent to S/ 441,915 thousand), both subject to exchange rate risk. These are hedged by "full cross currency swaps (CCS)" of EUR 238,596 thousand (equivalent to S/ 956,250 thousand) and by "Forwards purchase" of EUR 45,000 thousand (equivalent to S/ 180,352 thousand) hedged at 100%, jointly by both lines, of EUR 283,596 thousand (equivalent to S/ 1,136,604 thousand).

As of September 30, 2023, the loan in US dollars from JP Morgan Chase Bank amounts to USD 440,000 thousand (equivalent to S/ 1,668,920 thousand) subject to exchange rate risk, being hedged through "full cross currency swaps (CCS)" for a notional amount of USD 290,000 (equivalent to S/ 1,099,970 thousand) and through "Forwards purchase" for a nominal amount of USD 15,000 (equivalent to S/ 56,895 thousand) for a total hedge of EUR 305,000 (equivalent to S/ 1,156,865 thousand).

As of September 30, 2023, the loan in soles from JP Morgan Chase Bank amounts to S/ 546,433 thousand and the loan in soles from Banco de la Nación amounts to S/ 575,005 thousand.



Notes to the Financial Statements September 30, 2023

As of December 31, 2022, the AFD euro loan amounts to EUR 151,588 thousand (equivalent to S/ 618,814 thousand) and the KfW euro loan amounts to EUR 77,841 thousand (equivalent to S/ 317,763 thousand), both subject to exchange rate risk, being hedged through "full cross currency swaps (CCS)".

As of December 31, 2022, the loan in US dollars from JP Morgan Chase Bank amounts to USD 141,625 thousand (equivalent to S/ 540,159 thousand) subject to exchange rate risk, being hedged by "full cross currency swaps (CCS)" for a nominal amount of USD 85,000 thousand (equivalent to S/ 324,190 thousand) and the difference is hedged with assets in US dollars.

The balance of financial debts and financial obligations classified by maturity is presented below:

<i>In thousands of soles</i>	2023	2022
Up to 3 months	33,030	52,299
From 3 months to 1 year	33,030	66,894
From 1 to 5 years	2,264,345	1,216,714
More than 5 years	1,568,294	717,039
	3,899,699	2,052,946

Notes to the Financial Statements September 30, 2023

13.c) Securities and Bonds

As of September 30, 2023, and December 31, 2022, this caption includes:

	Nominal annual interest rate			Carrying amount in S/ 000	
<i>In thousands</i>	(%)	Maturity	Amount issued	2023	2022
Domestic issuances of corporate bonds (a)					
Fourth issuance - A Series Global Depositary Notes (GDN)	6.72	July 2026	S/ 310,000	309,859	309,917
Issuance	7.00	February 2024	S/ 1,500,000	1,499,130	1,498,637
Fifth issuance - A Series	5.02	July 2026	S/ 250,000	249,800	249,799
Sixth issuance - A Series	4.7813	January 2027	S/ 240,210	239,969	239,971
International issuances of corporate bonds					
First issuance (b)	3.50	January 2023	US\$ 500,000	-	367,735
Reopening first issuance (c)	3.50	January 2023	US\$ 150,000	-	291,898
Second program — first issuance	4.625	April 2027	US\$ 600,000	2,263,472	2,273,505
				4,562,230	5,231,462
Interest payable				72,720	93,944
				4,634,950	5,325,406

The resources raised through the issuance of securities and bonds are intended to finance transactions of the Fund's own business.

- (a) At the Board of Directors Meeting held on June 24, 2013, the issuance of the First Corporate Bond Program was approved for US\$ 1,000,000 or its equivalent in soles. In July 2016, July 2019 and January 2020, the Fund made the fourth, fifth and sixth corporate bond issuance under this program, respectively.

At the Board of Directors Meeting held on November 9, 2016, the issuance of Global Depositary Notes (GDN) was approved for S/ 2,000,000 thousand. In February 2017, the Fund issued GDN for S/ 1,500,000 thousand.

On January 15, 2020, the Fund issued its sixth corporate bonds, issuing 48,042 bonds with a value of S/ 5 thousand each, and a total value of S/ 240,210 thousand, for a term of 7 years with maturity on January 15, 2027, at a nominal annual rate of 4.7813%.

- (b) In January 2013, the Fund issued bonds under Rule 144 and Regulation S of the Securities Law, in the international market. The issuance corresponded to a nominal value of US\$ 500,000 thousand maturing in 10 years. Bonds were placed below par at a price of 99.15%, at a coupon rate of 3.50%, with semi-annual interest payments and amortization at maturity.

In January 2023, the balance of US\$ 96,435 of this 1st issuance was paid, and in April 2022, the Fund repurchased bonds of the First issuance for a total of US\$ 403,565 thousand at a price of 101.26%, paying a total value including accrued interest of US\$ 411,475 thousand.

Notes to the Financial Statements September 30, 2023

- (c) In February 2017, the Fund issued bonds under Rule 144 or Regulation S of the Securities Law in the international market by reopening the First Issuance called "3.5% Notes Due 2023" in January 2013. The new issuance corresponded to a nominal value of US\$ 150,000 thousand maturing in 6 years. The Bonds were placed below par at a price of 99.802%, at a coupon rate of 3.50%, semi-annual interest payments and amortization at maturity.

In January 2023, the balance of US\$ 76,553 of this issuance was paid, and in April 2022, the Fund repurchased bonds of the reopening of the First issuance for a total of US\$ 73,447 thousand at a price of 101.26%, paying a total value including accrued interest of US\$ 74,887 thousand.

As of December 31, 2022, the bonds of the 1st international issuance and the bonds of the reopening of the 1st issuance, were subject to exchange rate risk, being hedged for a total amount of US\$ 172,988 thousand through "FWD Purchase at fair value US\$ 12,770, principal only swaps (POS) for a nominal amount of US\$ 20,000 thousand and currency swaps (CCS)" for a nominal amount of US\$ 100,000 thousand", equivalent to S/ 506,385 thousand.

- (d) In April 2022, the Fund issued bonds under Rule 144 and Regulation of the Securities Law, in the international market. The issuance was for a nominal amount of US\$ 600,000 thousand, with a maturity of 5 years. Bonds were placed below par at a price of 99.652%, at a coupon rate of 4.625%, with semi-annual interest payments and amortization at maturity.

As of September 30, 2023, these bonds are subject to exchange rate risk, being covered by "currency swaps (CCS)" for a nominal amount of US\$ 600,000 thousand" (equivalent to S/ 2,275,800 thousand). As of December 31, 2022, these bonds were subject to exchange rate risk, being covered by "currency swaps (CCS)" for a nominal amount of US\$ 580,000 thousand" (equivalent to S/ 2,212,120 thousand).

Below is the balance for outstanding securities and bonds as of September 30, 2023, and December 31, 2022, classified by maturity:

<i>In thousands of soles</i>	2023	2022
From 1 month to 1 year	1,512,826	669,297
From 1 to 2 years	-	1,538,582
From 2 to 5 years	3,122,124	3,117,527
More than 5 years		
	4,634,950	5,325,406

- (a) Below are the financing activities for outstanding securities and bonds as of September 30, 2023, and December 31, 2022:

<i>In thousands of soles</i>	Cash flows	Exchange	Movement
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Notes to the Financial Statements September 30, 2023

	January 1, 2023	Provided	Used	difference, net	Interest	Amortize d cost	Changes in the fair value	September 30, 2023
Domestic issuances								
Fourth Issuance (A Series)	319,652		(20,828)		15,621	(58)		314,387
Global Depositary Notes (GDN) Issuance	1,538,582		(105,000)		78,750	494		1,512,826
Fifth Issuance (A Series)	255,541		(12,578)		9,434	1		252,398
Sixth Issuance (A Series)	245,277		(11,485)		8,614	(2)		242,404
International issuances								
First Issuance	373,122		(378,361)	4,117	1,053	69		-
Reopening First Issuance	296,175		(300,354)	3,268	836	75		-
Second program — first issuance	2,297,057		(52,517)	(11,411)	77,370	2,436		2,312,935
	5,325,406		(881,123)	(4,026)	191,678	3,015		4,634,950

	Cash flows			Exchange difference, net	Movement			December 31, 2022
<i>In thousands of soles</i>	January 1, 2022	Provided	Used		Interest	Amortize d cost	Changes in the fair value	
Domestic issuances								
Fourth Issuance (A Series)	319,631		(20,828)		20,828	21		319,652
Global Depositary Notes (GDN) Issuance	1,537,678		(105,000)		105,000	904		1,538,582
Fifth Issuance (A Series)	255,489		(12,578)		12,578	52		255,541
Sixth Issuance (A Series)	245,234		(11,485)		11,485	43		245,277
International issuances								
First Issuance	2,019,004		(1,549,583)	(127,774)	28,099	3,376		373,122
Reopening First Issuance	605,147		(290,034)	(33,470)	13,008	1,524		296,175
Second program — first issuance		2,211,853	(55,084)	60,956	77,213	2,119		2,297,057
	4,982,183	2,211,853	(2,044,592)	(100,288)	268,211	8,039		5,325,406

