

**FINANCIAL STATEMENTS**  
**FONDO MIVIVIENDA S.A.**  
**SEPTEMBER 2022**

**Fondo MIVIVIENDA S.A.**  
**Statement of Financial Position**  
**As of september 30, 2022 and December 31, 2021**  
**(Stated in thousands of Nuevos Soles)**

	Notes	As of September 30, 2022	As of December 31, 2021		Notes	As of September 30, 2022	As of December 31, 2021
<b>ASSETS</b>				<b>LIABILITIES</b>			
<b>CASH AND DUE FROM BANKS</b>	<b>4</b>	<b>1,677,542</b>	<b>1,181,754</b>	<b>OBLIGATIONS WITH THE PUBLIC</b>		<b>478</b>	<b>217</b>
Cash		0	0	Demand deposits		0	0
Banco Central de Reserva del Perú		6,313	15,771	Saving Account Deposits		0	0
Banks and other companies of the financial system		1,671,147	1,165,942	Long-term Saving Account Deposits		0	0
Foreign banks and other companies of the financial system		0	0	Other liabilities		478	217
Exchange		0	0	<b>INTERBANK FUNDS</b>		<b>0</b>	<b>0</b>
Other cash and due from banks		82	41	<b>FINANCIAL ORGANIZATIONS</b>		<b>0</b>	<b>0</b>
<b>INTERBANK FUNDS</b>		<b>0</b>	<b>0</b>	Demand Deposits		0	0
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>0</b>	<b>0</b>	Saving Deposits		0	0
Equity Instrument		0	0	Time Deposits		0	0
Debt instrument		0	0	<b>DUE TO BANKS AND FINANCIAL OBLIGATIONS</b>	<b>13</b>	<b>6,938,323</b>	<b>6,413,118</b>
Investments in commodities		0	0	Dues and Obligations with Banco Central de Reserva del Perú		0	0
<b>AVAILABLE-FOR-SALE INVESTMENTS</b>	<b>5</b>	<b>35,396</b>	<b>51,245</b>	Dues and Obligations with Domestic Banks and Other Financial system companies	<b>13.a)</b>	574,685	575,889
Instruments representing the equity		0	0	Dues and Obligations with Foreign Companies and International Financial Bodies	<b>13.b)</b>	926,187	855,046
Instruments representing the debt		35,396	51,245	Other Dues and Obligations of the Country and Abroad		0	0
<b>HELD-TO-MATURITY INVESTMENTS</b>	<b>5</b>	<b>146,359</b>	<b>206,823</b>	Securities	<b>13.c)</b>	5,437,451	4,982,183
<b>LOAN PORTFOLIO</b>	<b>6</b>	<b>28,337</b>	<b>34,611</b>	<b>TRADINGS DERIVATIVE FINANCIAL INSTRUMENT</b>		<b>30</b>	<b>0</b>
Current Loan Portfolio		25,913	30,759	<b>HEDGING DERIVATIVE FINANCIAL INSTRUMENT</b>	<b>7</b>	45,328	30,213
Restructured Loan Portfolio		0	0	<b>ACCOUNTS PAYABLES</b>	<b>14</b>	1,177,044	1,076,050
Refinanced Loan Portfolio		217	306	<b>PROVISIONS</b>	<b>15</b>	<b>3,277</b>	<b>3,137</b>
Non-performing Loan Portfolio		90,330	92,338	Provisions for Contingent Loans		0	0
Loan Portfolio in Judicial Collection		71	137	Provisions for Lawsuits and Disputes		1,970	1,404
(-) Provisions for Loans		-88,194	-88,929	Others		1,307	1,733
<b>TRADING DERIVATIVE FINANCIAL INSTRUMENT</b>		<b>22</b>	<b>0</b>	<b>CURRENT INCOME TAXES</b>		<b>0</b>	<b>0</b>
<b>HEDGING DERIVATIVE FINANCIAL INSTRUMENT</b>	<b>7</b>	<b>238,575</b>	<b>824,861</b>	<b>DEFERRED INCOME TAXES</b>		<b>0</b>	<b>0</b>
<b>ACCOUNTS RECEIVABLES</b>		<b>9,502,173</b>	<b>8,658,278</b>	<b>OTHER LIABILITIES</b>	<b>15</b>	25,767	28,104
Accounts Receivables for Sale of Goods and Services and Trust (net)	<b>8</b>	9,435,228	8,657,412	<b>TOTAL LIABILITIES</b>		<b>8,190,247</b>	<b>7,550,839</b>
Other Account Receivables (net)	<b>9</b>	66,945	866				
<b>REALIZABLE ASSETS RECEIVED IN PAYMENTS, AWARDED</b>		<b>0</b>	<b>0</b>	<b>SHAREHOLDER'S EQUITY</b>			
Realizable Assets		0	0	Capital Shares	<b>18.A</b>	3,423,505	3,385,762
Assets Received in Payment and Awarded		0	0	Additional Capital		0	0
<b>SHARES</b>		<b>0</b>	<b>0</b>	Treasury Shares		0	0
Branch companies		0	0	Reserve	<b>18.B</b>	34,633	30,440
Affiliated and shares in joint ventures		0	0	Retained Earnings		-646	-646
Others		0	0	Net Income for the Year		46,851	41,937
<b>PROPERTY, FURNITURE AND EQUIPMENT (NET)</b>	<b>10</b>	<b>704</b>	<b>620</b>	Adjustment to Equity	<b>18.C</b>	9,872	14,020
<b>INTANGIBLE ASSET DIFFERENT THAT THE CAPITAL GAIN</b>	<b>11</b>	<b>7,604</b>	<b>7,545</b>	<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>3,514,215</b>	<b>3,471,513</b>
<b>CAPITAL GAIN</b>		<b>0</b>	<b>0</b>				
<b>CURRENT INCOME TAXES</b>	<b>16.(a)</b>	15,287	43,490				
<b>DEFERRED INCOME TAXES</b>	<b>17</b>	8,259	11,186				
<b>NONCURRENTASSETS KEPT FOR SALE</b>		<b>0</b>	<b>0</b>				
<b>OTHER ASSETS</b>	<b>12</b>	44,204	1,939				
<b>TOTAL ASSETS</b>		<b>11,704,462</b>	<b>11,022,352</b>	<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>11,704,462</b>	<b>11,022,352</b>
<b>MEMORANDA CONTINGENTS</b>		3,759,523	3,726,102				
<b>MEMORANDA ACCOUNTS</b>		4,740,213	4,722,156				
<b>CONTRA CREDIT ACCOUNT</b>		5,182,745	3,591,782				
<b>TRUST, COMMISSIONS OF MEMORANDA TRUSTEE AND CONTRA CREDIT ACCOUNT OF TRUST</b>		71,637	88,425				

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

**Fondo MIVIENDA S.A.**  
**Statement of Income**  
**For the periods ended september 30, 2022 and 2021**  
**(Stated in thousands of Nuevos soles)**

	Notes	For the specific quarter from july 1 to september 30, 2022	For the specific quarter from july 1 to september 30, 2021	For the period specific from January to September 30, 2022	For the period specific from January to September 30, 2021
<b>INTERESTS INCOME</b>					
Available		19,730	930	42,837	2,221
Interbank funds		0	0	0	0
Investments at fair value with changes in results		0	0	0	0
Available-for-sale investments		165	161	573	442
Held-to-maturity investments		2,141	2,873	7,126	8,269
Direct Loans Portfolio		1,730	1,315	5,157	3,566
Income from hedging transactions		0	0	0	0
Accounts receivables		146,532	127,226	411,390	362,397
Other financial income		29	51	82	94
<b>TOTAL INTEREST INCOME</b>	<b>21</b>	<b>170,327</b>	<b>132,556</b>	<b>467,165</b>	<b>376,989</b>
<b>INTEREST EXPENSES</b>					
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		-81,313	-66,780	-251,729	-191,112
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	-2,397	-18,056	-3,655
Dues and obligations with foreign financial institutions and international financial bodies		-2,892	-2,118	-6,986	-6,218
Other dues and obligations of the country and abroad		0	0	0	0
Commissions and other charges of dues and financial obligations		2,644	0	-22,797	0
Securities and outstanding liabilities		-75,139	-62,265	-203,890	-181,239
Interests of accounts payable		0	0	0	0
Income from hedging transactions		0	0	0	0
Other financial expenses		-11,111	-9,178	-30,914	-28,761
<b>TOTAL INTEREST EXPENSES</b>	<b>21</b>	<b>-92,424</b>	<b>-75,958</b>	<b>-282,643</b>	<b>-219,873</b>
<b>GROSS FINANCIAL MARGIN</b>		<b>77,903</b>	<b>56,598</b>	<b>184,522</b>	<b>157,116</b>
(-) Provisions for direct loans		558	433	734	1,202
<b>GROSS FINANCIAL MARGIN</b>		<b>78,461</b>	<b>57,031</b>	<b>185,256</b>	<b>158,318</b>
<b>FINANCIAL SERVICE REVENUES</b>					
	<b>22</b>	<b>1,215</b>	<b>880</b>	<b>2,818</b>	<b>3,271</b>
Indirect loans income		0	0	0	0
Trusts and trust commissions income		49	104	154	442
Income from issuing electronic money		0	0	0	0
Miscellaneous income		1,166	776	2,664	2,829
<b>FINANCIAL SERVICE EXPENSES</b>					
	<b>22</b>	<b>-462</b>	<b>-618</b>	<b>-1,435</b>	<b>-1,818</b>
Indirect loans expenses		0	0	0	0
Trust expenses and trust commissions		-45	-65	-134	-136
Premium for the deposits insurance fund		0	0	0	0
Miscellaneous Expenses		-417	-553	-1,301	-1,682
<b>NET FINANCIAL MARGIN OF FINANCIAL SERVICES REVENUES AND EXPENSES</b>					
		<b>79,214</b>	<b>57,293</b>	<b>186,639</b>	<b>159,771</b>
<b>FINANCIAL OPERATING INCOME</b>					
	<b>23</b>	<b>-32,699</b>	<b>-23,628</b>	<b>-78,205</b>	<b>-65,027</b>
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	<b>23</b>	-208	14	-1,734	-460
Income of hedging derivative instruments	<b>23</b>	-32,016	-23,939	-79,996	-66,663
Profits (losses) in shares		0	0	0	0
Profit-loss of exchange rate difference	<b>23</b>	-1,417	227	906	1,859
Others	<b>23</b>	942	70	2,619	237
<b>OPERATING MARGIN</b>		<b>46,515</b>	<b>33,665</b>	<b>108,434</b>	<b>94,744</b>
<b>ADMINISTRATIVE EXPENSES</b>					
Personnel and board of directors expenses	<b>24</b>	-6,247	-7,614	-22,800	-20,755
Expenses due to services received from third parties	<b>24</b>	-4,963	-5,834	-16,402	-15,691
Taxes and contributions	<b>24</b>	-120	-96	-451	-288
<b>DEPRECIATIONS AND AMORTIZATIONS NET</b>		<b>-531</b>	<b>-395</b>	<b>-1,349</b>	<b>-1,232</b>
<b>NET FINANCIAL MARGIN</b>		<b>34,654</b>	<b>19,726</b>	<b>67,432</b>	<b>56,778</b>
<b>VALUATION OF ASSETS AND PROVISIONS</b>					
Provisions for indirect loans		0	0	0	0
Provisions for uncollectibility of account receivables		-6,692	-1,913	1,184	-47,881
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		-345	295	-964	-259
Other provisions		-19	-111	-115	-366
<b>OPERATING INCOME</b>		<b>27,598</b>	<b>17,997</b>	<b>67,537</b>	<b>8,272</b>
Other income and expenses	<b>25</b>	571	2,122	1,767	5,188
<b>INCOME BEFORE INCOME TAX</b>		<b>28,169</b>	<b>20,119</b>	<b>69,304</b>	<b>13,460</b>
<b>INCOME TAX</b>	<b>16.(b)</b>	<b>-1,557</b>	<b>-6,765</b>	<b>-22,453</b>	<b>575</b>
<b>NET INCOME</b>		<b>26,612</b>	<b>13,354</b>	<b>46,851</b>	<b>14,035</b>
Basic incomes (loss) per share		0.008	0.004	0.014	0.004
Diluted incomes (loss) per share		0.008	0.004	0.014	0.004

**Fondo MIVIVIENDA S.A.**  
**Statement of the Comprehensive Income**  
**For the periods ended september 30, 2022 and 2021**  
**(Stated in thousands of Nuevos Soles)**