14. Accounts Payable

As of September 30, 2023, and December 31, 2022, this caption includes:

<i>In thousands of soles</i>	09.30.2023	12.31.2022
Other accounts payable:		
FONAVI contributions (a)	8,644	8,644
BFH and bonus for improving quality of houses (b)	936,703	610,643
BBP (capital) received from MVCS (c)	94,597	50,375
BBP (capital) assigned to COFIDE (d)	76,124	80,622
Eligible Household Savings to be transferred to technical entities (e)	7,675	5,540
Eligible Household Group Savings to be transferred from Housing Lease Bonus BAV (f)	13,879	14,718
Employees' profit sharing	6,890	4,271
Resources to transfer for executed bank guarantees	2,152	4,086
Accounts payable to suppliers	6,860	9,071
Vacation, semiannual bonus, bonus and social benefits liquidation payable	1,491	868
Balance Due payable for Reconciliation with the MEF	81,822	81,822
Management Agreement Bonus - FONAFE	1,263	1,830
LAIF Agreement between AFD and Fund (g)	0	28,083
Eligible Household Savings to be transferred to BAE (h)	26,558	34,391
Other	75,165	3,595
	1,339,823	938,559

- (a) The balance of the caption as of September 30, 2023, and December 31, 2022, is as follows:

Notes to the Financial Statements September 30, 2023

<i>In thousands of soles</i>	2023	2022
FONAVI contributions pending transfer to the MEF (i)	8,023	8,023
Refund of not collected FONAVI checks (ii)	621	621
	8,644	8,644

- (i) It corresponds mainly to FONAVI contributions pending transfer to the Ministry of Economy and Finance - MEF for collections made by the National Superintendency of Tax Administration - SUNAT of FONAVI contributions made by taxpayers who have tax stability under Law N° 27071.

During 2018, the Fund reclassified approximately S/ 57,771,000 from the account "FONAVI Contributions to be transferred to the MEF" to the account "FONAVI Collection under Law N° 26969", for collections that would be subsequently transferred to the Ad Hoc Committee, Note 13 (b).

- (ii) It corresponds to checks drawn from 1999 to 2016, pending collection by the beneficiary. These checks were issued for the refund of FONAVI contributions according to communications from the National Tax Superintendence - SUNAT, in charge of collecting these resources.

- (b) It corresponds to Household Housing Bonus (BFH) and/or Vulnerable Housing Protection Bonus (BVPP) to be returned to the MVCS or disbursed to technical entities (builders) for financing the BFH and that of the family groups that accessed the Techo Propio Program.

During 2023, the Fund received resources from the MVCS for this purpose, through Agreement N° 002-2023 for S/ 1,090,012 thousand.

During 2022, the Fund received resources from the MVCS for this purpose, through Agreements N° 001-2022 and N° 116-2022 for S/ 584,247 thousand, and S/ 446,852 thousand, respectively.

- (c) It corresponds to the balance of the monetary funds received from the MVCS, pending allocation to the beneficiaries who request the products offered by the Fund. The Fund makes the allocation of these resources through COFIDE when the disbursements to the IFI for the approved credits are authorized.
- (d) It corresponds to the funds received from the MVCS that were assigned to the credits authorized to the IFI (for the MIHOGAR Project loan and the New MIVIVIENDA Loans), after reviewing compliance with the requirements established in the respective regulations.
- (e) It corresponds to the balances to be paid to the technical entities on behalf of the eligible family groups that accessed the Techo Propio Program and Acquisition of New Housing. This balance includes the savings deposited by the family group in the Fund's accounts.
- (f) It corresponds to the balances payable to the eligible family groups that accessed the Housing Lease Bonus (BAV). This balance includes the savings deposited by the family group in the Fund's accounts.
- (g) It corresponds to the balances payable to the eligible family groups that accessed the Emergency Housing Lease Bonus (BAE).

Notes to the Financial Statements September 30, 2023

15. Provisions and Other Liabilities

As of September 30, 2023, and December 31, 2022, this caption includes:

<i>In thousands of soles</i>	2023	2022
Provisions and other liabilities		
Provisions (a)	2,530	3,092
Other liabilities (b)	48,654	25,244
	51,184	28,336

- (a) The caption of provisions mainly includes the provision for litigations and demands. These judicial processes are associated with demands for probable labor and contentious contingencies. In the opinion of Management and its legal advisors, the provision recorded amounting to approximately S/ 1,543,000 as of September 30, 2023, is sufficient to cover the risk of loss from such contingencies.

It also includes the provision for credit risk coverage - portfolio sold, the movement of which is shown below:

<i>In thousands of soles</i>	2023	2022
Balance at the beginning of the year	973	1,521
Additions debited to results	90	93
Recovery of provisions	(279)	(575)
Exchange difference, net	(14)	66
Balance at the end of the year	770	973

Additionally, it includes the provisions for credit risk coverage of the portfolio sold to the Investment Funds, amounting to approximately S/ 178 thousand.

- (b) Other liabilities mainly include deferred income from rescheduling of accounts receivable belonging to the COFIDE Trust, amounting to S/ 22'651,878 and resources received by the AFD under the LAIF agreement for S/ 25'638,352.

16. Current Taxes

- (a) Below is the composition of the balance in favor of the current tax:

	September 2023	December 2022
<i>In thousands of soles</i>		
Income tax provision	(38,620)	(0)
Balance of unused income tax payments on account	8,652	12,062
Unused ITAN loans	31,962	11,920
Income tax loan for the year	12,064	0
IGV not domiciled	0	(28)
General Sales Tax:	(24)	(34)

Notes to the Financial Statements September 30, 2023

14,034 23,920

- (b) The composition of the benefit (expense) in the statement of income as of September 2023 and September 2022, respectively, is as follows:

<i>In thousands of soles</i>	September 2023	September 2022
Current	(38,620)	(17,989)
Deferred	4,223	(4,464)
	(34,397)	(22,453)

- (c) Below is the reconciliation of the effective income tax rate to the tax rate:

<i>In thousands of soles</i>	September 2023		September 2022	
Profit before income tax	111,933	100.00%	69,304	100.00%
Theoretical expense	(33,020)	(29.50%)	(20,445)	(29.50%)
Plus (minus)				
Net effect of permanent items	(1,377)	(1.23%)	(2,008)	(2.9%)
Income tax	(34,397)	(30.73%)	(22,453)	(32.40%)

17. Deferred Income Tax, Net

In Management's opinion, the net deferred income tax asset and liability will be recovered from future taxable gains generated by the Fund in subsequent years, including the portion recorded in equity.

This caption includes:

Notes to the Financial Statements September 30, 2023

<i>In thousands of soles</i>	Balance as of December 31, 2021	(Charge) credit to income	(Charge) credit to equity	Balance as of December 31, 2022	(Charge) credit to income	(Charge) credit to equity	Balance as of September 30, 2023
Deferred assets							
Generic allowance for accounts receivable (Trust Agreement - COFIDE)	25,034	-6,012	0	19,022	1,475	0	20,497
Provision for accounts receivable (Trust Agreement - COFIDE) adjustment 2017 (*)	0	3,458	0	3,458	-506	0	2,952
Unrealized losses on valuation of derivatives for hedging purposes	0	578	15,441	16,019	539	31,765	48,323
Unrealized loss on available-for-sale investments	26	0	48	74	0	-74	0
Provision for loan portfolio	7,286	-2,903	0	4,383	-175	0	4,208
Unrealized loss on investments of CRC-PBP Trusts	0	0	7	7	-7	0	0
Provision for accounts receivable from PrestaPerú	1,338	1,247	0	2,585	0	0	2,585
Provision for accounts receivable from ICCGSA	1,119	0	0	1,119	0	0	1,119
Deferred income from rescheduling of accounts receivable COFIDE Trust	8,175	-916	0	7,259	-577	0	6,682
Other	1,165	3,646	0	4,811	-235	0	4,576
Total deferred assets	44,143	-902	15,496	58,737	514	31,691	90,942
Deferred liabilities							
Unrealized gains on investments of CRC-PBP Trusts	-19	0	19	0	0	0	0
Unrealized gain on debt instruments, reclassified from "Available-for-sale investments" to "Held-to-maturity investments"	-407	0	-70	-477	0	57	-420
Provision for accounts receivable (Trust Agreement - COFIDE) adjustment 2017 (*)	- 3,962	3,962	0	0	0	0	0
Unrealized gain from valuation of derivatives for hedging purposes	- 8,191	0	8,191	0	0	0	0
Leveling for exchange difference of monetary assets and liabilities	- 19,472	-1,254	0	-20,726.0	3,475	0	-17,251
Debits and financial obligations	- 749	-1,652	0	-2,401	-296	0	-2,697
Costs incurred for Issuances	- 157	-2,331	0	-2,488	522	0	-1,966
Total deferred liabilities	-32,957	-1,275	8,140	-26,092	3,701	57	-22,334
Total net deferred assets	11,186	-2,177	23,636	32,645	4,215	31,748	68,608

(*) As a result of the observation made by the SBS in its Inspection Visit report N° 06-VIG /2017 "C", the Management of the Fund modified the methodology for calculating the provision of doubtful accounts beginning August 1, 2017, determining a deficit of provisions of accounts receivable (Trust Agreement - COFIDE) amounting to S/ 71,027,000 as of July 31, 2017; which, as authorized by the SBS by means of Resolution N° 4907-2017/SBS dated Dec. 20, 2017, was recorded by the Fund in December 2017 reducing the balance maintained in the "Legal Reserve" account of the equity, Note 3.E and 16.B.

During 2018, the Fund reviewed the tax treatment of the aforementioned provision for doubtful accounts and determined the need to record the deferred income tax related to charging the "Legal Reserve". This treatment was authorized and subsequently approved by the SBS through Official Letter N° 02450-2019-SBS dated January 18, 2019, for S/ 20,953,000. In accordance with the SBS accountings practices, the Fund recorded this amount prospectively, presenting it as an equity movement in 2018 with a charge to the deferred asset for income tax, net.

Notes to the Financial Statements September 30, 2023

18. Equity

A. Share capital

As of September 30, 2023, and December 31, 2022, the Fund's capital share is represented by 3,479,607,308 and 3,423'504,780 subscribed and paid common shares, with a nominal value of one sol per share. Its sole shareholder is the National Fund for the Financing of the Business Activities of the State – FONAFE.

At the General Shareholders' Meeting held on March 30, 2023, it was agreed to capitalize the 2022 profits, net of the legal reserve for S/ 56,103 thousand. At the General Shareholders' Meeting held on March 28, 2022, it was agreed to capitalize the 2021 profits, net of the legal reserve for S/ 37,743 thousand.

B. Legal reserve

Pursuant to current legislation, the Fund is required to establish a legal reserve for an amount equivalent to at least 35% of its paid-in capital. This reserve is constituted through an annual appropriation of at least 10% of net profits and can only be used to absorb losses or be capitalized, in both cases there is an obligation to replenish it.

The General Shareholder's Meetings held on March 30, 2023, and March 28, 2022, approved the appropriation of legal reserves for profits in 2022 and 2021 of S/ 6,234 thousand and S/ 4,194 thousand, respectively.

C. Adjustments of Equity

This caption includes the unrealized gains (losses) from the valuation of available-for-sale investments from the Fund and CRC and PBP Trusts, and also from derivatives instruments designated as cash flow hedges. Movements in unrealized results during the 2023 and 2022 were as follows, and are presented net of their tax effect:

	Balance as of January 1, 2022	(Charge) / credit to statements of comprehensive income	Balance as of December 31, 2022	(Charge) / credit to statements of comprehensive income	Balance as of September 30, 2023
<i>In thousands of soles</i>					
Available-for-sale investments from the Fund					
Unrealized gain (loss) from available- for-sale investments	(89)	(163)	(252)	252	-
Unrealized gain (loss) from debt instruments, reclassified from "Available-for-sale investments" to "Held-to-maturity investments"	(5,085)	798	(4,287)	1,142	(3,145)
	(5,174)	635	(4,539)	1,394	(3,145)
Income tax	(380)	(21)	(401)	(18)	(419)
Subtotal	(5,554)	614	(4,940)	1,376	(3,564)
Cash flow hedges					

Notes to the Financial Statements September 30, 2023

Unrealized gain (loss) from cash flow hedge derivatives	818,289	(835,268)	(16,979)	(189,946)	(206,925)
Transfer to profit (loss) of realized gain (loss) from cash flow hedge derivatives	(790,526)	755,163	(35,363)	82,269	46,906
	27,763	(80,105)	(52,342)	(107,677)	(160,019)
Income tax	(8,190)	23,631	15,441	31,765	47,206
Subtotal	19,573	(56,474)	(36,901)	(75,912)	(112,813)
Total	14,019	(55,860)	(41,841)	(74,536)	(116,377)

D. Effective Equity

In June 2008, through Legislative Decree N° 1028, the General Law was amended, being established that the effective equity must be equal to or greater than 10% of assets and contingent credits by total risk corresponding to the sum of: (i) the effective equity requirement for market risk multiplied by 10, (ii) the effective equity requirement for operational risk multiplied by 10, and (iii) the weighted assets and contingent credits by credit risk.

As of September 30, 2023, pursuant to Legislative Decree N° 1028 and amendments, the Fund keeps the following amounts related to weighted assets and contingent credits by risk and effective equity (basic and supplementary), in soles:

<i>In thousands of soles</i>	2023	2022
Total Effective Equity Requirement for Credit Risk	424,408	419,776
Total effective equity	3,547,868	3,418,147
Basic effective equity (Level 1)	3,547,868	3,418,147
Global regulatory capital ratio	70.33%	75.94%

As of September 30, 2023, and December 31, 2022, the Fund has complied with the SBS Resolutions N° 2115-2009 - Regulations for Effective Equity Requirements for Operational Risk, N° 6328-2009 - Regulations for Effective Equity for Market Risk, N° 14354-2009 - Regulations for Equity Requirements for Credit Risk and amendments. These resolutions establish, mainly, the methodologies to be applied by financial entities to calculate the weighted assets and credits for each type of risk.

In July 2011, SBS issued Resolution N° 8425-2011, which establishes that in order to determine the additional effective equity, financial institutions must have a process to evaluate the sufficiency of their effective equity according to its risk profile, according to the methodology described in said Resolution. In application of said regulation, additional effective equity will be equal to the sum of the effective equity requirements calculated for each of the following components: economic cycle, concentration risk, and market concentration risk, interest rate risk in the banking book and other risks.

As of September 30, 2023, and December 31, 2022, the Fund's estimated additional cash equity requirement amounts to S/ 292,676 thousand and S/ 184,161 thousand, respectively.

Notes to the Financial Statements September 30, 2023

In Management's opinion, as of September 30, 2023, the Fund has complied with the requirements set forth in the aforementioned resolution and will have no any problem in continuing to comply with them, since the equity established by the Fund cover these requirements completely.

19. Tax Situation

- A. The Fund is subject to the Peruvian tax regime as of September 30, 2023, and December 31, 2022, the Corporate Income Tax rate is 29.5%, on net taxable income as established in Legislative Decree N° 1261.

The Corporate Income Tax rate applicable to the distribution of dividends and any other form of profit distribution is 5% for profits generated and distributed from January 1, 2017 onwards.

It should be noted that it will be presumed, without admitting proof to the contrary, that the distribution of dividends or any other form of profit distribution made corresponds to accumulated results or other concepts susceptible of generating taxable dividends, older.

However, the above, the Fund's bylaws specify that 100% of distributable profits shall be capitalized.

In accordance with current Peruvian tax legislation, non-domiciled individuals are taxed only on their Peruvian source income. In general terms, income obtained by non-domiciled individuals for services rendered in our country is subject to income tax at a rate of 30% on a gross basis, unless a Double Taxation Avoidance Agreement (DTA) is applicable. Currently, Peru has signed DTA with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico and South Korea, and has also signed a DTA with Japan (Supreme Decree N° 31098, ratifying Supreme Resolution N° 060-2020-RE, which entered into force on January 29, 2021.

For the purposes of technical assistance services or digital services provided by non-domiciled subjects in favor of domiciled subjects, the place of provision of such services will be indistinct and, in all cases will be subject to income tax at a rate of 15% and 30% on a gross basis, respectively, as long as the application of the DTA does not apply, and therefore no withholding would be applied. The rate applicable to technical assistance services will be 15%, provided that the requirements set forth in the Income Tax Law are met. As indicated in the previous paragraph, the withholding rate in these cases may vary or even the withholding may not be applicable if the provisions of a DTA in force are used.

Temporary tax on net assets

- B. The Fund is subject to the Temporary Tax on Net Assets, the taxable base of which is constituted by the value of the net assets adjusted at the year-end closing prior to the one in which the payment corresponds, deducting depreciation, amortization, reserve requirements and specific provisions for credit risk. The tax rate is 0.4% for 2023 and 2022, applicable to the amount of net assets exceeding S/ 1 million. The aforementioned tax may be paid in cash or in nine successive monthly installments. The amount paid may be used against the payments on account of the General Income Tax Regime for the tax periods from March to

Notes to the Financial Statements September 30, 2023

December of the taxable year for which the tax was paid up to the due date of each of the payments on account and against the income tax regularization payment of the taxable year to which it corresponds. In the event that a remaining balance is not applied, it may be requested as a refund.