	Notes	For the specific quarter from julyl 1 to september 30, 2022	For the specific quarter from julyl 1 to september 30, 2021	For the period specific from January to September 30, 2022	For the period specific from January to September 30, 2021
<b>Net income (Loss)</b>		26,612	13,354	46,851	14,035
<b>Other comprehensive income:</b>					
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		-17,833	116,515	-5,978	200,559
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		312	299	328	472
<b>Another comprehensive income before taxes</b>		-17,521	116,814	-5,650	201,031
<b>Income tax related to components of another comprehensive Income</b>					
Exchange diffeerece 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		4,973	-34,372	1,475	-59,165
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		-50	-47	27	-19
<b>Sum of income taxes related to components of another comprehensive Income</b>		4,923	-34,419	1,502	-59,184
<b>Other comprehensive Income:</b>		-12,598	82,395	-4,148	141,847
<b>Total comprehensive Income, net of the Income tax</b>		14,014	95,749	42,703	155,882

**Fondo MIVIVIENDA S.A.**  
**Statement of Cash Flow**  
**For the periods ended september 30, 2022 and 2021**  
**(Stated in thousands of Nuevos Soles)**

	Note	As of September 30, 2022	9As of September 30, 2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>NET INCOME</b>		46,851	14,035
<b>ADJUSTMENTS</b>			
Depreciation and amortization		1,349	1,232
Provisions		29,902	54,615
Impairment		0	0
Other adjustments		575,743	-739,696
<b>NET CHANGES IN ASSETS AND LIABILITIES</b>			
<b>(Net increase) decrease in assets</b>			
Loans		7,009	4,704
Investments at fair value through profit and loss		0	0
Available-for-sale investments		15,842	-28,470
Accounts receivables and others		-886,666	-315,719
<b>Net increase (decrease) in liabilities</b>			
Financial liabilities, non-subordinated liabilities		538,686	1,065,257
Accounts receivables and others		91,046	-258,736
<b>Cash flow and equivalent to cash after adjustments and net change in assets and liabilities</b>		<b>419,762</b>	<b>-202,778</b>
Cash collected (paid) from income taxes		10,222	-15,050
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>429,984</b>	<b>-217,828</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
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		-1,491	-1,937
Sale proceeds from held-to-maturity investments		61,687	0
Adquisition of held-to-maturity investments		0	-17,608
Other inflows related to investment activities		0	50,000
Other outflows related to investment activities		-91,563	0
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>-31,367</b>	<b>30,455</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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
<b>NET CASH FLOW FINANCING ACTIVITIES</b>		<b>0</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalent before changes on the exchange rate</b>		<b>398,617</b>	<b>-187,373</b>
Effects of the changes on the cash and cash equivalent exchange rate		5,608	0
<b>Net increase (decrease) of cash and cash equivalent</b>		<b>404,225</b>	<b>-187,373</b>
Cash and cash equivalent at the beginning of the period		1,181,754	1,288,223
<b>Cash and cash equivalent at the end of the period</b>		<b>1,585,979</b>	<b>1,100,850</b>

**Fondo MIVIENDA S.A.**  
**Statement of Changes in Net Equity**  
**For the periods ended september 30, 2022 and 2021**  
**(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, 2021	3,382,587	0	0	30,087	0	3,526	0	0	0	-107,766	0	0	0	-6,204	-113,970	3,302,230
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	3,382,587	0	0	30,087	0	3,526	0	0	0	-107,766	0	0	0	-6,204	-113,970	3,302,230
4. Changes in the Equity:																
5. Comprehensive Income:																
6. Income							14,035									14,035
7. Other Comprehensive Income:								0	0	141,393	0	0	0	453	141,846	141,846
8. Total Comprehensive Income:							14,035	0	0	141,393	0	0	0	453	141,846	155,881
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)	3,175	0	0	0	0	-3,175										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
15. Increase (decrease) due to trades of treasury stock	0	0		0	0	0										0
16. Increase (decrease) due to Transference and Other Changes	0	0	0	353	0	-919										-566
Total changes in equity	3,175	0	0	353	0	-4,094	14,035	0	0	141,393	0	0	0	453	141,846	155,315
Balance as of september 30, 2021	3,385,762	0		30,440	0	-568	14,035	0	0	33,627	0	0	0	-5,751	27,876	3,457,545
Balance as of January 01 , 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		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
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		34,633	0	-646	46,851	0	0	15,070	0	0	0	-5,198	9,872	3,514,215

# Notes to the Financial Statements

SEPTEMBER 30, 2022

**Translator:** Gressyha Ysabel Gastelú Torres



Gressyha Gastelú Torres  
CTP N° 0824

---

Translator's Signature

www.certitrad.com.pe

☎ 973 960 767

info@certitrad.com.pe - contacto@certitrad.com.pe

Dirección: LIMA – Av. Horacio Urteaga 802 Of. 2002 CHICLAYO – Calle Víctor Fonseca Ríos 160



## **Notes to the Financial Statements September 30, 2022**

### **1. Identification and Economic Activity**

#### **A. Identification**

Fondo MIVIVIENDA S.A. (henceforth "the Fund") is a state company subject to private law, which is governed by Law No. 28579 "Ley de Conversión del Fondo Hipotecario de la Vivienda - Fondo MIVIVIENDA a Fondo MIVIVIENDA S.A." and its by-laws. The Fund falls under the scope of the National Fund for the Financing of Business Activities of the State - FONAFE and is attached to the Ministry of Housing, Construction and Sanitation ("MVCS", for its Spanish acronym). The aforementioned Law No. 28579 provided for the conversion of the former Mortgage Fund for Housing Promotion - Fondo MIVIVIENDA into a corporation called Fondo MIVIVIENDA S.A., as of January 1, 2006.

The legal domicile of the entity is located at Avenida Paseo de la República No. 3121, San Isidro, Lima, Peru.

#### **B. Economic activity**

The Fund's objective is the promotion and financing of the acquisition, improvement and construction of homes, especially those of social interest, promotion of activities to invest into the home lending market, participation in the secondary mortgage market, as well as contributing to the development of the Peruvian capital market. All the Fund's activities are regulated by the Superintendency of Banking, Insurance and Pension Funds Administrators - Superintendencia de Banca, Seguros y AFP (henceforth "SBS", by its Spanish acronym), by SBS Resolution No. 980-2006, Regulation for the Fondo MIVIVIENDA S.A."

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

- i. MIVIVIENDA Program
- ii. Techo Propio Program - Management of the Household Housing Bonus (Bono Familiar Habitacional or "BFH" by its Spanish acronym), as commissioned by the MVCS.
- iii. Resources of the Fund, Law No. 27677, as commissioned by the Ministry of Economy and Finance - MEF, by its Spanish acronym.

The characteristics of each program and resource are as follows:

##### **i. MIVIVIENDA Program**

Through the Trust Agreement with Corporación Financera de Desarrollo S.A. (Financial Corporation of Development, "COFIDE", by its Spanish acronym), the Fund channels resources to financial institutions that are participants in the Peruvian financial system to grant mortgage loans, whose characteristics include the Premio al Buen Pagador (Good Payer Award, henceforth "PBP", by its Spanish acronym), Bono al Buen Pagador, (Good Payer Bonus, henceforth "BBP", by its Spanish acronym), the Credit Risk Coverage (Cobertura de Riesgo Crediticio, CRC, by its Spanish acronym).

The MIVIVIENDA program includes the following products:

- Nuevo Crédito MIVIVIENDA



## **Notes to the Financial Statements September 30, 2022**

- Crédito MICONSTRUCCIÓN (\*)
- Crédito MICASA MÁS (\*)
- Crédito MITERRENO
- Crédito MIHOGAR (\*)
- Crédito MIVIVIENDA Estandarizado (\*)
- Crédito MIVIVIENDA Tradicional (\*)
- Crédito Financiamiento Complementario Techo Propio (Complementary Financing to the Bono Familiar Habitacional - BFH)
- Servicio de Cobertura de Riesgo Crediticio-CRC y Premio al Buen Pagador-PBP (Financiamiento de las Instituciones Financieras Intermediarias) - Service of Credit Risk Coverage - CRC and Good Payer Award-PBP (Financing of Intermediary Financial Institutions, henceforth the "IFI") (\*)

(\*) As of September 30, 2022, these products are no longer granted; the balances correspond only to outstanding balances receivables (see Note 7). The credits MICONSTRUCCIÓN and MICASA MÁS were repealed by Board's Agreement No. 01-20D-2017 dated August 24, 2017; likewise, a period of adjustment was granted until December 31, 2017 to cease its granting. The CRC-PBP service and Crédito MIVIVIENDA Estandarizado were discontinued in November 2009, Crédito MIHOGAR was discontinued in August 2009 and Crédito MIVIVIENDA Tradicional was discontinued in May 2006.

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

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

- (i) the acquisition of a new home (AVN);
- (ii) construction on owned lot (CSP); and
- (iii) house renovations (MV)

In all modalities, mortgage loan financing under this program involves the participation of up to three components:

- (a) a subsidy channeled by the Fund with resources from the government, the aforementioned Household Housing Bonus (BFH);
- (b) household savings; and
- (c) when necessary, Complementary Financing to the Household Housing Bonus (Techo Propio Program) which must be granted by an IFI.

According to the Third Transitory Provision of Law No. 28579, upon the end of 2005, the Fund was entrusted by the Executive Branch with the management of the BFH and the Techo Propio Program resources, through signing an agreement with the MVCS.

On April 28, 2006, the Fund, the MVCS and FONAFE signed the "Agreement on Management of the Household Housing Bonus and the Funds of the Techo Propio Program", under which the Fund is responsible for managing both the BFH and the Techo Propio Program resources, including the promotion, registration, recording and verification of information, the qualification of applications, allocation and transfer of the BFH funds to the developer, seller-builder or the respective technical unit. This Agreement establishes that FONAFE shall allocate to the Fund the resources to meet the costs and expenses of managing the Program. By means of Ministerial Resolution No. 236-2018-VIVIENDA issued on June 26, 2018, the Operating Regulations for Access to the Household Housing Bonus- BFH, were modified for the Construction on Owned Lot modality.



## Notes to the Financial Statements September 30, 2022

### **iii. Fund Law No. 27677**

By virtue of Law No. 27677 dated March 1, 2002, the Fund was entrusted with the administration, reimbursement and channeling of resources resulting from the liquidation of the Fondo Nacional de la Vivienda (National Housing Fund by its Spanish acronym FONAVI).

On the other hand, Law No. 29625, which came into force on December 8, 2010, orders the reimbursement of contributions to workers who contributed to FONAVI. Article 4 of Law No. 29625 contemplated the formation of an Ad Hoc Committee, responsible for conducting and supervising all procedures related to the reimbursement of contributions of the FONAVI. This conformation of the Ad Hoc Committee was approved on September 24, 2012, through Ministerial Resolution No. 609-2012-EF/10. By virtue of these laws, the Fund would provide to the Ad Hoc Committee with all relevant documentation and reports so that it will be in charge of the administration and recovery of debts, funds and assets of FONAVI, as well as the liabilities. Since 2014, the Fund made transfers of such resources managed by S/ 454,668,000, according to a request received from the Ad Hoc Committee.

On January 17, 2020, Supreme Decree No. 003-2020-MEF was issued, which regulates Law No. 29625 "Law for the return of FONAVI money 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 administrator of the assets and liabilities owned by FONAVI.

On April 27, 2021, Law No. 31173 "Law that guarantees compliance with Law No. 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 No. 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 shareholders' 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 No. 980-2006, which approves the Regulations for the Fund.

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

- Credit Risk Coverage (CRC benefit), as defined by Article 21 of the CRC and PBP Regulation, is a guarantee the Fund provides to the intermediary financial institution ("IFI") for either up to one third (1/3) of the unpaid balance of the

## **Notes to the Financial Statements September 30, 2022**

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 (PBP service), as defined in Article 24 of the CRC and PBP Regulation, is the service to the IFI for which the Fund assumes payment of the installments corresponding to the concessional tranche (amount of the Good Payer Award) for covered loan whose beneficiaries have promptly paid the installments corresponding to the non-concessional part of the loan. This award is aimed to settle every six months the amount of the installment payable in the corresponding period for the concessional tranche of the MIVIVIENDA loans.

### **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 No. 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 No. 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 UIT.

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 No. 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 extended it for a period of 180 calendar days starting on March 02, 2022; such extension was established by Supreme Decree No. 003-2022-SA on January 21, 2022. The objective is to continue with prevention, control and health care actions for the protection of the population throughout the country due to the serious circumstances affecting people's lives as a result of COVID-19.

### **d. Approval of financial statements**

The financial statements as of September 30, 2022 have been approved by Management and the Board of Directors on October 21, 2022

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

The financial statements as of December 31, 2020 were approved by Management and the Board of Directors on January 13, 2021 and approved by the General Shareholders' Meeting on March 31, 2021.