- C. Pursuant to Article 2 of Law N° 31104, SUNAT has 30 working days from the date the application is filed to make the refund of the Net Assets Tax for the year, after which the taxpayer may consider it approved. For the year 2023, according to the Intendancy Resolution N° 012-180-0031784/SUNAT dated 07.13.2023, FMV received the refund of the ITAN 2022 for S/ 11'919,175 (eleven million nine hundred nineteen thousand one hundred seventy-five and 00/100 soles).

Financial transaction tax

- D. For 2023 and 2022, by means of Law N° 29667, the Financial Transaction Tax rate is modified to 0.005% and is applicable on charges and credits in bank accounts or movements of funds through the Financial System, unless exempted.

Tax review by the tax authority

- E. The Tax Authority has the power to review and, if applicable, correct the income tax calculated by the Fund in the four years following the tax filing year. The Fund's income tax and general sales tax returns for the years 2018 to 2023 are pending audit by the Tax Authority. It should be noted that in 2022 there was a partial audit of the third category of income tax for the year 2018.

Thus, in the opinion of Management and its legal advisors, these tax processes and the years pending tax review will not generate significant liabilities that impact the Fund's financial results, which is in accordance with IFRIC 23.

Due to the possible interpretations that the Tax Authority may give to the legal norms in force, it is not possible to determine, at this date, whether or not the reviews will result in liabilities for the Fund; therefore, any higher 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 determined. However, in the opinion of Management and its in-house legal advisors, any additional tax assessments would not be material to the Fund's financial statements as of September 30, 2023, and December 31, 2022.

In accordance with Law N° 3116, income tax exemptions are extended until 12.31.2023, among which is item q), which exempts interest and other income from external loans granted to the National Public Sector. Likewise, Legislative Decree N° 1549 published in the Official Gazette El Peruano on 04.22.2023 extends the exemption until December 31, 2026.

General sales tax regime

- F. In accordance with Law N° 31651, the exemption of Appendix I and II of the General Sales Tax Law is extended until December 31, 2025.

Notes to the Financial Statements September 30, 2023

Other laws, regulations, resolutions with tax implications

- G. Law N° 30424 - Law that regulates the Administrative Liability of Legal Entities is amended. The purpose is to incorporate new assumptions of administrative liability of legal entities, which will enter into force on November 13, 2023; thus, through Law N° 31740, the Criminal Tax Law is included in the catalog of crimes, for which a legal entity or foreigner acquires liability, and with it, Tax Fraud, Failure to comply with the obligation to keep books, accounting records, among others.
- H. According to DL 1545, as of 01.01.2024, for tax purposes, it is presumed that all loans in local currency accrue interest at a rate not lower than the monthly average active market rate in local currency (TAMN) published by the SBS, which will be multiplied by the factor 0.42. Likewise, loans in foreign currency are presumed to accrue interest at a rate not less than the monthly average active market rate in foreign currency (TAMEX) published by the SBS, multiplied by a factor of 0.65
- I. Pursuant to Superintendence Resolution 0204-2023/SUNAT, as of January 2024 the FMV is required to keep the Sales and Income Register and the Purchase Register through SIRE.

20. Contingent Risks and Commitments

As of September 30, 2023, and December 31, 2022, the risks and contingent commitments correspond to the portion covered by the Fund of the portfolio sold in 2007 to BBVA Banco Continental, Banco de Crédito del Perú, Banco Internacional del Perú - Interbank and Scotiabank Peru S.A.A. These are updated according to the recovery of the portfolio.

As of September 30, 2023, the derivative contracts hedge the exchange rate risk of: USD - EUR for 1) Issuances and 2) Debts. These contracts are signed with: National banks such as: BBVA, Citibank Peru and Scotiabank Peru and foreign banks such as: Merrill Lynch, JP Morgan, Santander NA, Citibank NA, Morgan Stanley, Barclays Bank PLC and Nova Scotia.

21. Interest Income and Expenses

This caption includes:

<i>In thousands of soles</i>	2023	2022
Interest income		
Cash and cash equivalents	123,042	42,837
Investments	4,848	7,699
Direct loan portfolio	4,327	5,157
Accounts Receivable	483,617	411,390
Other income	25	82
	615,859	467,165

Notes to the Financial Statements September 30, 2023

Interest expenses (b)		
Securities and bonds outstanding	194,693	226,213
PBP (capital) granted by the Fund	24,800	28,731
Borrowings and financial obligations	107,137	25,516
PBP (capital and interest) - CRC and PBP Trust	858	2,183
	327,488	282,643

(a) In the years 2023 and 2022, interest income is mainly composed of income from accounts receivable as follows: interest on accrued returns of the Trust – COFIDE by S/ 489,292 thousand and S/ 419,907 thousand, respectively, which includes the accrued interest of the reprogrammed portfolio by S/ 1,839 thousand and S/ 980 thousand, respectively, net of interest proceeds of the Good Payer Award Bonus by S/ 8,209 thousand and S/ 10,412 thousand, respectively.

(b) In 2023, it mainly corresponds to:

Securities and bonds outstanding, the increase in this caption is mainly due to the interest accrued on the international issuance of US\$ 600 million equivalent to S/ 2,276 million soles, which generated an interest expense for the year of S/ 28.41 million, netted by a lower interest expense due to the cancellation in January 2023 of the balance of the 1st and reopening of the 1st international issuance of S/ 37.66 million and the premium paid in 2022 for its repurchase for S/ 25.44 million.

The caption of Debts and financial obligations, due to the new debts disbursed KFW and AFD for a total of EUR 75 million that generated a higher interest expense with respect to the previous year for KFW and AFD for S/ 14.84 million, and due to the interest expense of JP Morgan for S/ 67.49 million, for the new debts disbursed for a total of US\$ 440 million and S/ 551.5 million.

22. Financial Service Revenue and Expense

This caption includes:

<i>In thousands of soles</i>	2023	2022
Income from financial services		
Commission for CRC and PBP services	1,475	1,612
Execution of letters of guarantee constituted by technical entities - BFH and family savings	2,700	721
Other	546	485
	4,721	2,818
Expenses from financial services		
Loan portfolio management service	(1,585)	(1,189)
Securities custody service and banking fees	(259)	(218)
Other	(17)	(28)
	(1,861)	(1,435)

Notes to the Financial Statements September 30, 2023

23. Result from Financial Transactions

This caption includes:

<i>In thousands of soles</i>	09.30.2023	09.30.2022
Loss on hedging derivative financial products	(4,283)	(1,734)
Gain on trading derivative instruments	(95,608)	(79,996)
Exchange loss	3,027	906
Other	440	2,619
Result from financial transactions	(96,424)	(78,205)

24. Administrative Expenses

This caption includes:

<i>In thousands of soles</i>	09.30.2023	09.30.2022
Personnel and Board of Directors expenses (a)	26,010	22,800
Services received from third parties (b)	16,938	16,402
Taxes and contributions	512	451
	43,460	39,653

(a) The table below presents the composition of personnel and Board of Directors expenses:

<i>In thousands of soles</i>	2023	2022
Remunerations	8,988	9,064
Employees' profit sharing	6,889	3,209
Gratuities	1,714	1,650
Management Agreement Bonus - FONAFE	1,263	1,116
Social security contributions	1,492	1,397
Compensation for service time	969	969
Vacation	869	854
Food services	665	664
Other Bonuses	916	734
Internship Subsidy	887	770
Remuneration to the Board of Directors' members	177	194
Personnel clothing	290	293
Severance indemnity	0	977
Training	162	200
Oncology insurance	133	98
Other	596	611
	26,010	22,800

(b) The table below presents the composition expenses of services received from third parties:

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<i>In thousands of soles</i>	09.30.2023	09.30.2022
Advertising	1,190	727
Property and good rentals	2,532	2,209
Fees and consultancy	2,099	1,183
Expenses related to bonds issued	1,026	2,642
Repair and maintenance	2,287	1,691
Miscellaneous management services	1,573	1,375
IT project expenses – FONAFE	1,543	1,239
Communications	936	841
Telemarketing services	631	749
Travel expenses	77	187
Transport	122	308
Insurance	1,443	1291
Document storage	161	153
Miscellaneous supplies	129	257
Other expenses	1,189	1550
	16,938	16,402

Notes to the Financial Statements September 30, 2023

25. Other Income and Expenses

It includes the following:

<i>In thousands of soles</i>	2023	2022
<u>Other income</u>		
Revenues from Ex Coneminsa portfolio	41	68
Reversal of Trust Prov. Cofide-Portfolio sold 2007	279	480
Margin Call Interest	0	114
Other revenues	1,106	1,105
	1,426	1,767
<u>Other expenses</u>		
Other expenses	(45)	0
Total other income and expenses, net	1,381	1,767

26. Contingencies

As of September 30, 2023, and December 31, 2022, the Fund maintains the following contingency processes:

Various labor processes related to its operations referring to lawsuits for payment of profits and reimbursement of social benefits, recording a provision of approximately S/ 1,522,000 as of September 30, 2023 (S/ 1,921 thousand as of December 31, 2022). We also recorded a provision of S/ 21 thousand for administrative litigation proceedings, which is recorded as of December 31, 2022. In the opinion of the Fund's Management and its legal advisors, the provision for legal contingencies recorded as of September 30, 2023, and December 31, 2022, is adequate to cover these contingencies.