## **2. Trust Agreement - Corporación Financiera de Desarrollo (COFIDE)**



## **Notes to the Financial Statements September 30, 2022**

On March 25, 1999, a Trust Agreement was signed between the Mortgage Fund for Housing Promotion (Fondo Hipotecario de Promoción de la Vivienda – MIVIVIENDA), now Fondo MIVIVIENDA S.A. and Corporación Financiera de Desarrollo S.A. - (COFIDE). Its purpose was the creation of a legal trust 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 No. 001-99-MTC "Regulation on the Fondo Hipotecario de Promoción de la Vivienda – Fondo MIVIVIENDA".

Among COFIDE's main obligations are:

- Compliance with Articles 241 to 274 of the General Law of the Financial and Insurance Systems and Organic Law of the SBS - Law No. 26702 and its amendments.
- Verify compliance with requirements and conditions of the IFI according to Supreme Decree No. 001-99- MTC.
- Sign the agreement on resources intermediation with the IFI that have fulfilled the corresponding requirements and conditions.
- Monitor the use of resources, according to the provisions of the Fund's Regulation and the agreement on resources intermediation.
- Collect the loans granted to the IFI.
- Contract the necessary audits on the Fund.
- Periodically submit reports on the development of the Trust, as well as recommendations for exposure limits of the IFI (\*).
- Establish operating procedures necessary for the proper administration 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 Addendum No. 1 to the Trust Agreement was signed, which annulled the obligation of COFIDE to issue recommendations on exposure limits of the IFI with the Fund, because the Fund is a corporation supervised by the SBS. Through Resolution SBS No. 3586-2013, the Fund is not subject to the limits established by the Article No. 204 of the Law of Banks No. 26702, because it acts as a second-tier bank. However, the Fund has established internal limits to prevent the concentration of loans to IFI, taking into account factors of regulatory capital size, risk classification and risk-weighted regulatory capital ratio.*

Among the main obligations of the Fund are:

- Establish the policies for the management and use of the Fund's resources.

## **Notes to the Financial Statements**

### **September 30, 2022**

- Approve the eligibility criteria of the IFI that will receive resources from the Fund for use in financing house purchases and borrowing limits for each of them.
- Establish the terms and conditions under which the Fund will make resources available to the intermediary financial institutions, and the modalities of placing them.

COFIDE is entitled to the following:

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

On December 30, 2016, the Addendum No. 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:

The 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 Value Added Tax (VAT). This commission will be collected on the last business day of each month chargeable to Fund 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 will be collected on the 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 Accounting Principles and 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, 2022 and December 31, 2021 and in a supplemental manner, in the

## **Notes to the Financial Statements September 30, 2022**

absence of specific SBS regulations, with the International Financial Reporting Standards (henceforth "IFRS") approved in Peru through resolutions issued by the Peruvian Accounting Council (Consejo Normativo de Contabilidad, henceforth "CNC" for its Spanish acronym) in force in Peru as of September 30, 2022 and December 31, 2021.

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 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 2022 and 2021 onwards***

The Fund's accounting policies as of September 30, 2022 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, 2021 and 2020.

On March 16, 2020, the SBS issued Multiple Official Letter No. 11150-2020-SBS (henceforth "OM, by its Spanish acronym"), which dictates prudential measures related to the state of national emergency (S.D. No. 044-2020-PCM), wherein it allows the companies of the financial system to modify the contractual conditions of the various types of retail and non-retail loans, without this modification constituting a refinancing, insofar as the total term of such loans does not extend for more than six (6) months. This office has had subsequent clarifications.

The main modification contained in this OM is the exposure of rescheduled credits, the treatment of interest, and the calculation of provisions.

### **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

## **Notes to the Financial Statements**

### **September 30, 2022**

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", "Accounts receivable, net", "Loan portfolio, net", "Accounts receivable for derivative financial instruments", "Other accounts receivable, net" and other receivables and 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.

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

#### **D. Recognition of revenues 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 effective term of its operations recorded in the statements of financial position and the interest rates established. Likewise, for the interest income corresponding to Accounts receivable (Trust Agreement - COFIDE) and loan portfolio, 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 interests are recognized as 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 sub borrower, 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. Bonuses and Awards for Good Payers**



## **Notes to the Financial Statements September 30, 2022**

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

- The Good Payer Bonus was created in compliance with Law No. 29033, issued on June 7, 2007, as a nonrepayable direct assistance payable 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 Crédito MIVIVIENDA. For these purposes, the Fund divides the total amount of Crédito MIVIVIENDA disbursement plus its related interest into 2 schedules:
  - A half-annual amortization schedule called "concessional tranche" corresponding to the amount of the BBP (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).

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".

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 IFI 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 borrowers from the liability account "Good Payer Bonus (capital) received from MVCS" to the account "Good Payer Bonus – assigned".

- In the cases where the Good Payer Bonus is directly assumed by the Fund (when the requirements of Law No. 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 BBP 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 Urgent Decree No. 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 houses should be between 14 and 50 tax units. The BBP shall be used as a non-reimbursable financial support up to a maximum amount of S/ 12,500. For this purpose, Banco de la Nación was authorized to lend



## Notes to the Financial Statements September 30, 2022

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 Urgent 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 créditos MIVIVIENDA granted from January 1, 2014 to July 28, 2014. As of 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 final beneficiaries' 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.
- Under the guidelines of Supreme Decree No. 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>	<b>BBP Value</b>
<b>Housing value</b>	
Up to 17 tax units	17,000
Over 17 tax units to 20 tax units	16,000
Over 20 tax units to 35 tax units	14,000
Over 35 tax units to 50 tax units	12,500

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

- BBP applied as a complement to the initial of the mortgage loan, the BBP will be used as a complement to reach the initial minimal amount required to the sub borrower for mortgage loan purposes, and it is applied at the time of the loan disbursement to the IFI; therefore, it is not part of it (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) tax units and fifty (50) tax units, corresponding to the previous PBP modality, which was set at S/ 12,500.
- By means of Supreme Decree No. 001-2017 of January 13, 2017, the Regulation of Law No. 29033, Creation of the Good Payer Bonus Law was modified, approved by Supreme Decree No. 003-2015, in which was established the following tranching application of the BBP:

<i>In Soles</i>	<b>BBP Value</b>
<b>Housing value</b>	
Over 20 tax units to 30 tax units	14,000
Over 30 tax units to 38 tax units	12,500

## Notes to the Financial Statements September 30, 2022

For these purposes, the Fund had the modality of considering the BBP as a complement to the initial instalment of the mortgage loan, the BBP will be used as a complement to reach the initial minimal amount required to the sub borrower for mortgage loan purposes, and it is applied at the time of the loan disbursement to the IFI, therefore it is not part of the loan.

The BBP guidelines established in Supreme Decree No. 003-2015-VIVIENDA were applicable until the entry into force of the Supreme Decree No. 001-2017.

- By means of Supreme Decree No. 017-2017 of June 24, 2017, the Regulation of Law No. 29033 approved by Supreme Decree No. 003-2015, and modified by Supreme Decree No. 001-2017 was modified, which established the following housing values and BBP values:

<i>In Tax Units</i>	<b>BBP Value</b>	<b>BBP Total</b>
<b>Housing Value (CPI)</b>		
From S/ 56,700 to S/ 81,000	4.19753	17,000
Over S/ 81,000 to S/ 121,500	3.45679	14,000
Over S/ 121,500 to S/ 202,500	3.08642	12,500
Over S/ 202,500 to S/ 300,000	0.74074	3,000

- By means of Supreme Decree No. 002-2018 of January 24, 2018, which amended the Regulation of Law No. 29033 approved by Supreme Decree No. 017-2017. The housing values and BBP were established as follows:

<i>In Tax Units</i>	<b>BBP Value</b>	<b>BBP Total</b>
<b>Housing Value (CPI)</b>		
From S/ 57,500 to S/ 82,200	4.19753	17,500
Over S/ 82,200 to S/ 123,200	3.45679	14,400
Over S/ 123,200 to S/ 205,300	3.08642	12,900
Over S/ 205,300 to S/ 304,100	0.74074	3,100

- By means of Supreme Decree No. 004-2019 of January 23, 2019, which amended the Regulation of Law No. 29033 approved by Supreme Decree No. 002-2018. The housing values and BBP were established as follows:

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

- By means of Supreme Decree No. 003-2020 of January 24, 2020, which amended the Regulation of Law No. 29033 approved by Supreme Decree No. 004-2019. The housing values and BBP were established as follows:

<i>In Tax Units</i>	<b>BBP Value</b>	<b>Traditional Total</b>	<b>BBP Sustainable total</b>	<b>BBP</b>
<b>Housing Value (CPI)</b>				
From S/ 60,000 to S/ 85,700	4.19753	18,100	5,000	
Over S/ 85,700 to S/ 128,300	3.45679	14,900	5,000	

## Notes to the Financial Statements September 30, 2022

Over S/ 128,300 to S/ 213,800	3.08642	13,300	5,000
Over S/ 213,800 to S/ 316,800	0.74074	3,200	5,000

- By means of Supreme Decree No. 007-2020 of May 16, 2020, which amended the Regulation of Law No. 29033 approved by Supreme Decree No. 003-2020. The housing values and BBP were established as follows:

<i>In Tax Units</i>	<b>BBP Value</b>	<b>Traditional Total</b>	<b>BBP Sustainable total</b>
<b>Housing Value (CPI)</b>			
From S/ 60,000 to S/ 85,700	5.58139	24,000	5,000
Over S/ 85,700 to S/ 128,300	4.65116	20,000	5,000
Over S/ 128,300 to S/ 213,800	4.25581	18,300	5,000
Over S/ 213,800 to S/ 316,800	1.58139	6,800	5,000

- As of the date of this report, the BBP is in force under Supreme Decree No. 003-2021 guidelines of January 24, 2021 which amended the Regulation of Law No. 29033 approved by Supreme Decree No. 007-2020. The housing values and BBP were established as follows:

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

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 housing value by the annual change in the Consumer Price Index CPI of Metropolitan Lima, of 5% to the NCMV, entered into COFIDE, with rounding to the nearest hundred.

- When the BBP is granted, at the time sub borrower 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.
- The Good Payer Award (henceforth "PBP") are resources assumed directly by the Fund to grant a Bonus.

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

<i>In Soles</i>	<b>BBP Value</b>
<b>Housing value</b>	
Over 50 Tax units to 70 tax units	5,000

For these purposes, the Fund has two modalities of PBP:

## Notes to the Financial Statements September 30, 2022

- 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 loan disbursement, therefore, it is not 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 Agreement No. 04-16D-2017 dated July 3, 2017, the modification of the housing values and the value of the PBP was approved as a complement to the initial quota according to the following detail:

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 202,500 to S/ 300,000	0.74074	3,000

Currently, the PBP value as a complement to the initial installment, is in force under the Board Agreement No. 04-03D-2018 from February 8, 2018, according to the following:

### Year 2018

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 205,300 to S/ 304,100	0.74074	3,100

### Year 2019

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 209,800 to S/ 310,800	0.74074	3,200

### Year 2020

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 213,800 to S/ 316,800	0.74074	3,200

### Year 2021

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 218,100 to S/ 323,100	0.74074	3,300

### Year 2022

<i>In Tax Units</i>	<b>PBP Value</b>	<b>PBP Total</b>
<b>Housing value</b>		
Over S/ 232,200 to S/ 343,900	0.74074	3,500

The PBP as a complement to the initial installment will continue being covered by the Fund, which will be added to the BBP in the same range of housing 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, 2022 is S/

## Notes to the Financial Statements September 30, 2022

3,500. In relation to the housing ranges values of the product, they will be expressed in Soles and will be updated as a result of the multiplication of the previous year's housing value by the annual change in the Consumer Price Index - CPI of Metropolitan Lima, with rounding to the nearest hundred.

- When the Good Payer Award is granted to sub borrower, who complied with conditions settled, with Fund own resources, 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 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 Agreement No. 02-12D-2015 dated June 16, 2015, the attribute Sustainable Bonus MIVIVIENDA (BMS), applicable to the Créditos MIVIVIENDA, was approved. The BMS is an additional attribute of the Créditos MIVIVIENDA, which consists of direct non-reimbursable financial assistance granted to people who access sustainable housing with the MIVIVIENDA credit through the IFI. This attribute increases the amount of the initial installment and as an additional benefit to those provided by the MIVIVIENDA products such as the BFH, BBP and PBP as a complement to the initial installment, according to the following detail:

	Grade 1	Grade 2
<b>Amount of funding</b>		
Up to S/ 140,000	4%	4%
Over S/ 140,000 up to the maximum amount of product financing	3%	4%

The Bonus is calculated by discounting the housing value, the initial installment 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 bond, 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 initial installment, provided that it complies with the conditions established in its Regulations.

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

Related 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 Agreement No. 002-16D-2019 it is approved to maintain the Sustainable Housing Bond (BMS) in force and the preferential rate of 5% for "Nuevo Crédito MIVIVIENDA Verde" credits until December 31, 2019.

By means of Board Agreement No. 03-03D-2020 the extension and conditions for the granting of the BMS are approved, the BMS (3% or 4% of the financing value) for the MIVIVIENDA credits entered (complying with the presentation of the

## Notes to the Financial Statements September 30, 2022

complete credit file) to COFIDE until March 31, 2020 and a preferential rate of 5% to the NCMV, entered to COFIDE until March 31, 2020.

By means of Board of Directors Agreement No. 02-09D-2020, a new term of validity was approved for Board of Directors Agreement No. 03-03D-2020 until June 9, 2020 (complying with the presentation of the complete credit file to COFIDE).

### E. **Accounts receivable (Trust Agreement - COFIDE) and allowance 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 the provision for doubtful accounts was made according to the criteria established by the SBS in the Regulation on Evaluation and Classification of Debtor and Allowance Requirements, SBS Resolution No. 11356-2008, in accordance with the following methodology:

#### **First Component: Allowance for IFI Risk**

- The capital balance of each disbursement is separated into two types: balance of capital with mortgage collateral and balance of capital without mortgage collateral.
- The calculation of allowance is performed considering the annual rating credit risk assigned by IFI based on the criteria established by SBS Resolution No. 11356-2008
- The allowance relating to the balance of capital with mortgage collateral is calculated as the result of the balance of capital with mortgage collateral by the SBS Table 2 rate according to the classification of the IFI.
- The allowance relating to the balance of capital without mortgage collateral is calculated as the result of the balance of capital without mortgage collateral by the SBS Table 1 rate, according to the classification of the IFI.

#### **Second Component: Allowance 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:

- 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 sub-borrower classification plus (Guarantee Amount - Unhedged Balance of Credit Risk (SSCRC)) by the SBS rate in Table 2 according to the sub-borrower 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 is greater than or equal to the Guarantee Amount, the corresponding provision is calculated from the product of the unhedged Balance at the rate of Table 1 SBS, according to the Sub-Borrower Classification. The representation of the calculation is as follows:

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

The Fund applies the following percentages to determine its provisions:

**Notes to the Financial Statements**  
**September 30, 2022**

	<b>Table 1</b>	<b>Table 2</b>
<b>Risk category</b>		
Normal	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 per IFI, the Fund has established a methodology for the regulatory classification of the IFI equivalent to the risk category established by the SBS.

Additionally, given the intervention of the SBS in Financiera TFC, as of September 30, 2022, the mortgage MIVIVIENDA loan portfolio disbursed by said institution has been provisioned for sub-borrower risk by applying the SBS tables within the COFIDE Trust.

As a result of the pandemic, as of September 30, 2022, rescheduling of receivables from the COFIDE Trust has been recorded, which are provisioned in accordance with the methodology in force with the balances reported at that cut-off.

**f. Loan portfolio and provision for doubtful collection**

The Fund determines the provision for doubtful collect of the loan portfolio in accordance with the provisions of Resolution SBS No. 11356-2008 "Regulation for the evaluation and classification of the debtor and the requirement of provisions". In accordance with said Resolution, a classification of the borrowers is made in the following categories: (i) normal, (ii) with potential problems, (iii) substandard, (iv) doubtful or (v) loss, based on the non-payment risk grade of each debtor.

The provision is computed considering the risk classification assigned and using specific percentages, which vary depending upon whether the loans are backed by preferred selfliquidating guarantees – LWHLPG (cash deposits and rights over credit letters) or by preferred guarantees that may be readily liquidated – LWRPG (treasury bonds issued by the Peruvian National Government, marketable securities listed within the Selective Index of the Lima Stock Exchange, among others) or by other preferred guarantees – LWPG (primary pledge on financial instruments and property, primary pledge on agricultural or mining concessions, insurance on export credits, among others). The guarantees received are considered at their net realizable value as determined by independent appraisers. Likewise, computing the provision must consider the credit classification of the guarantor or guaranteeing party for credits subject to counterparty substitution by a financial or insurance entity (CAC), as of September 30, 2022, the following percentages are used:

	<b>LWG (i)</b>	<b>LWPG (ii)</b>	<b>LWRPG (iii)</b>	<b>LWHLPG (iv)</b>
<b>Risk category</b>				
Normal	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.



## **Notes to the Financial Statements September 30, 2022**

- (ii) Loans With Preferred Guarantees.
- (iii) Loans With Readily Preferred Guarantees.
- (iv) Loans With Highly Liquid Preferred Guarantees.

In addition to the provision for credit rating of the debtors, the SBS requires pro-cyclical provisions, which are calculated for the credits classified in the normal category and according to the percentages established by the SBS. As of September 30, 2022 and December 31, 2021, the pro-cyclical component of the provision is deactivated.

The loan portfolio as of September 30, 2022 and corresponds mainly to loans from Ex CRAC Señor de Luren and CAC PrestaPerú, as a result of the execution of Clause 13 of the agreement signed with said IFI.

As a result of the pandemic, as of September 30, 2022 and December 31, 2021, there has been a rescheduling of loans in the housing mortgage portfolio, which are provisioned in accordance with the methodology in force with the balances reported at that cut-off date.

### **G. Derivative financial instruments**

Resolution SBS No. 1737-2006 "Regulations for the Trading and Accounting of Derivative Financial Products in the Companies of the Financial System" and amendments establish the criteria for the accounting of transactions in derivatives classified as trading or hedging; as well as of implied derivatives; as explained below:

#### ***Trading derivatives***

Derivative financial instruments are initially recognized in the statement of financial position of the Fund at cost and are subsequently carried at fair value, recognizing an asset or liability in the statement of financial position, see Note 7, and the correspondent gain or loss in the income statements. Also, transactions with derivative financial instruments are recorded in off-balance sheet accounts at the notional amount of the committed currency.

The fair values are determined based on market exchange rates and interest rates.

#### ***Hedging***

A derivative financial instrument that seeks to achieve economic coverage of a certain risk is designated as accounting hedge if, on the date of its negotiation, it is expected that changes on its fair value or cash flows will be highly effective in offsetting changes in the fair value or cash flows of the item hedged from the inception, this expectation must be documented when the derivative instrument is first traded and throughout the period during which the hedge is in effect. A hedge is considered as highly effective if it is expected that changes in the fair value or cash flows of the hedged item and the hedging instrument ranges between 80 and 125 percent.

As of September 30, 2022 and December 31, 2021, the Fund held cash flow and fair value hedge instruments, see Note 7. For the cash flow hedges, the effective portion of changes in the fair value of hedging derivatives is recognized directly in equity, in the caption "Unrealized results" as a cash flow hedges reserve, net of the related taxes, and any gain or loss related to the ineffective portion is recognized immediately in the income statements. Amounts recorded in Equity are transferred to the income statements in the periods when the hedged item is recorded in the income statements or when an expected transaction occurs.



## **Notes to the Financial Statements**

### **September 30, 2022**

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 on 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.

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

According to Board Agreement No. 16-05D-2022 in April 2022, 33 swap contracts classified as a hedging cash flow due January 2023 that covered such issues were reclassified as fair value hedges to the new issue maturing in April 2027, due to the repurchase of the 1st international issue and the reopening of the first issue. As of 09.30.2022, 27 contracts have been replaced by new swaps.

#### ***Embedded derivatives***

As of September 30, 2022 and December 31, 2021, 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 No. 7033-2012 "Regulation of Classification and Valuation of Investments of Financial System Companies" and its amendments, and SBS Resolution No. 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:

- 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.

## **Notes to the Financial Statements September 30, 2022**

### ***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. Their valuation corresponds to fair value and the gain or loss originated from the change between their initial recognition and fair value is recorded directly in 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 period.

In the case of debt securities, previously to the valuation at fair value, the amortized cost is updated in the accounts applying the effective interest rate method, and the difference between the amortized cost and the fair value is recognized as gains and losses.

- 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.

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 book value is recognized in the income statements.

### ***iv. Impairment assessment***

SBS Resolution No. 7033-2012 and its respective amendments, as well as SBS Resolution No. 2610-2018, establish a standard methodology for the identification of impairment of financial instruments classified as available-for-sale and held-to-maturity investment. Said methodology contemplates the following analysis:

### ***Debt instruments***

## **Notes to the Financial Statements September 30, 2022**

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 as a prolonged decrease if the fair value at the closing date has decreased by at least 20 percent compared to the amortized cost of 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 fair value in the debt instrument is the result of an increase in the risk-free interest rate, this decrease should not be considered as an indication of impairment.

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 due to legal factors or financial problems linked 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.

## **Notes to the Financial Statements September 30, 2022**

### ***Equity instruments***

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 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 as a prolonged decrease if the fair value at the closing date has decreased by at least 20 percent compared to the fair value of 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 numerals a) and b) are not applicable to capital instruments classified in the category available for sale and valued at cost due to the absence of a reliable fair value.

## **Notes to the Financial Statements**

### **September 30, 2022**

On the other hand, when the SBS considers 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. In the case of equity instruments, these are considered non-monetary items and, consequently, are maintained at their historical cost in local currency; therefore, exchange differences are part of their valuation and are recognized in unrealized gains or losses 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 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 asset subsequently becomes impaired, any gain or loss remaining in other comprehensive income shall be reclassified to profit or loss.

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 book value and the fair 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 No. 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 are 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 with CRC and PBP coverage, signed with certain IFI; as well as to manage the resources efficiently.

## **Notes to the Financial Statements**

### **September 30, 2022**

#### **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 allowances for loan losses of these accounts, the Fund assigns a risk rating in accordance with SBS Resolution No. 11356-2008.

The allowance for the classification of the portfolio is performed based on the review which Fund's Management regularly conducts in order to classify it into the categories of "Normal", "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 Registry without observations or annotations.

Allowances for borrowers classified as doubtful or loss for over 36 and 24 months, respectively, are 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 item are recorded at acquisition cost, less accumulated depreciation.

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

	<b>Years</b>
Buildings	20
Facilities	10
Furniture and equipment	10
Miscellaneous equipment	10
Vehicles	5
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.

#### **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 book value from the twelfth month. Additionally, SBS Resolution No. 1535-2005 allows the granting of a six-month extension, in which case, monthly provisions will be established on the net book value from the eighteenth month. In both cases, the provisions will be constituted until reaching one hundred percent of the net

## **Notes to the Financial Statements September 30, 2022**

book value 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, 2022 and December 31, 2021, the Management of the Fund has provisioned the assets received in payment and seized through legal actions at 100 percent.

Subsequently, additional provisions should be recorded as follows:

- **Movable 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 book value obtained at the twelfth month; provided that the six-month extension contemplated in SBS Resolution No. 1535-2005 has not been obtained, in which case uniform monthly provisions will be constituted on the net book value obtained at the eighteenth month. On both situations, provisions must be made until providing for one hundred percent of the net book value 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.

### **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, Management reviews the value of those assets in order to verify that there is no permanent impairment in value. When the book value 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 evidences of impairment in the value of such assets as of September 30, 2022 and as of December 31, 2021.

### **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 issue 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



## **Notes to the Financial Statements September 30, 2022**

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 deferred 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 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. 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. They are disclosed in notes, unless the possibility of an outflow of resources 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, which as of September 30, 2022 and December 31, 2021, was



## Notes to the Financial Statements September 30, 2022

US\$ 1 = S/ 3,981 and US\$ 1 = S/ 3.987, 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, 2022 and December 31, 2021, was EUR 1 = S/ 3.899883 and EUR 1 = S/ 4.538936, 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, 2021, the buying and selling exchange rates used were US\$ 1= S/ 3.994 and US\$ 1= S/ 4.003 respectively (US\$ 1= S/ 3.637 and US\$ 1= S/ 4.288 sale as of December 31, 2021) and in Euros the buying and selling exchange rates used were EUR 1= S/ 3.874 EUR 1= S/ 4.290 respectively (EUR 1= S/ 4.434 and EUR 1= S/ 4.777 selling as of December 31, 2021).