Various constitutional processes (amparo actions) related to the restitution of labor rights to former workers of the Fund. Likewise, processes originated by discrimination in the right to participate in awarding and contracting processes, cancellation of registration of technical entities due to violations committed. In the opinion of the Fund's Management and its legal advisors, such contingencies will not generate possible losses at the end of such processes.

27. Financial Risk Management

The Fund's activities are mainly related to the credit placement of its resources through financial institutions in the country for the purchase of housing by individuals. Financial institutions are evaluated and assigned long-term credit lines; the Fund also participates in work to encourage the construction and promotion of housing, and manage the resources received from the State (such as Household Housing Bonus) and its own resources, investing these funds mainly, in interest-bearing current accounts and term deposits, in fixed income and grade investments, with the purpose of making them profitable and preserving their value over time, ensuring the liquidity required to fulfill their obligations and its lending activities.

In this sense, the financial risk management comprises the administration of the main risks, which the Fund faces due to the nature of its operations; these are: credit, market, liquidity and operation risks.

Notes to the Financial Statements September 30, 2023

- Credit risk: the possibility of losses due to the inability or unwillingness of debtors, issuers, counterparties or obligated third parties to fulfill their contractual obligations.
- Market risk: the possibility of losses in the value of held positions, derived from variations in market conditions. It generally includes the exchange rate risk, interest rate risk, price risk, among others.
- Liquidity risk: the possibility that the Fund cannot meet with the payment at maturity of its obligations incurring losses that significantly affect its equity position.
- Operation risk: the possibility of losses due to inadequate processes, staff failures, information technology (IT) or external events.

In order to manage said risks, the Fund has a structure and organization specialized in the management, measurement and reporting systems, and mitigation and coverage processes.

i. Structure and organization of risk management

The Fund has a governance and management structure that allows it to articulate the management and control of the risks it faces.

Board of Directors

The Fund's Board of Directors is responsible for establishing an adequate integrated management of risks and for fostering an internal environment that facilitates its development. The Board of Directors keeps permanently informed about the degree of exposure of the various risks managed by the Fund.

The Board of Directors has created a number of specialized committees in which it has delegated specific functions with the objective of strengthening risk management and internal control.

Risk committee

The Risk Committee (hereinafter "RC") is a collegiate body created by agreement of the Board of Directors. It is responsible for approving the policies and the organization for the integral management of risks, as well as the modifications that are made to them. The Committee defines the level of tolerance and the degree of exposure to risk that the Fund is willing to assume in the development its business and decides the needed actions for the implementation of corrective measures required, in case there are deviations from the levels of tolerance to the risk and the degrees of exposure assumed. The Committee meets monthly and is comprised of at least three (3) directors, one of whom will chair the Committee, the General Manager and the Risk Manager. The Committee reports quarterly to the Board of Directors the agreements reached and issues discussed in the Risk Committee meetings.

Special audit committee

The Special Audit Committee (hereinafter "the Special Committee") is a division created in a Board of Directors Meeting. Its main purpose is to assist the Board of Directors in its purpose of ensuring that the accounting and financial reporting processes are appropriate, evaluating the activities carried out by internal and external auditors and

Notes to the Financial Statements September 30, 2023

monitoring the proper functioning of the internal control system. The Committee is comprised of three members of the Board of Directors who do not hold executive positions in the Fund.

The General Manager and Head of the Internal Audit Office, as well as the officials that the Special Committee deems necessary, participate as guests at the meetings of the Special Committee.

The Special Committee meets at least once a month and reports quarterly to the Board of Directors on the topics discussed. However, it may meet as often as necessary depending on the priority and number of issues to be discussed, when determined by the Chairman of the Committee or when requested by at least two of its members.

Assets and liabilities management committee

The Assets and Liabilities Management Committee ("ALCO") is a collegiate body created by Board of Directors agreement. Its main function is to manage the financial structure of the Fund's statement of financial position, in accordance with the profitability and risk targets. The Committee is also responsible for proposing new products or operations or strategies that contain market and liquidity risk components. It is also the communication channel with the areas that generate market and liquidity risk. The Committee meets monthly and is comprised by the General Manager, Commercial Manager, Finance Manager and Risk Manager.

General management

The General Manager is responsible for implementing an adequate integral management of risks in the Fund. He manages and coordinates the efforts of the different management and offices, ensuring an adequate balance between risk and profitability. Risk Management is a line organism and depends directly on the General Management; this management is in charge of proposing the policies, procedures and methodologies for a competent comprehensive risk management, promotes the alignment of the measures of treatment of the Fund's risks with the levels of appetite and risk tolerance and the development of appropriate controls. The Risk Management is comprised of the Market Risk, Liquidity and Operational Department and the Credit Risk and Portfolio Tracking Department.

Internal audit

The Internal Audit Office reports functionally to the Board of Directors and administratively to the General Manager. It provides independent services, and assurance and consultation objectives. It assists the Fund in achieving its objectives by applying a systematic and disciplined approach to assessing and improving the effectiveness of governance, risk management and control processes.

Its organization and operation are in accordance with the General Law and the Regulation of Internal Audit.

ii. Risk measurement and reporting systems

The Fund uses different risk management models and tools for risk management. These tools measure and assess risk to make better decisions at different stages of the credit life cycle or of an investment.

Management indicators are reviewed and analyzed on an ongoing basis in order to identify possible deviations in the risk profile from the stipulated risk appetite and to

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take corrective measures in a timely manner. This information is presented monthly to the CR Committee and periodically to the Board of Directors.

iii. Risk concentration

Through its policies and procedures, the Fund has established the necessary guidelines and mechanisms to avoid an excessive concentration of risks, maintaining a diversified portfolio consequently. In the event that a concentration risk is identified, the Fund has specialized units that allow it to control and manage said risk.

A. Market risk

Market risk is the probability of loss due to variations in financial market conditions. The main variations to which the Fund is exposed to are: exchange rates and interest rates and prices; said variations can affect the value of the Fund's financial assets and liabilities. The Fund separates market risk exposures as follows:

Value at risk

Value at risk (VaR) is a statistical technique that measures the maximum loss that a financial asset or a portfolio of financial assets can experience within a time horizon, given a level of confidence. The VaR model used by the Fund is the Historical VaR for foreign currency exposures (VaR Exchange) and for the investment portfolio (VaR of Interest Rates), both with a confidence level of 99 percent and a liquidation period of 10 days. It should be mentioned that this method does not assume any distribution function for gains and losses, and is based only on the observed historical behavior.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or financial instruments fair values. The risk of the cash flow interest rate is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The risk on the fair value of interest rates is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The impact of changes in interest rates can be presented in two ways: the first, which translates into an impact on expected earnings, directly related to reinvestment risk and the risk that is generated when movements in interest rates Interest expose the entity to higher costs in financing operations (passive interest rates); or lower returns on their investment operations (active interest rates). The second is related to the valuation of the assets and liabilities of the Fund and, therefore, with the economic value or real value of the equity of the same. This modality occurs when the market interest rates change, used for the valuation of the various instruments that form part of the financial statement of the Fund.

The SBS denominates these two impacts, as Gains at Risk (EAR) and Value at Risk (VAR), which are indicators of short-and long-term structural rate risk, respectively.

As of September 30, 2023, and December 31, 2022, the Fund monitors that the gains at risk are below the regulatory limit of 2022% of the Fund's net equity. In addition, the Fund has an internal limit of 20% for the regulatory calculation and an internal limit of 20% for the internal calculation.

As of September 30, 2023, the interest rate risk of the fixed income portfolio is monitored through the calculation of the market value of each investment instrument

Notes to the Financial Statements September 30, 2023

recorded as available-for-sale divided by its acquisition cost. According to the Investment Policies and Procedures Manual, if the indicator falls 5% or more, the Finance Management, prior opinion of the Risk Management, brings it to the attention of the Assets and Liabilities Management Committee, which will determine if the causes of the deterioration in value are due to market factors or changes in the conditions of the issuer, in order to decide whether to maintain, reduce or eliminate the position in the instrument.