As of September 30, 2022 and December 31, 2021, foreign currency balances in the Statement of Financial Position are summarized as follows:

<i>In thousands of US Dollars</i>	<b>As at 09.30.2022</b>	<b>As at 12.31.2021</b>
Available	65,654	2,460
Available-for-sale Investments	8,891	12,853
Held-to-Maturity Investments	28,810	43,782
Loan Portfolio	16	20
Hedging Derivatives	0	567
Other accounts receivable, net	26,125	13,947
Other assets, net	10,373	76
<b>Total assets</b>	<b>139,869</b>	<b>73,706</b>
<b>Liabilities</b>		
Debts and financial obligations	(782,853)	(658,177)
Derivatives	(278)	(1,672)
Other accounts payable	(1,130)	(443)
Provisions and other liabilities	(290)	(390)
<b>Total liabilities</b>	<b>(784,551)</b>	<b>(660,682)</b>
<b>Net liability position</b>	<b>(644,682)</b>	<b>(586,977)</b>
Derivative financial instruments, net	642,513	585,132
<b>Net position in U.S. dollars</b>	<b>(2,169)</b>	<b>(1,845)</b>

  

<i>In thousands of euros</i>	<b>As at 09.30.2022</b>	<b>As at 12.31.2021</b>
<b>Assets</b>		
Available	197	56
Derivatives	6	
Other assets	151	0
<b>Total assets</b>	<b>354</b>	<b>56</b>
<b>Liabilities</b>		
Debts and financial obligations	(237,484)	(188,380)
<b>Total liabilities</b>	<b>(237,484)</b>	<b>(188,380)</b>
<b>Net liability position</b>	<b>(237,130)</b>	<b>(188,324)</b>
Derivative financial instruments, net	237,482	188,333
<b>Net position in euro</b>	<b>352</b>	<b>9</b>

## Notes to the Financial Statements September 30, 2022

### U. International Financial Reporting Standards (IFRS)

#### ***IFRS issued and in force in Peru as of September 30, 2022 and as of December 31, 2021***

Through Resolution No. 002-2022-EF/30, issued on September 16, 2022, CNC made official the Amendments to IAS 1 - Presentation of Financial Statements and the Complete Set of International Financial Reporting Standards version 2022 that includes the Conceptual Framework for Financial Reporting.

Through Resolution No. 001-2021-EF/30 issued on November 15, 2021, the CNC approved the amendments to IFRS 16 Leases, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 1 Presentation of Financial Statements, IAS 12 Income Taxes, and the Complete Set of International Financial Reporting Standards version 2021, which 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 the SBS

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

- Multiple Official Letter No. 21952-2022-SBS of 05.30.2022 Clarifications on the measures established by Dispute Reports.
- Multiple Official Letter No. 25858-2021-SBS of 06.23.2022 Clarifications on the measures established by Emergency Decree No. 015-2022.
- Multiple Official Letter No. 290101-2022-SBS of 07.13.2022 Details on the rescheduling of claims guaranteed with the Reactiva Perú Program referred to in Emergency Decree No. 011-2022

During 2021, the SBS has published, among others, the following important statements:

- Multiple Official Letter No. 11312-2021-SBS of 03.03.2021 Details on the measures established by Emergency Decree No. 010-2021
- Multiple Official Letter No. 13613-2021-SBS of 03.16.2021 Complementary prudential measures related to the state of national emergency (S.D. No. 044-2020-PCM)
- Multiple Official Letter No. 44035-2021-SBS of 09.08.2021 Details on the measures established by Emergency Decree No. 080-2021
- Multiple Official Letter No. 47564-2021-SBS of 09.28.2021 Deposits fixed for ten years.

## 4. Available

This caption includes:

<b><i>In thousands of Soles</i></b>	<b>2022</b>	<b>2021</b>
Central Reserve Bank of Peru (a)	6,313	15,771
Current and saving accounts (b)	1,539,319	1,165,942
Term deposits under 91 days (c)	39,810	0
Other available funds	82	41
Accrued yields from available funds	455	0

## Notes to the Financial Statements September 30, 2022

<b>Cash and cash equivalents</b>	<b>1,585,979</b>	<b>1,181,754</b>
<b>Plus</b>		
Term deposits over 91 days (d)	91,563	0
<b>Total available funds</b>	<b>1,677,542</b>	<b>1,181,754</b>

- (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 accounts denominated 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, 2022 and December 31, 2021:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Current accounts</b>		
Banco Internacional del Perú S.A.A. - Interbank	1,057,279	793,793
Banco Interamericano de Finanzas S.A.	101,570	157,770
Banco de la Nación S.A.	211,671	213,640
Scotiabank Peru S.A.A.	166,187	144
Banco de Crédito del Perú S.A.	110	144
Banco BBVA Perú	1,738	201
	<b>1,538,555</b>	<b>1,165,692</b>
<b>Savings account</b>		
Banco BBVA Perú	764	250
<b>Total</b>	<b>1,539,319</b>	<b>1,165,942</b>

- (c) As of September 30, 2022, we maintain installment deposits with banks in the country in U.S. dollars with original maturities less than or equal to 91 days that are freely available, sun deposits generate interest at effective annual rates of 3.05 percent and with original maturities January 2023. As of December 31, 2021, we did not have these types of time deposits.
- (d) As of September 30, 2022, we maintain installment deposits with banks in the country in U.S. dollars with original maturities greater than or equal to 91 days that are freely available, sun deposits generate interest at effective annual rates between 3.22 and 3.27 percent and with original maturities January 2023. As of December 31, 2021, we did not have these types of time deposits.

As of September 30, 2022, term deposits in U.S. dollars are subject to exchange rate risk, they are covered by forward sales contracts for a nominal amount of US\$2,000,000 equivalent to S/ 7,962,000.

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

The detail of Available-for-Sale and held-to-maturity investments is as follows:

<i>In thousands of Soles</i>	<b>2022</b>			<b>2021</b>		
	<b>Amorti zed</b>	<b>Profit (loss)</b>	<b>Book Value</b>	<b>Amortized cost</b>	<b>Profit (loss)</b>	<b>Book Value</b>

## Notes to the Financial Statements September 30, 2022

	cost					
<b>Available-for-sale investments</b>						
Corporate bonds (a)	35,552	(489)	35,063	50,577	(89)	50,488
<b>Plus</b>						
Accrued income			333		-	757
	<b>35,552</b>	<b>(489)</b>	<b>35,396</b>	<b>50,577</b>	<b>(89)</b>	<b>51,245</b>
<b>Held-to-Maturity Investments</b>						
Corporate bonds (b)	113,154		113,154	172,766	-	172,766
Sovereign bonds of the Republic of Peru (b)	31,343		31,343	31,341	-	31,341
<b>Plus</b>						
Accrued income			1,862	-	-	2,716
	<b>144,497</b>		<b>146,359</b>	<b>204,107</b>	<b>-</b>	<b>206,823</b>
	<b>180,049</b>	<b>(489)</b>	<b>181,755</b>	<b>254,684</b>	<b>(89)</b>	<b>258,068</b>

- (a) During 2022 the Fund has not acquired new types of investments, however, in 2021 the Fund acquired bonds from financial institutions for a nominal value of S/ 19,935,000, whose book value amounts to S/ 20,519,000. As of September 30, 2022, the securities of these investments are as follows:

	2022	2021
<b>Peruvian issuers</b>		
Banco BBVA Perú	0	14,502
Banco Internacional del Perú - INTERBANK	28,842	29,513
Banco de Crédito del Perú	6,221	6,473
<b>Corporate Bonds</b>	<b>35,063</b>	<b>50,488</b>

- (b) As of September 30, corresponds to securities and bonds acquired from corporate and first level financial system companies in the country classified as held-to-maturity investments, as detailed below:

	2022	2021
<b>Peruvian issuers</b>		
Abengoa Transmisión Norte S.A.	40,793	45,059
Banco BBVA Perú	40,655	52,796
Consorcio Transmantaro S.A.	-	43,429
Cementos Pacasmayo S.A.A.	31,706	31,482
<b>Corporate Bonds</b>	<b>113,154</b>	<b>172,766</b>

During 2016, the Fund reclassified Corporate and Financial, and Peruvian Sovereign Bonds classified as available-for-sale investments into held-to-maturity investments. The book values at the dates of reclassification amounted to approximately S/ 620,965,000 and the unrealized loss accumulated in net equity amounted to S/ 11,846,000; this latter amount shall be transferred to results during the remaining term of the instruments, which expire in full until 2042. During 2022 and 2021, approximately S/ 731,000 and S/ 772,000, have been transferred to net income, respectively. As of September 30, 2022 and December 31, 2021, the book value, which also includes the accrued interest, of said investment amounts to S/ 146,359,000 and S/ 206,823,000, respectively.

## Notes to the Financial Statements September 30, 2022

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

	Maturity		Annual effective interest rates							
			2022				2021			
	2022	2021	S/		US\$		S/		US\$	
			Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
			%	%	%	%	%	%	%	%
<b>Available-for-sale investments</b>										
Corporate bonds	Jan-23 / Apr-23	Aug-22 / Apr-23			1.17	1.32			0.99	1.32
<b>Held-to-Maturity Investments</b>										
Corporate bonds	Feb-23 / Oct-28	Aug-22 / Oct-28			4.61	6.54			4.39	6.54
Sovereign bonds of the Republic of Peru	Aug-26 / Feb-42	Aug-26 / Feb-42	4.10	6.95			4.10	6.95		

As of September 30, 2022, certain corporate bonds in U.S. dollars, classified as available-for-sale and held-to-maturity investments, are subject to exchange rate risk, are under forward-sale hedging contracts for a nominal amount of US\$ 6,325,000 and US\$ 16,225,000 equivalent to S/ 25,180,000 and S/ 64,592,000 respectively (hedged through "forward sales" for a nominal amount of US\$ 11,782,000 and US\$ 39,886,000 equivalent to S/ 46,977,000 and S/ 159,024,000 respectively, as of December 31, 2021).

The balance of available-for-sale and held-to-maturity investments as of September 30, classified by maturity, is presented below:

	2022		2021	
	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 3 months to 1 year	35,396	31,917	14,747	12,235
From 1 to 5 years		10,347	36,498	86,365
Over 5 years		104,095		108,223
	<b>35,396</b>	<b>146,359</b>	<b>51,245</b>	<b>206,823</b>

## 6. Loan Portfolio, Net

This caption includes:

<i>In thousands of Soles</i>	2022	2021
<b>Standing Loan Portfolio</b>		
Standing Loans	27,259	32,342
(-) Deferred income	-1,732	-1,955
Accrued income	386	372
	<b>25,913</b>	<b>30,759</b>
<b>Refunded Loan Portfolio</b>		
Refunded Loans	352	483

## Notes to the Financial Statements September 30, 2022

(-) Deferred income	-135	-177
	<b>217</b>	<b>306</b>
<b>Overdue Loan Portfolio</b>		
Overdue Loans (a)	102,303	104,780
Overdue Refunded Loans (b)	1,306	1,258
(-) Deferred income	-13,279	-13,700
	<b>90,330</b>	<b>92,338</b>
<b>Legal Collection Portfolio</b>		
Legal Collection Loans (c)	71	144
(-) Deferred income	0	-7
	<b>71</b>	<b>137</b>
<b>(-) Provisions for Loans</b>		
(-) Specific Provisions for Loans	-88,028	-88,746
(-) Generic Provision for Loans	-166	-183
	<b>-88,194</b>	<b>-88,929</b>
	<b>28,337</b>	<b>34,611</b>

As of September 30, 2022, the loan portfolio consists mainly of the portfolio transferred by the former CRAC Señor de Luren and former CAC PrestaPerú, which through SBS Resolution No. 3503-2015 dated June 19, 2015, and SBS Resolution No. 5826-2019 dated December 11, 2019, respectively, entered into an official liquidation process.

In this context, the debts former CRAC Señor de Luren and former CAC PrestaPerú had with their debtors, including the Fund, became unpaid; therefore, the Fund began to enforce certain guarantees that safeguarded the related credits, with the following results:

- Execution of the Clause 13 of the Agreement to channel resources signed with the IFIs, which corresponds to the assignment of rights over said subloan portfolio in favor of the Fund.
- On July 17, 2017, the Fund entered into agreements for the assignment of rights with Caja Municipal de Ahorro and Crédito Sullana and Financiera Efectiva S.A. to transfer them part of the loan portfolio amounting to S/ 22,514,000 and S/ 12,067,000 respectively, which were included in the Accounts Receivable caption (Trust Agreement - COFIDE) and corresponded to balances owed to the Fund by former CRAC Señor de Luren. Likewise, through a contract with said IFI, they were granted the administration of the non-transferred portfolio amounting to S/ 87,587,000.
- Since August 2019, Financiera Efectiva S.A., on behalf of the Fund, has been the financial institution that manages the loan portfolio from former CAC PrestaPerú and receives payment of loan installments through its network of agencies in Lima and departments. In October 2021, the detailed information of the loan portfolio of the former CAC PrestaPerú was obtained, allowing the Fund to register a loan portfolio of S/ 69,927,000. Likewise, since the portfolio of former CAC PrestaPerú was maintained in the caption "Other accounts receivable", the provision for doubtful accounts receivable of S/ 52,582,000 was reclassified to the caption "Loan portfolio" and the surplus provision of the caption "Other accounts receivable" of S/ 17,345,000 was written off to income for the year.

As of September 30, 2022 and December 31, 2021, the balance of the direct loan portfolio classified by type of MIVIVIENDA product is as follows:

## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	Number of borrowers		Total Amount	
	2022	2021	2022	2021
Nuevo Crédito MIVIVIENDA	1,855	1,908	103,832	110,124
Crédito Complementario Techo Propio	1,018	1,085	13,470	14,310
Crédito MIVIVIENDA Tradicional	12	13	313	323
Crédito MIHOGAR	1	1	42	45
Mi Construcción	534	559	13,634	14,206
Deferred income	-	-	(15,146)	(15,840)
	<b>3,420</b>	<b>3,566</b>	<b>116,145</b>	<b>123,168</b>

As of September 30, 2022, the loan portfolio is backed by preferred guarantees for S/ 56,118,000 (S/ 59,054,000 as of December 31, 2021) and nonpreferred guarantees S/ 96,269,000 (S/ 98,403,000 as of December 31, 2021).

As of September 30, 2022 and December 31, 2021, S/ 11,556,000 and S/ 10,536,000 respectively, have been collected from this portfolio.

According to SBS regulations, as of September 30, 2022 and December 31, 2021, the direct loan portfolio is classified by risk as follows:

<i>In thousands of Soles</i>	Number of borrowers		Total Amount	
	2022	2021	2022	2021
Normal	945	924	23,782	26,107
With potential problems	24	68	430	1,847
Substandard	55	70	1,576	1,870
Doubtful	180	276	4,859	9,483
Loss	2,216	2,228	85,498	83,861
	<b>3,420</b>	<b>3,566</b>	<b>116,145</b>	<b>123,168</b>

The effective annual interest rate of this loan portfolio has been fixed based on market conditions. As of September 30, 2022 and December 31, 2021, the minimum and maximum annual interest rate in local currency is 13.50% and 9.00%.

Compensatory interest on loans that are past due, in judicial collection, or classified as Doubtful or Loss, is accounted for as income or yield in suspense, and is recognized as income in the statement of income when collected. As of September 30, 2022 and December 31, 2021, the amount not recognized as income for this concept amounted to S/ 37,841,000 and S/ 41,510,000, respectively.

The balance of the direct loan portfolio classified by maturity as of September 30, 2022 and December 31, 2021 is presented below:

<i>In thousands of Soles</i>	2022		2021	
<b>Outstanding</b>				
Up to 1 month	151	0.13%	179	0.15%
From 1 to 3 months	306	0.26%	364	0.30%
From 3 months to 1 year	1,412	1.21%	1,677	1.36%
From 1 to 5 years	9,498	8.18%	11,292	9.17%
Over 5 years	16,243	13.99%	19,313	15.68%
	<b>27,610</b>	<b>23.77%</b>	<b>32,825</b>	<b>26.66%</b>

**Plus (minus):**

## Notes to the Financial Statements September 30, 2022

Overdue and in judicial collection <b>(a)+(b)+(c)</b>	103,681	89.27%	106,183	86.20%
Deferred income from the entire loan portfolio	(15,146)	13.04%	(15,840)	(12.86%)
	116,145	100.00%	<b>123,168</b>	<b>100.00%</b>

The changes during the year in the provision for doubtful accounts of the direct loan portfolio are as follows

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Balance at beginning of the year	88,929	37,729
Additions	3,072	4,282
Recovery of provisions	(3,807)	(5,670)
Reclassification from other doubtful accounts receivable	0	52,582
Exchange difference	0	6
<b>Balance at the end of the year</b>	<b>88,194</b>	<b>88,929</b>

Management considers that the level of provision for doubtful accounts 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, 2022 and December 31, 2021.

## 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, 2022

<i>In thousands of Soles</i>	09-30-2022					12-31-2021				2022 and 2021
	Assets	Liabilities	Reference amount (*)	Maturity		Assets	Liabilities	Reference amount (*)	Maturity	Hedging Instruments
<b>Derivatives for trading</b>										
Foreign Currency Forward	22	30	2,332	In October 2022		0	0	0	-	-
<b>Subtotal ==&gt;</b>	<b>22</b>	<b>30</b>	<b>2,332</b>			<b>0</b>	<b>0</b>	<b>0</b>		
<b>Derivatives designated as hedge</b>										
<b>Cash flow</b>										
Principal Only Swaps (POS) (**)	217	14	5,850	Between January and March 2023		557,917	19,389	2,013,925	Between January and March 2023	Debts and securities
Cross Currency Swaps (CCS) (**)	155,752	36,900	3,173,560	Between January, March 2023, May 2024, April 2027 and May, September and November 2031		260,347	10,824	1,432,458	Between January, March and May 2023 and November 2031	Investments, debts and securities
Interest Only Swaps (IOS)	0	1	0	Between March 2023		34	0	0	March 2023	Debts
<b>Fair value</b>										
Principal Only Swaps (POS)	82,169	1,189	278,670	In January 2023						2023 and 2027 Issuance
Cross Currency Swaps (CCS)	0	4,521	136,495	In January 2023						2023 Issuance
Foreign Currency Forward	437	2,703	147,488	Between October and November 2022		6,563	0	258,629	Between February, March, April and June 2022	Investments, securities and deposits
<b>Subtotal ==&gt;</b>	<b>238,575</b>	<b>45,328</b>	<b>3,742,063</b>			<b>824,861</b>	<b>30,213</b>	<b>3,705,012</b>		
<b>T O T A L</b>	<b>238,597</b>	<b>45,358</b>	<b>3,744,395</b>			<b>824,861</b>	<b>30,213</b>	<b>3,705,012</b>		

(\*) As of September 30, 2022 and December 31, 2021, the reference values of transactions with derivative financial instruments are recorded in off-balance currency.

The above table presents as of September 30, 2022 and December 31, 2021 the fair value of derivative financial instruments, or liability, together 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 2022 and September 2021, the Fund has recognized for trading derivatives a net loss in S/ 1,734,000 and S/ 460,000 respectively, and a net loss for hedging derivatives in S/ 79,996,000 and S/ 66,663,000 respectively. **(Note 23)**

## Notes to the Financial Statements September 30, 2022

### 8. Accounts Receivable for Trusts, Net

This caption includes:

<i>In thousands of Soles</i>	2022	2021
Nuevo Crédito MIVIVIENDA	9,310,772	8,511,220
Crédito MIVIVIENDA Tradicional	38,853	56,950
Crédito Complementario Techo Propio	217,400	205,635
Crédito MIHOGAR	28,077	34,226
Crédito MICONSTRUCCIÓN	4,722	5,447
Crédito MICASA MÁS	4,163	5,211
Crédito MIVIVIENDA Estandarizado	2,236	2,938
Crédito MITERRENO	154	194
	9,606,377	8,443,893
Accrued income from accounts receivable	13,933	13,390
Provision for doubtful accounts receivable	(209,789)	(211,333)
<b>Total, Accounts receivable-COFIDE Trust (a)</b>	<b>9,410,521</b>	<b>8,624,534</b>
<b>Accounts receivable from CRC and PBP Trusts Soles and US Dollars (b)</b>	<b>24,707</b>	<b>32,877</b>
	<b>9,435,228</b>	<b>8,657,412</b>

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, 2022 and December 31, 2021, the number of beneficial owners (final debtors) is 106,980 and 100,327, 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 No. 001-99-MTC.

As of September 30, 2022 and December 31, 2021, 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>	2022			2021		
	With credit risk coverage	No credit risk coverage	Total	With credit risk coverage	No credit risk coverage	Total
Nuevo crédito MIVIVIENDA	2,226,789	7,083,983	9,310,772	1,929,606	6,581,614	8,511,220
Crédito Complementario Techo Propio	26,750	190,650	217,400	28,719	176,917	205,636
Crédito MIVIVIENDA Tradicional	16,534	22,319	38,853	25,198	31,752	56,950
Crédito MIHOGAR	9,822	18,255	28,077	12,024	22,202	34,226
Crédito MICONSTRUCCIÓN	1,566	3,156	4,722	1,558	4,888	6,446
Crédito MICASA MÁS	1,266	2,897	4,163	1,558	3,535	5,093
Crédito MIVIVIENDA Estandarizado	745	1,491	2,236	907	1,815	2,722
Crédito MITERRENO	77	77	154	92	92	184
	<b>2,283,549</b>	<b>7,322,828</b>	<b>9,606,377</b>	<b>1,999,662</b>	<b>6,822,815</b>	<b>8,822,477</b>

## Notes to the Financial Statements September 30, 2022

Accounts receivable (Trust Agreement - COFIDE) are classified by credit risk, as established by SBS regulations in force as of September 30, 2022 and December 31, 2021. According to what is indicated in the note 4.C, the provision for doubtful accounts receivable (Trust Agreement - COFIDE) is determined based on the classification of the IFI and the beneficial owners.

As of September 30, 2022 and December 31, 2021, the classification of accounts receivable (Trust Agreement - COFIDE) with credit risk coverage, by risk category of the beneficial owners is as follows:

In thousands of Soles	2022		2021	
	S/ 000	%	S/ 000	%
<b>Risk category of the beneficial owner</b>				
Normal	2,004,620	20.87%	1,738,887	19.71%
With potential problems	46,399	0.48%	25,152	0.29%
Substandard	39,263	0.41%	25,574	0.29%
Doubtful	68,288	0.71%	75,558	0.86%
Loss	105,478	1.10%	98,030	1.11%
Financial TFC in Liquidation	17,347	0.18%	17,634	0.20%
CMAC Sullana	-	0.00%	17,002	0.19%
CAC Quillacoop	260	0.00%	306	0.00%
CAC San Francisco	470	0.00%	532	0.01%
AELUCOOP	599	0.01%	599	0.01%
CMAC Tacna	750	0.01%	280	0.00%
CRAC Prymera	22	0.00%	27	0.00%
CAC Santa María Magdalena	53	0.00%	81	0.00%
	2,283,549	23.77%	1,999,662	22.67%
	9,606,377	100.00%	8,822,477	100.00%

As of September 30, 2022, the annual interest rates applied to the products correspond to fixed interest rates, established in order to promote the granting of each type of credit and are:

	%
Nuevo Crédito MIVIVIENDA (*)	7.10% and 6.60% and 6.2%
Crédito MIVIVIENDA Tradicional	7.75%
Crédito Financiamiento Complementario Techo Propio	7.25%
Crédito MIHOGAR	7.60%
Crédito MI CONSTRUCCIÓN	8.00%
Crédito MIVIVIENDA Estandarizado	6.90% and 7.30%
Crédito MICASA MÁS	7.70%
Crédito MITERRENO	9.00%

(\*) The interest rates of the Nuevo Crédito MIVIVIENDA product sustainable was increased, which will be effective from 07.01.2022, by means of Board of Directors Agreement No. 03-06D-2022 of March 31, 2022.

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

## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Up to 1 month	119,912	100,294
From 1 month to 3 months	241,946	209,106
From 3 months to 1 year	549,901	626,683
From 1 to 3 years	1,302,566	1,244,572
From 3 years or more	7,392,052	6,641,822
	<b>9,606,377</b>	<b>8,822,477</b>

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 sub-borrowers of credits MIVIVIENDA; therefore, at the end of September 2022, 15,537 operations were registered, as detailed below:

<i>In thousands of</i>	<b>Number of credits</b>	<b>S/</b>	<b>US\$</b>
Nuevo Crédito MIVIVIENDA	14,347	1,430,568	
Crédito MIVIVIENDA Tradicional	197		914
Crédito Financiamiento Complem. Techo Propio	629	9,889	14
Crédito MIHOGAR	233	4,853	
Crédito MI CONSTRUCCIÓN	99	1,637	
Crédito MIVIVIENDA Estandarizado	9	280	
Crédito MICASA MÁS	20	2,419	
Crédito MITERRENO	3	36	
	15,537	1,449,681	928

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

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Balance at beginning of the year	211,333	197,224
Additions debited to results	56,666	88,006
Recovery of provisions	(58,207)	(74,117)
Exchange difference	(3)	220
<b>Balance at the end of the year</b>	<b>209,789</b>	<b>211,333</b>

Management considers that the provision for doubtful 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, 2022 and December 31, 2021.