The management of structural interest rate risk is made through the monitoring and reporting of regulatory indicators: gains at risk and equity at risk. These indicators are derived from the regulatory annexes required by the SBS: Annex 7-A "Measuring of the Interest Rate Risk - Gain at Risk" and Annex 7-B "Measuring of Interest Rate Risk - Equity Value". The results of the indicators are reported to the Risk Committee and the Asset and Liability Management Committee, which decide on actions to mitigate exposure to rate risk.

Repricing gap

In order to determine the impact of interest rate movements, an analysis of repricing gaps is performed. The analysis consists of allocating the balances of the operations that will change the interest rate in different time gaps. Based on this analysis, the impact for each gap of the change in the valuation of assets and liabilities is calculated.

The following table summarizes the Fund's exposure to interest rate risks. The Fund's financial and non-financial instruments are presented at carrying amount, classified by the period of the contract's interest rate repricing or maturity date, whichever occurs first:

Notes to the Financial Statements September 30, 2023

	September 2023						
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Non-interest- bearing	Total
<i>In thousands of soles</i>							
Assets							
Cash and cash equivalents	2,336,141	685	18,990	354,812	57,317	-	2,767,945
Investments	-	1,433	4,434	67,257	21,387	-	94,511
Accounts receivable (Trust agreement - COFIDE), net	50,969	119,236	493,208	3,380,694	6,624,601	-	10,668,708
Loan portfolio, net	228	487	2,032	11,233	8,564	-	22,544
Other accounts receivable, net	-	-	-	-	1,924	-	1,924
Hedging derivatives	-	-	-	-	-	58,393	58,393
Other assets, net	-	-	-	-	-	119,021	119,021
Total assets	2,387,338	121,841	518,664	3,813,996	6,713,793	177,414	13,733,046
Liabilities and equity							
Obligations with the public	-	-	508	-	-	-	508
Borrowings and financial obligations	-	33,030	33,030	2,455,792	1,376,847	-	3,898,699
Securities and bonds outstanding	49,464	-	1,512,826	3,072,659	-	-	4,634,949
Hedging derivatives	-	-	-	-	-	326,751	326,751
Other accounts payable, provisions and other liabilities	980,690	-	-	-	-	410,318	1,391,008
Equity	-	-	-	-	-	3,481,132	3,481,132
Total liabilities and equity	1,030,154	33,030	1,546,364	5,528,451	1,376,847	4,218,201	13,733,047
Off-balance sheet accounts:							
Hedge derivatives financial instruments (assets)	-	-	-	-	-	3,992,117	3,992,117
Hedge derivatives financial instruments (liability)	-	-	-	-	-	118,364	118,364
Marginal gap	1,357,184	88,811	(1,027,700)	(1,714,455)	5,336,946	(167,034)	3,873,752
Accumulated gap	1,357,184	1,445,995	418,295	(1,296,160)	4,040,786	3,873,752	



Notes to the Financial Statements September 30, 2023

	2022						
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	Non-interest- bearing	Total
<i>In thousands of soles</i>							
Assets							
Cash and cash equivalents	1,636,252	-	-	-	23	-	1,636,275
Investments	28,119	32,395	10,289	82,164	21,733	-	174,700
Accounts receivable (Trust agreement - COFIDE), net	48,900	106,445	481,456	3,182,396	5,973,740	-	9,792,937
Loan portfolio, net	257	534	2,324	12,646	10,826	-	26,587
Other accounts receivable, net	-	-	-	-	36,486	-	36,486
Hedging derivatives	-	-	-	-	-	128,359	128,359
Other assets, net	-	-	-	-	-	186,769	186,769
Total assets	1,713,528	139,374	494,069	3,277,206	6,042,808	315,128	11,982,113
Liabilities and equity							
Obligations with the public	-	-	202	-	-	-	202
Borrowings and financial obligations	-	52,299	66,894	1,216,714	717,039	-	2,052,946
Securities and bonds outstanding	692,848	-	-	4,632,557	-	-	5,325,405
Hedging derivatives	-	-	-	-	-	158,629	158,629
Other accounts payable, provisions and other liabilities	662,111	-	-	-	-	304,785	966,896
Equity	-	-	-	-	-	3,478,035	3,478,035
Total liabilities and equity	1,354,959	52,299	67,096	5,849,271	717,039	3,941,449	11,982,113
Off-balance sheet accounts:							
Hedge derivatives financial instruments (assets)	-	-	-	-	-	3,931,165	3,931,165
Hedge derivatives financial instruments (liability)	-	-	-	-	-	86,845	86,845
Marginal gap	358,569	87,075	426,973	(2,572,065)	5,325,769	217,999	3,844,320
Accumulated gap	358,569	445,644	872,617	(1,699,448)	3,626,321	3,844,320	

Notes to the Financial Statements September 30, 2023

Sensitivity to changes in interest rates

The sensitivity of the income statement to interest rate fluctuations is shown below. Fluctuations affect both the expected flows and the value of the balances of assets and liabilities.

In the case of the income statement, the calculation reflects the expected variation of the financial margin for a period equivalent to one year. This is done by considering the current income and expense position and annualizing the effect of rate changes. The figures express the expected change in the value of assets minus liabilities for various time gaps. Likewise, it includes the effect of the derivative financial instruments that are subject to interest rates.

The interest rate fluctuations considered are applied equally along the entire yield curve; that is, a parallel movement of the curve is considered. The effects are considered independently for each of the two currencies presented.

The gap calculations are based on the interest rate risk regulatory model approved by the SBS in force at the date of the statements of financial position. The sensitivities are calculated before the Income Tax effect.

Interest rate exposure is supervised by the Asset and Liability Management Committee, as well as by the Risk Committee, which approves the maximum allowable limits.

The effects due to estimated changes in interest rates as of September 30, 2023, and December 31, 2022, are the following:

September 2023					
<i>In thousands of soles</i>	Changes in basic points		Net income sensitivity		Equity sensitivity
U.S. Dollars	+/-25	+ / -	624	+ / -	117
U.S. Dollars	+/-50	+ / -	1,248	+ / -	233
U.S. Dollars	75	+	1,873	+	350
U.S. Dollars	100	+	2,497	+	466
Soles	+/- 50	- / +	(1,853)	- / +	17,001
Soles	+/-75	- / +	(2,780)	- / +	25,501
Soles	+/-100	- / +	(3,706)	- / +	34,002
Soles	+/-150	- / +	(5,559)	- / +	51,003

2022					
<i>In thousands of soles</i>	Changes in basic points		Net income sensitivity		Equity sensitivity
U.S. Dollars	+/-25	+ / -	27	+ / -	(85)
U.S. Dollars	+/-50	+ / -	54	+ / -	(169)
U.S. Dollars	75	+	80	+	(254)
U.S. Dollars	100	+	107	+	(339)
Soles	+/- 50	- / +	3,710	- / +	17,955
Soles	+/-75	- / +	5,566	- / +	26,933
Soles	+/-100	- / +	7,421	- / +	35,910
Soles	+/-150	- / +	11,131	- / +	53,865

Notes to the Financial Statements September 30, 2023

i. Exchange rate risk

The exchange rate risk is related to the variation of the positions both on and off the statements of financial position that may be negatively affected by exchange rate movements.

The Board of Directors sets limits to the exposure to foreign exchange risk and monitors them daily. Most assets and liabilities designated in foreign currency are held in US dollars.

Exchange rate risk is controlled from an internal hedge limit, which is in the range of 95% and 105% with respect to the Fund's exchange position in foreign currency. The Fund also has an internal limit on the value at risk of the global position equal to 0.75% of its effective equity.

The Fund monitors the foreign exchange risk through the internal hedge limit on the accounting foreign currency position. Maximum losses from adverse exchange rate movements are calculated using an internal value-at-risk model. In addition, the Fund uses the regulatory model and its methodological notes to measure these expected maximum losses (the methodology of the internal model is detailed in the Market Risk Policies Manual of the Fund).

The results of the regulatory and internal value-at-risk model (at 99% confidence and with a 10-day liquidation period) are shown below:

In thousands of soles	September 2023		December 2022	
Internal model	2,191	0.06%	2,880	0.08%
Global position	177,548	4.99%	3,880	0.11%

Operations in foreign currency are carried out at free market exchange rates.

As of September 30, 2023, the weighted average exchange rate of the free market published by the SBS for the accounting of assets and liabilities in foreign currency is as follows:

In soles	Symbol	09.30.2023	12.31.2022
U.S. Dollars	US\$	3.793	3.814
Euros	EUR	4.007820	4.082200

The Fund manages currency risk through the matching of its asset and liability operations, monitoring the global currency position on a daily basis. The Fund's global exchange position is equal to long positions minus short positions in currencies other than the Sol. The global position includes spot positions and also derivative positions.

Following are the sensitivities for U.S. dollar and euro. Negative variations represent potential losses, while positive variations represent potential earnings.