- (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 premium (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>	<b>2022</b>	<b>2021</b>
CRC and PBP Trust Soles	7,649	12,030
CRC and PBP Trust US Dollars	17,058	20,847
<b>Net</b>	<b>24,707</b>	<b>32,877</b>

## Notes to the Financial Statements September 30, 2022

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 No. 980-2006 "Regulations of the MIVIVIENDA S.A. Fund"; 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 Soles Trust as of September 30, 2022 and December 31, 2021 are as follows:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Statement of financial position</b>		
<b>Assets</b>		
Available	2,261	6,539
Available-for-sale investments (*)	1,485	1,556
Held-to-Maturity investments (*)	3,903	3,935
Other accounts receivable (*)		
<b>Total assets</b>	<b>7,649</b>	<b>12,030</b>
<b>Equity and Net Surplus</b>		
Accumulative results	4,863	8,737
Surplus collections, net	2,890	3,386
Unrealized results	(104)	(93)
<b>Total equity and net surplus</b>	<b>7,649</b>	<b>12,030</b>
(*) During 2016, the CRC and PBP trust – Soles reclassified investments classified as available-for-sale to investments into held-to-maturity investments. The book values at the dates of reclassification amounted to approximately S/ 33,683,000 and the unrealized loss accumulated in net equity amounted to S/ 1,344,000; this latter amount shall be transferred to results during the remaining term of the instruments. During 2022 and 2021, approximately S/ 39,000 and S/ 51,000, respectively, have been transferred to income for the year.		
<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Income Statement</b>		
<b>Income</b>		
Interest Income	337	637
Profit (Loss) Available-for-sale Investments		35
Reversal of impairment of investment	101	
<b>Total income</b>	<b>438</b>	<b>672</b>
<b>Expenses</b>		
Administration fee	(37)	(182)
Miscellaneous financial services expense	(5)	(4)
Financial Transactions Tax		(2)
Impairment loss on investments		(127)
<b>Total expenses</b>	<b>(42)</b>	<b>(315)</b>
<b>Net surplus</b>	<b>396</b>	<b>357</b>

The following are the financial statements of the CRC Trust and PBP U.S. Dollars as of September 30, 2022 and December 31, 2021:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Statement of financial position</b>		

## Notes to the Financial Statements September 30, 2022

### Assets

Available	3,567	4,771
Available-for-sale investments (*)	4,588	7,111
Held-to-Maturity investments (*)	8,903	8,965

<b>Total assets</b>	<b>17,058</b>	<b>20,847</b>
---------------------	---------------	---------------

### Equity and Net Surplus

Beginning shareholders' equity	4,910	9,013
Accumulative results	2,227	1,685
Surplus collections, net	10,479	10,681
Unrealized results	(558)	(532)

<b>Total equity and net surplus</b>	<b>17,058</b>	<b>20,847</b>
-------------------------------------	---------------	---------------

(\*) During 2016, the equity in the CRC and PBP US Dollars Trust Fund reclassified investments classified as available-for-sale to the category of held-to-maturity investments. The book values at the dates of reclassification amounted to approximately S/ 35,327,000 and the unrealized loss accumulated in net equity amounted to S/ 1,784,000; this latter amount shall be transferred to results during the remaining term of the instruments. During the years 2022 and 2021, it has been transferred approximately S/ 44,000 y S/ 59,000, to net income, respectively.

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
------------------------------	-------------	-------------

### Income Statement

#### Income

Interest Income	653	1,078
Exchange difference, net		486
Profit (Loss) Available-for-sale Investments		113
Other		

<b>Total income</b>	<b>653</b>	<b>1,677</b>
---------------------	------------	--------------

#### Expenses

Administration fee	(83)	(226)
Exchange difference, net	(20)	
Miscellaneous financial services expense	(6)	(6)
Financial Transactions Tax	(1)	(6)

<b>Total expenses</b>	<b>(110)</b>	<b>(238)</b>
-----------------------	--------------	--------------

<b>Net surplus</b>	<b>543</b>	<b>1,439</b>
--------------------	------------	--------------

## 9. Other Accounts Receivable, Net

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Accounts receivable from Banks in Liquidation (a)	100,244	100,255
Accounts receivable Ex - CONEMINSA portfolio (b)	12,739	12,777
Accounts receivable from ICCGSA (c)	3,794	3,794
Accounts receivable from CAC PrestaPerú (d)	8,775	8,764
BFH disbursed in excess, to be recovered (e)	2,468	2,676
Accounts receivable from Las Garzas Trust	88	88
Accounts receivable from Urb Municipalidad Ucayali Trust	403	319
Derivatives outstanding (f)	39,418	0
Other accounts receivable - Margin Call (g)	26,736	0
Invoices receivable	751	708
Accounts receivable to CONEMINSA	21	21
Other accounts receivable	741	348
	<b>196,178</b>	<b>129,750</b>
Less - Allowance for doubtful accounts receivable (h)		
Banks in Liquidation (a)	-100,244	-100,255

## Notes to the Financial Statements September 30, 2022

Ex - CONEMINSA portfolio (b)	-12,620	-12,678
Accounts receivable from ICCGSA (c)	-3,794	-3,794
Accounts receivable from CAC PrestaPerú (d)	-8,764	-8,764
BFH disbursed in excess, to be recovered (e)	-2,468	-2,676
Accounts receivable from Las Garzas Trust	-88	0
Accounts receivable from Urb Municipalidad Ucayali Trust	-403	0
Provision Risk Country (g)	-131	0
Invoices receivable	-700	-696
Other accounts receivable	-21	-21
	<b>-129,233</b>	<b>-128,884</b>
<b>Total</b>	<b>66,945</b>	<b>866</b>

- (a) Corresponds to accounts receivable for time 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 31, 2022 and December 31, 2021 is as follows:

<i>In thousands of Soles</i>	<b>2,021</b>	<b>2,020</b>
<b>Equity</b>		
Banco Nuevo Mundo, in liquidation (i)	52,204	52,205
Banco República, in liquidation (i)	39,922	39,922
Banco Banex, in liquidation - dation in payment (i)	5,517	5,525
Banco República, in liquid. - dation in payment (i)	2,601	2,603
	<b>100,244</b>	<b>100,255</b>
<b>Less: Allowance for doubtful accounts</b>		
Banco Nuevo Mundo, in liquidation (i)	-52,204	-52,205
Banco República, in liquidation (i)	-39,922	-39,922
Banco Banex, in liquidation - dation in payment (i)	-5,517	-5,525
Banco República, in liquid. - dation in payment (i)	-2,601	-2,603
	<b>-100,244</b>	<b>-100,255</b>
<b>Net</b>	<b>0</b>	<b>0</b>

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 portfolio of Banco Nuevo Mundo, Banco República and Banco Banex, all of which are in the process of liquidation, and recognizes the recoveries received based on their performance. So far in 2022 and during 2021, the Fund did not receive recoveries from the banks in liquidation.

Management of the Fund believes that the allowance for uncollectibility of accounts receivable from banks in liquidation established as of September 30, 2022 and December 31, 2021 is sufficient to cover the related risk of uncollectibility.

## Notes to the Financial Statements September 30, 2022

- (b) 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 the Dation Contract in Payment Agreement dated December 30, 2003 for its administration and recovery. As of September 30, 2022 and December 31, 2021, this account receivable is 100% provisioned.
- (c) 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 allowance for doubtful collection in the amount of S/ 3,794,000 approximately, of which S/ 3,500,000 corresponded to principal and S/ 294,000 to interest as of December 31, 2018, Note 5(e). As of September 30, 2022 and December 31, 2021, this account receivable is 100% provisioned.
- (d) In August 2019, after activating the thirteenth clause to the Cooperativa de Ahorro y Crédito de Perú (PrestaPerú), the Fund authorized the removal of the balance owed to said IFI from the administration of the COFIDE Trust; directly demanding from the IFI the payment of the outstanding fees from February to August 2019 for S/ 4,230,000.  
In August 2019, after activating the thirteenth clause of the Resources Channeling Agreement signed with Cooperativa de Ahorro y Crédito de Perú (PrestaPerú), the Fund authorized the withdrawal of the balance owed by the aforementioned IFI from the administration of the COFIDE Trust, recording at the end of August 2019 a balance of accounts receivable of S/ 74,462,000. During 2021, the Fund reclassified this balance by S/ 4,534,000 from other accounts receivable from CAC PrestaPerú clients to Accounts receivable from CAC PrestaPerú and S/ 69,928,000 under the caption "Portfolio of credits".
- As of September 30, 2022, this receivable maintains an uncollectible provision of S/ 8,764,000, applying the percentage of provision to a debtor qualified as a Loss.
- (e) Corresponds to the excess grant of the Bono Familiar Habitacional (BFH) in areas of the VRAE pending recovery.
- (f) It corresponds to the outstanding balance receivable due to maturity of interest on hedging financial derivatives that according to the schedule the payment date will be made in October 2022, mainly with Nova Scotia, JP Morgan and Banco Santander.
- (g) The country risk provision corresponds to the Fund's exposure abroad, mainly due to the demand for funds made (margin call) with Banco Santander SA, NY Branch.
- (h) The movement in the provision for uncollectibility of other accounts receivable is as follows:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Balance at the beginning of the year</b>	128,884	195,361
<b>Plus (minus)</b>		
Provision recognized as a period expense	627	2,751
Recovery of provisions	-270	-24



**Notes to the Financial Statements**  
**September 30, 2022**

Exchange different, net	-8	725
Reclassification of Accumulated Prov. of Accounts Receivable	0	-52,582
Rebate of Prov. of Accounts Receivable	0	-17,347
<b>Balance at the year-end</b>	<b>129,233</b>	<b>128,884</b>

In Management's opinion, the allowance for doubtful accounts receivable recorded as of September 30, 2022 and December 31, 2021, adequately covers the credit risk of this caption at those dates.

**Notes to the Financial Statements**  
**September 30, 2022**

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

Movement in this caption so far in 2022 and during 2021:

<i>In thousands of Soles</i>	Land	Buildings	Facilities	Furniture and equipment	Computer equipment	Miscellaneous equipment	Vehicles	Works in progress	Total
<b>Cost</b>									
Balance as of January 1, 2021	103	36	143	695	1,374	879	759	-	3,989
Additions						13			13
Withdrawals				-39	-284	-88			-411
<b>Balance as of December 31, 2021</b>	<b>103</b>	<b>36</b>	<b>143</b>	<b>656</b>	<b>1,090</b>	<b>804</b>	<b>759</b>	<b>0</b>	<b>3,591</b>
Additions				1	66	123	0	0	190
Withdrawals									0
<b>Balance as of September 30, 2021</b>	<b>103</b>	<b>36</b>	<b>143</b>	<b>657</b>	<b>1,156</b>	<b>927</b>	<b>759</b>	<b>0</b>	<b>3,781</b>
<b>Accumulated depreciation</b>									
Balance as of January 1, 2021	-	12	60	521	1,263	613	745	-	3,214
Additions			14	29	56	47	14		160
Withdrawals				-39	-284	-80	0		-403
<b>Balance as of December 31, 2021</b>	<b>0</b>	<b>12</b>	<b>74</b>	<b>511</b>	<b>1,035</b>	<b>580</b>	<b>759</b>	<b>0</b>	<b>2,971</b>
Additions		0	11	21	37	37			106
Withdrawals									0
<b>Balance as of September 30, 2021</b>	<b>0</b>	<b>12</b>	<b>85</b>	<b>532</b>	<b>1,072</b>	<b>617</b>	<b>759</b>	<b>0</b>	<b>3,077</b>
<b>Net book value</b>									
<b>As of December 31, 2021</b>	<b>103</b>	<b>24</b>	<b>69</b>	<b>145</b>	<b>55</b>	<b>224</b>	<b>0</b>	<b>0</b>	<b>620</b>
<b>As of September 30, 2022</b>	<b>103</b>	<b>24</b>	<b>58</b>	<b>125</b>	<b>84</b>	<b>310</b>	<b>0</b>	<b>0</b>	<b>704</b>

## Notes to the Financial Statements September 30, 2022

- (a) Financial entities in Peru are prohibited from pledging their fixed assets.
- (b) In the opinion of the Fund's management, there is no evidence of impairment of fixed assets as of September 30, 2022 and December 31, 2021. As of September 30, 2022, the Fund maintains fully depreciated assets of S/ 2,393,000 (approximately S/ 2,384,000 as of December 31, 2021).
- (c) The Fund maintains insurance policies on its principal properties, furniture and equipment in accordance with policies established by Management. For these purposes, as of September 30, 2022, the Fund has contracted an insurance policy against all risks that covers the value of the Fund's net assets. 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, 2022 and December 31, 2021, this caption includes:

	In thousands of S/			
	<b>Balance as of 09.30.2022</b>	<b>Additions</b>	<b>Withdrawals and other adjustments</b>	<b>Balance as of 12.31.2021</b>
Cost:				
Software	13,846	2,491		11,355
Licenses	1,574	0		1,574
Software in Development	3,066	1,301	-2,490	4,255
	<u>18,486</u>	<u>3,791</u>	<u>-2,490</u>	<u>17,184</u>
Accumulated depreciation:				
Software	9,477	1,198		8,279
Licenses	1,405	45		1,360
	<u>10,882</u>	<u>1,243</u>	<u>0</u>	<u>9,639</u>
Net cost	<b><u>7,604</u></b>			<b><u>7,545</u></b>

Intangible assets comprise software and licenses for the use of computer equipment which total cost as of September 30, 2022 is approximately of S/ 18,486,000 and its accumulated amortization amounted to S/ 10,882,000 (total cost as of December 31, 2021 amounted approximately to S/ 17'184,000 and its accumulated amortization amounted to S/ 9'639,000 as of December 31, 2021). So far in 2022 and during 2021, Intangible Assets increased mainly due to the activation of software under development and the development of improvements and software, for approximately S/ 3,791,000 and S/ 2,647,000, 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, 2022 and December 31, 2021, this caption includes:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Prepaid expenses	2,152	416
Other	42,052	1,523
	<b><u>44,204</u></b>	<b><u>1,939</u></b>

Prepaid expenses so far in 2022 are comprised of: Deliveries to be rendered, travel expenses

## Notes to the Financial Statements September 30, 2022

pending rendering, subscriptions, insurance, and other deferred charges such as taxes, software maintenance and support, among others.