In thousands of soles	Changes in exchange rates	September 2023	December 2022
Sensitivity analysis			
Revaluation			
US Dollar	5%	8,785	(347)
US Dollar	10%	17,570	(695)
Devaluation			
US Dollar	5%	(8,785)	347

Notes to the Financial Statements September 30, 2023

US Dollar	10%	(17,570)	695
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<i>In thousands of soles</i>	Changes in exchange rates	September 2023	December 2022
Sensitivity analysis			
Revaluation			
Euro	5%	42	2
Euro	10%	85	4
Devaluation			
Euro	5%	(42)	(2)
Euro	10%	(85)	(4)

B. Liquidity risk

Liquidity risk consists of the inability of the Fund to meet the maturity of its obligations by incurring losses that significantly affect its equity position. This risk can manifest itself as a result of various events, such as unexpected reduction of funding sources, inability to liquidate assets quickly, among others.

Liquidity risk management focuses on the development of an asset and liability portfolio, seeking to diversify funding sources in order to achieve a match between the terms of assets and liabilities.

The internal control indicators are the internal liquidity ratio, liquidity gaps, resource duration analysis and stress analysis. These internal control indicators are prepared in accordance with internal and regulatory methodologies (contained in the Fund's Liquidity Risk Policy and in the SBS methodological notes for the preparation of regulatory liquidity annexes, respectively). In any event that could give rise to a liquidity risk, the Fund has a liquidity contingency plan, which considers the liquidation of certain assets, debt issuance or debt collection.

The liquidity risk is managed through the analysis of contractual maturities. The main component of the Fund's assets are accounts receivable (Trust Agreement - COFIDE). Maturities are based on the monthly maturities of the loans made. Another component of the assets is the investments on maturity and available for sale, which are distributed according to contractual term.

Notes to the Financial Statements September 30, 2023

Following are the Fund's cash flows payable as of September 30, 2023, and December 31, 2022, by agreed contractual maturity, the amounts disclosed are the undiscounted cash flows and include accrued interest:

<i>In thousands of soles</i>	September 2023					Total
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Financial liabilities by type						
Obligations with the public	-	-	508	-	-	508
Borrowings and financial obligations	-	33,030	33,030	2,455,792	1,376,847	3,898,699
Securities and bonds outstanding	49,464	-	1,512,826	3,072,659	-	4,634,949
Accounts payable	993,163	726	7,575	-	338,454	1,339,918
Total non-derivative financial liabilities	1,042,627	33,756	1,553,939	5,528,451	1,715,301	9,874,074
Derivative financial liabilities						
Contractual amounts receivable (inflow)	52,628	98,851	354,676	3,668,435	-	4,174,590
Paid contractual amounts (outflows)	(91,360)	(108,666)	(426,206)	(4,105,767)	-	(4,731,999)
	(38,732)	(9,815)	(71,530)	(437,332)	-	(557,409)

<i>In thousands of soles</i>	2022					Total
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Financial liabilities by type						
Obligations with the public	-	-	202	-	-	202
Borrowings and financial obligations	-	52,299	66,894	1,216,714	717,039	2,052,946
Securities and bonds outstanding	692,848	-	-	4,632,557	-	5,325,405
Accounts payable	673,983	4,410	627	-	259,515	938,535
Total non-derivative financial liabilities	1,366,831	56,709	67,723	5,849,271	976,554	8,317,088
Derivative financial liabilities						
Contractual amounts receivable (inflow)	484,325	57,920	188,578	3,342,544	-	4,073,367
Paid contractual amounts (outflows)	(415,280)	(62,549)	(293,296)	(3,755,478)	-	(4,526,603)
	69,045	(4,629)	(104,718)	(412,934)	-	(453,236)

Notes to the Financial Statements September 30, 2023

C. Credit risk

It is defined as the likelihood of incurring in financial losses originated from the breaching of the contractual obligations by a counterpart or bound third parties due to insolvency, inability or lack of willingness to pay.

The Fund opts for a risk policy that ensures sustained and profitable growth; for this purpose, incorporates analysis procedures for adequate decision-making, tools and methodologies to identify, measure, mitigate and control the different risks in the most efficient manner and in accordance with the SBS. It also develops management models that allow an adequate measurement, quantification and monitoring of the credits granted to IFI, promoting the continuous improvement of policies, tools, methodologies and processes.

The exposure to Fund's credit risk is managed through the continuous analysis of the capacity of the debtors to comply with the payments of interest and capital of their obligations and through the monitoring of the use of the General Credit Line granted to the IFI.

i. **Maximum exposure to credit risk**

As of September 30, 2023, and December 31, 2022, the Fund Management has estimated that the maximum amount of credit risk to which the Fund is exposed is represented by the carrying amounts of financial assets that present a credit risk exposure and that consist mainly of bank deposits, available-for-sale investments, held-to-maturity investments, accounts receivable, loan portfolio, transactions with derivative financial instruments and other monetary assets. Exposure by each counterparty is limited by internal and regulatory guidelines.

In this regard, as of September 30, 2023, and December 31, 2022, the:

- 100% of the accounts receivable (Trust Agreement - COFIDE) are classified, according to IFI risk, into the two upper levels defined by the SBS (Note 7).
- 100% and 68.08%, respectively, of the available-for-sale and held-to-maturity investments of the instruments classified abroad have at least a BBB-classification, for long-term instruments.
- 100% and 100%, respectively, of the available funds represent the amounts deposited in first-level local financial institutions.

With respect to the evaluation of the accounts receivable, (Trust Agreement - COFIDE), and the loan portfolio, the Fund classifies the borrowers into the risk categories established by the SBS and according to the classification criteria indicated for each type of credit: that is, for the debtors of the mortgage portfolio. The classification of the debtors is determined by a methodology based on the criteria of Resolution SBS N° 11356-2008 "Regulation for the evaluation and classification of the debtor and the requirement of provisions" and their modifications, Notes 4.C and 4.D.

ii. **Credit risk management for accounts receivable (Trust Agreement - COFIDE)**

Credit risk is managed mainly through the admission, monitoring and control of the IFI.

Notes to the Financial Statements September 30, 2023

Credit risk analysis in IFI is mainly based on: (i) economic, financial and commercial evaluation, (ii) evaluation of market development, (iii) evaluation of IFI management, (iv) evaluation of funding sources and real estate projects to be developed, (v) evaluation of guarantees and collateral, (vi) evaluation of the economic sector.

The main functions of credit risk management are: (i) credit risk analysis of the IFI, (ii) classification and provisioning of the IFI, (iii) review of the IFI's loan portfolio, through the evaluation of its credit policies, operating procedures, and in general, and (iv) monthly monitoring and control of the IFI based on internally defined financial indicators.

Loans financed by the Fund are included in local currency. Loans financed by the Fund are included in local currency. It is important to note that the Fund still maintains loan balances in US dollars, which correspond to the first products it disbursed (as of September 30, 2023, and December 31, 2022, the US dollar portfolio represents 0.18% and 0.32% of the total portfolio, respectively).

As of September 30, 2023, and December 31, 2022, the maximum credit risk exposure level of the Accounts Receivable Fund (Trust Agreement - COFIDE) is S/ 10,911,874 thousand and S/ 9,998,404 thousand, respectively, which correspond to the balances at those dates.

In accordance with the Resource Channeling Agreements between the Fund and the IFI, the IFI is responsible for about the constitution of mortgage guarantee for each sub borrowing.

Due to its role as trustee, COFIDE has mechanisms through the Resource Channeling Contracts signed with the IFI, which ensure the mass of mortgage loans placed by the Fund, for which the IFI must respond.

The evaluation and proposal of the credit line are carried out by Commercial Management. The Risk Management reviews the proposal, analyzes the risks, issues a conclusive opinion and submits the proposal to the Risk Committee for approval or denial.

As of September 30, 2023, Accounts Receivable (Trust Agreement – COFIDE) without CRC, classified by IFI Risk are as follows:

<i>In thousands of soles</i>	2023		2022	
Standard	7,542,405	100.46%	7,375,977	100.38%
With potential problem	18,661	0.25%	23,606	0.32%
	7,561,066	100.71%	7,399,583	100.70%
Allowance for doubtful accounts (Trust Agreement - COFIDE)	(53,263)	(0.71%)	(51,483)	(0.70%)
	7,507,803	100.00%	7,348,100	100.00%



Notes to the Financial Statements September 30, 2023

iii. Credit risk management in investments

The Fund controls the credit risk of its investments based on the risk assessment of issuers and instruments. In the case of investments abroad, the assessment takes into account the ratings issued by international agencies as well as the country-risk of the issuer's country, which is assessed considering its main macroeconomic variables.

The table below presents the risk classification of available-for-sale and held-to-maturity investments:

	September 30, 2023				December 31, 2022			
	Available-for-sale Investments		Held-to-maturity Investments		Available-for-sale Investments		Held-to-maturity Investments	
<i>In thousands of soles</i>								
Instruments issued and rated in Peru								
AAA	-	-	-	-	-	-	-	-
AA- to AA+	-	-	71,865	76.04%	-	-	76,610	54.50%
CP-1(+/-)	-	-	-	-	-	-	-	-
CP-2(+/-)	-	-	-	-	-	-	-	-
	-	-	71,865	76.04%	-	-	76,610	54.50%
Instruments issued in Peru and rated abroad								
A- to A+	-	-	-	-	-	-	-	-
BBB- to BBB+	-	-	21,173	22.40%	33,649	98.56%	31,351	22.30%
BB- to BB+	-	-	-	-	-	-	30,471	21.68%
	-	-	21,173	22.40%	33,649	98.56	61,822	43.98%
Instruments issued and rated abroad								
BBB- to BBB+	-	-	-	-	-	-	-	-
CP-1(+/-)	-	-	-	-	-	-	-	-
CP-2(+/-)	-	-	-	-	-	-	-	-
	-	-	93,038	98.44%	33,649	98.56%	138,432	98.49%
Accrued income	-	-	1,473	1.56%	491	1.44%	2,129	1.51%
	-	-	94,511	100.00%	34,140	100.00%	140,561	100.00%

iv. Financial instruments exposed to credit risk - Concentration

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September 30, 2023

As of September 30, 2023, and December 31, 2022, the financial instruments exposed to credit risk are distributed according to the following economic sectors:

	September 30, 2023					December 31, 2022				
	Investments at					Investments at				
	FVTPL					FVTPL				
	Held for trading or	Accounts	Available-for-sale	Held-to-maturity		Held for trading	Accounts	Available-for-sale	Held-to-maturity	
<i>In thousands of soles</i>	hedging	receivable	Investments	Investments	Total	or hedging	receivable	Investments	Investments	Total
Financial services	39,445	13,439,834	-	38,618	13,517,897	128,360	11,439,909	33,649	38,914	11,640,832
Central Government	-	-	-	21,173	21,173	-	-	-	31,351	31,351
Electricity, gas and water	-	-	-	33,247	33,247	-	-	-	37,695	37,695
Construction	-	-	-	-	-	-	-	-	30,471	30,471
Other	-	23,346	-	-	23,346	-	151,072	-	-	151,072
	39,445	13,463,180	-	93,038	13,595,663	128,360	11,590,981	33,649	138,431	11,891,421
Interest	-	19,268	-	1,473	20,741	-	16,297	491	2,129	18,917
	39,445	13,482,448	-	94,511	13,616,404	128,360	11,607,278	34,140	140,560	11,910,338



Notes to the Financial Statements September 30, 2023

As of September 30, 2023, and December 31, 2022, credit risk exposure is geographically distributed as follows:

	September 30, 2023					December 31, 2022				
	Investments at					Investments at				
	FVTPL					FVTPL				
	Held for trading or	Accounts	Available-for-sale	Held-to-maturity		Held for trading	Accounts	Available-for-sale	Held-to-maturity	
<i>In thousands of soles</i>	hedging	receivable	Investments	Investments	Total	or hedging	receivable	Investments	Investments	Total
Peru	16,027	13,463,180	-	93,038	13,390,370	21,176	11,590,981	33,649	138,431	11,784,237
USA	30,766	-	-	-	15,941	45,190	-	-	-	45,190
Germany	-	-	-	-	-	20,630	-	-	-	20,630
Canada	1,791	-	-	-	-	4,450	-	-	-	4,450
UK	9,832	-	-	-	-	35,442	-	-	-	35,442
Spain	-	-	-	-	-	1,472	-	-	-	1,472
	58,416	13,463,180	-	93,038	13,614,634	128,360	11,590,981	33,649	138,431	11,891,421
Interest	-	19,268	-	1,473	20,741	-	16,297	491	2,129	18,917
	58,416	13,482,448	-	94,511	13,635,375	128,360	11,607,278	34,140	140,560	11,910,338

Notes to the Financial Statements September 30, 2023

D. Capital management

As of September 30, 2023, and December 31, 2022, the Fund has complied with Legislative Decree N° 1028 and with SBS Resolutions N° 2115-2009, N° 6328-2009, N° 14354-2009 and N° 3953-2022 and amendments thereto, Regulations for the Requirement of Effective Equity for Operational Risk, for Market Risk, for Credit Risk and Requirement of Additional Effective Equity, respectively, and amendments thereto. These Resolutions mainly establish the methodologies to be used by financial institutions to calculate regulatory equity requirements.

28. Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, or the amount for which an obligation can be discharged between a debtor and a knowledgeable creditor, under the terms of an arm's length transaction.

Fair value is a market-based measurement, whereby a financial instrument traded in an actual transaction in a liquid and active market has a price that supports its fair value. When the price for a financial instrument is not observable, fair value should be measured using another valuation technique, seeking to maximize the use of relevant observable inputs and minimize the use of unobservable variables.

To calculate the fair value of an instrument that is not quoted in liquid markets, the market value of an instrument that is actively quoted in the market and has similar characteristics can be used, or can be obtained by means of some analytical technique, such as discounted flow analysis or valuation by multiples.

The assumptions and calculations used to determine fair value for financial assets and liabilities are as follows:

- **Financial instruments accounted for at fair value** - Fair value is based on market prices or some method of financial valuation. The positions valued at market prices consider mainly investments that are traded in centralized mechanisms. The positions valued by some method of financial valuation include derivative financial instruments and others; their fair value is determined primarily using market rate curves and the price vector provided by the SBS.
- **Instruments whose fair value is similar to the carrying amount** - For financial assets and liabilities that are liquid or have short-term maturities (less than three months), the carrying is considered to be similar to their fair value. This assumption is also applicable to term deposits, savings accounts without a specific maturity and variable-rate financial instruments.
- **Fixed-rate financial instruments** - The fair value of financial assets and liabilities that are fixed-rate and at amortized cost is determined by comparing market interest rates at initial recognition to current market rates related to similar financial instruments. For quoted debt issued, the fair value is determined based on quoted market prices. The fair value of the loan portfolio and of the obligations with the public, according to SBS Multiple Official Letter N° 1575-2014, corresponds to their carrying value.

Notes to the Financial Statements September 30, 2023

i. Financial instruments measured at fair value and fair value hierarchy

The following table presents analysis of financial instruments that are measured at fair value as of September 30, 2023, and December 31, 2022, including their level of fair value hierarchy. The amounts are based on the values recognized in the statement of financial position:

<i>In thousands of soles</i>	September 2023				December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Available-for-sale	-	-	-	-	-	34,140	-	34,140
Investments	-	-	-	-	-	-	-	-
Hedging derivatives	-	58,393	-	58,393	-	128,359	-	128,359
	-	58,393	-	58,393	-	162,499	-	162,499
Financial liabilities								
Hedging derivatives	-	326,751	-	326,751	-	158,629	-	158,629

The financial assets included in Level 1 are those measured on the basis of information available in the market, to the extent that their quoted prices reflect an active and liquid market, and that are available in some centralized trading mechanism, trading agent, price supplier or regulatory entity.

The financial instruments included in Level 2 are valued with the market prices of other instruments possessing similar characteristics or with financial valuation models based on information of variables that can be available on the market (interest rate curves, price vectors, etc.).

The financial assets included in Level 3 are valued by using assumptions and data that do not correspond to prices of operations traded on the market.

In 2023 and 2022, the Fund has not transferred financial instruments from Level 2 to Level 1 or Level 3.

ii. Financial instruments not measured at fair value

The table below shows a comparison of the carrying amounts and fair values of financial instruments not measured at fair value in the statement of financial position, September 30, 2023, and December 31, 2022.

Notes to the Financial Statements September 30, 2023

	September 2023		December 2022	
	Fair value	Carrying amount	Fair value	Carrying amount
<i>In thousands of soles</i>				
Assets				
Cash and cash equivalents	2,767,945	2,767,945	1,636,275	1,636,275
Held-to-Maturity Investments	92,743	94,511	136,832	140,561
Accounts receivable (Trust agreement - COFIDE), net	10,668,708	10,668,708	9,792,936	9,792,936
Loan portfolio, net	22,547	22,547	26,587	26,587
Other accounts receivable, net	23,346	23,346	151,480	151,480
	13,575,289	13,577,057	11,744,110	11,747,839
Liabilities				
Obligations with the public	508	508	202	202
Borrowings and financial obligations	3,898,699	3,898,699	2,052,946	2,052,946
Securities and bonds outstanding	4,477,873	4,634,949	5,119,821	5,325,405
Accounts payable	1,339,918	1,339,918	938,535	938,535
	9,716,998	9,874,074	8,111,504	8,317,088

29. Subsequent Events

From September 30, 2023, to the date of this report, no significant events have occurred that affect the financial statements.