The caption of others includes the costs incurred for loans and debits which amounted to S/ 40,599,348.

### 13. Debts and financial obligations

As of September 30, 2022 and December 31, 2021, this caption includes:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Debts and financial obligations with companies and financial institutions of Peru	574,685	575,889
Debts and Obligations with Foreign Companies and International Financial Organizations	926,187	855,046
Values and Bonds	5,437,451	4,982,183
	<b>6,938,323</b>	<b>6,413,118</b>

As of September 30, 2022 and December 31, 2021, the Fund's Management believes that it has complied with the conditions established for these transactions.

## Notes to the Financial Statements September 30, 2022

### 13. a) Debts and financial obligations with companies and financial institutions of Peru:

In Sales	Currency	Maturity	Annual Interest Rate %	2022				2021			
				Principal	Amortized Cost Adjustment	Interest and Commissions	Total	Principal	Amortized Cost Adjustment	Interest and Commissions	Total
<b>Entity</b>											
Banco de la Nación	Soles	2026	2.5 and 5.50	570,000	0	4,685	574,685	570,000	0	5,889	575,889
				<b>570,000</b>	<b>0</b>	<b>4,685</b>	<b>574,685</b>	<b>570,000</b>	<b>0</b>	<b>5,889</b>	<b>575,889</b>

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

This caption includes:

In Sales	Currency	Maturity	Annual Interest Rate %	2022				2021			
				Principal	Amortized Cost Adjustment	Interest and Commissions	Total	Principal	Amortized Cost Adjustment	Interest and Commissions	Total
<b>Entity</b>											
Agence Francaise de Developpement (AFD)	Euros	2023 and 2031	0.61 and 1.30	615,315	-2,976	1,362	613,701	650,581	-1,814	1,005	649,772
Kreditanstalt für Wiederaufbau (KfW)	Euros	2031	(*)	311,991	589	1,055	312,457	0	0	0	0
JP Morgan Chase Bank	Dollar	2032	(**)	0	0	29	29	204,252	-726	1,749	205,274
				<b>927,306</b>	<b>-3,565</b>	<b>2,446</b>	<b>926,187</b>	<b>854,833</b>	<b>-2,540</b>	<b>2,753</b>	<b>855,046</b>

(\*) "The rate on this loan is the last available rate. The line of credit with KfW was agreed at a variable interest rate (Euribor 6 months + 110 basis points), which changes in the months of May and November during the life of the loan."

(\*\*) "The rate on this loan is the latest available rate (4.406120%). The credit line with JP Morgan was agreed at a variable interest rate (Sofr 6 months + 60 basis points)"

Certain loan agreements include standard clauses for compliance with financial ratios and administrative matters. In Management's opinion, as of September 30, 2022 and December 31, 2021, these Clauses have been complied with and do not represent any restriction to the Fund's operations. As of September 30, 2022, the AFD euro loan amounts to EUR 157,356,000 (equivalent to S/ 613,701,000) and the KfW euro loan amounts to EUR 80,090,000 (equivalent to S/ 312,457,000), both subject to exchange rate risk, being hedged through "currency swaps (CCS)", "principal only swaps (POS)" and "interest only swaps (IOS)" for a nominal amount of EUR 1,500,000 (equivalent to S/ 5,850,000), EUR 236,278,000 (equivalent to S/ 921,456,000), respectively. As of December 31, 2021, the AFD euro loan amounts to EUR 143,155,000 (equivalent to S/ 649,772,000) and the KfW euro loan amounts to EUR 44,875,000 (equivalent to S/ 205,274,000), both subject to exchange rate risk, being hedged through "currency swaps (CCS)", "principal only swaps (POS)" and "interest only swaps (IOS)" for a nominal amount of EUR 183,833,000 (equivalent to S/ 834,408,000), EUR 4,500,000 (equivalent to S/ 20,425,000), respectively.

As of September 30, 2022, the loan of Banco de la Nación amounts to S/ 574,685,000 while as of December 31, 2021 it amounted to S/ 575,889,000.

On June 7, 2022, the loan with Banco BBVA Peru matured, in the amount of US\$ 50,131,321.46 (principal and interest).



## **Notes to the Financial Statements September 30, 2022**

Additionally, it should be noted that on 25.06.2022 the Fund signed the contract with JP Morgan Chase Bank, NA for the granting of a line of credit in the amount of US\$ 290.000,000. As at 09.30.2022 the Fund has not yet used it.

## Notes to the Financial Statements September 30, 2022

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

In thousands of Soles	2022	2021
Up to 3 months	32,019	58,123
From 3 months to 1 year	81,822	96,844
From 1 to 5 years	951,522	931,064
Over 5 years	435,509	344,904
	<b>1,500,872</b>	<b>1,430,935</b>

### 13.b) Securities and Bonds

As of September 30, 2022 and December 31, 2021, this caption includes:

	Annual nominal interest rate (%)	Maturity	Amount issued	Book value in S/	
<i>In thousands of Soles</i>				2022	2021
<b>Domestic issuances Corporate Bonds (a)</b>					
4th issuance - "A" series	6.72	July 2026	S/ 310,000	309,837	309,896
3rd issuance - "A" Series	7.00	February 2024	S/ 1,500,000	1,498,178	1,497,732
5th issuance - "A" series	5.02	July 2026	S/ 250,000	249,746	249,747
6th issuance - "A" series	4.7813	January 2027	S/ 240,210	239,925	239,929
<b>International Issuances Corporate Bonds</b>					
1st issuance (b)	3.50	January 2023	US\$ 96,435	383,640	1,989,806
Reopening of 1st issuance (c)	3.50	January 2023	US\$ 76,553	304,456	596,367
4th program – 1st issuance (d)	4.625	April 2027	US\$ 600,000	2,372,436	
				<b>5,358,218</b>	<b>4,883,477</b>
Interest payable				79,233	98,706
				<b>5,437,451</b>	<b>4,982,183</b>

The funds raised through the issuance of securities are used to finance operations inherent to the Fund's line of business.

- (a) At the Board Meeting held on November 16, 2012, the First Corporate Bond Program was approved. Through this approval, the Fund may issue securities up to a maximum amount of US\$ 800,000,000 or its equivalent in Soles. In April and July 2016, February 2017, July 2019 and January 2020, the Fund issued the first, fourth, third, fifth and sixth issuance of the Corporate Bonds, respectively.

On January 15, 2020, the sixth issuance of local Corporate Bonds was made in the amount of 48,042 bonds with a value of S/ 5,000 with a total value of S/ 240,210,000 with a term of 7 years maturing on January 15, 2027, at an annual nominal rate of 4.7813%, this issue is part of the approval of up to an amount of US\$ 800,000,000 or its equivalent in soles.

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

## Notes to the Financial Statements September 30, 2022

In April 2022, the Fund repurchased bonds of the first issue totaling US\$ 403,565,000 at a price of 101.26 percent, paying a total value including carried interest of US\$ 411,475,000.

- (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 Issue called "3,5% Notes due 2023" in January 2013. The new issue was for a nominal amount of US\$ 150,000,000 maturing over 6 years. Bonds were placed at a price of 99.802 percent, at a coupon rate of 3.50 percent with payment of interest semiannually and amortization at maturity.

In April 2022, the Fund repurchased bonds of the reopening 1st issuance totaling US\$ 73,447,000 at a price of 101.26 paying a total value including interest run of US\$ 74,887,000.

As of September 30, 2022 and December 2021, for both the 1st international issuance and the reopening of the 1st issuance, these bonds are subject to exchange rate risk, being covered for a total amount of US\$ 172,988,000 through "FWD Purchase at fair value US\$ 2,988, principal only swaps (POS) of a nominal amount of US\$ 50,000,000 and currency swaps (CCS)" for a nominal amount of US\$ 120,000,000", equivalent to S/ 661,679,000 (as of December 31, these bonds were covered for a total of US\$ 650,000,000 equivalent to S/ 2,591,550,000 respectively).

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

As of September 30, 2022, these bonds are subject to exchange rate risk, being hedged in the total amount of US\$ 571,940 through "FWD Purchase at fair value US\$ 1,940, principal only swaps (POS) of a nominal amount of US\$ 70,000 and currency swaps (CCS)" of a nominal amount of US\$ 500,000", equivalent to S/ 2,276,893,000.

The table below presents the balance of securities and bonds outstanding classified by contractual maturity as of September 30, 2022 and December 31, 2021:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
From 3 months to 1 year	692,157	
From 1 to 2 years	1,511,873	2,624,150
From 2 to 5 years	3,233,421	2,112,798
Over 5 years	-	245,235
	<b>5,437,451</b>	<b>4,982,183</b>

- (a) Below are the financing activities for outstanding securities and bonds as of September 30, 2022 and December 31, 2021 are presented below:

<i>In thousands of Soles</i>	<b>Cash flows</b>			<b>Exchange difference, net</b>	<b>Movements</b>		<b>September 30, 2022</b>
	<b>January 1, 2022</b>	<b>Provided</b>	<b>Used</b>		<b>Interest</b>	<b>Amortized cost</b>	
<b>Domestic issuances</b>							
Issuance ("A" series)	319,631		(20,828)		15,621	(59)	314,365



## Notes to the Financial Statements September 30, 2022

3rd issuance ("A" series)	1,537,678	(105,000)		78,750	446	1,511,874
5th issuance ("A" series)	255,489	(12,578)		9,434	(1)	252,344
6th issuance ("A" series)	245,234	(11,485)		8,614	(4)	242,359
<b>International issuances</b>						
1st issuance	2,019,004	(1,549,583)	(111,510)	24,809	3,184	385,904
Reopening of 1st issuance	605,147	(290,034)	(20,561)	10,395	1,306	306,253
Fourth program – 1st issuance	2,211,851		161,103	49,880	1,516	2,424,352
	<b>4,982,183</b>	<b>2,211,851</b>	<b>(1,989,508)</b>	<b>29,032</b>	<b>197,503</b>	<b>6,388</b>
						<b>5,437,451</b>

<i>In thousands of Soles</i>	Cash flows			Exchange difference, net	Movements		December 31, 2021
	January 1, 2021	Provid ed	Used		Interest	Amorti zed cost	
<b>Domestic issuances</b>							
Issuance ("A" series)	319,611		(20,828		20,828	20	319,631
3rd issuance ("A" series)	1,536,834		(105,000		105,000	844	1,537,678
5th issuance ("A" series)	255,441		(12,578		12,578	48	255,489
6th issuance ("A" series)	245,194		(11,485		11,484	41	245,234
<b>International issuances</b>							
1st issuance	1,830,751		(67,191	184,404	67,904	3,136	2,019,004
Reopening of 1st issuance	548,275		(20,158	55,238	20,369	1,423	605,147
	<b>4,736,106</b>		<b>(237,240</b>	<b>239,642</b>	<b>238,163</b>	<b>5,512</b>	<b>4,982,183</b>

### 14. Accounts Payable

As of September 30, 2022 and December 31, 2021, this caption includes:

<i>In thousands of Soles</i>	<b>09.30.2022</b>	<b>12.31.2021</b>
<b>Other accounts payables:</b>		
FONAVI contributions (a)	8,644	8,644
Family Housing Bond/Vulnerable Housing Protection Bond (b)	785,353	809,852
Good Payer Bonus (principal) received from MVCS (c)	103,590	4,078
Good Payer Bonus (principal) assigned to COFIDE (d)	82,267	87,317
Eligible Household Savings to be transferred to technical entities (e)	6,258	5,647
Eligible Family Group Savings by Transferring from BAV Housing Lease Bond (f)	14,980	49,524
Eligible Household Group Savings to be transferred from Housing Lease Bond BAE (h)	34,736	0
Workers' profit sharing payable	3,210	4,888
Resources to transfer for executed bank guarantees	13,641	4,134
Suppliers payable	6,174	6,048
Vacation, semiannual bonus, bonus and social benefits liquidation payable	1,400	1,088
Balance Due from the FUND by Reconciliation with the MEF	81,822	81,822
Management Agreement Bonus - FONAFE	1,116	2,167
LAIF Agreement between AFD and Fund (g)	28,972	9,082
Other	4,881	1,759
	<b>1,177,044</b>	<b>1,076,050</b>

- (a) The balance of the caption as of September 30, 2022 and December 31, 2021 is as follows:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
FONAVI contributions pending transfer to the MEF (i)	8,023	8,023
Refund of not collected FONAVI checks (ii)	621	621
	<b>8,644</b>	<b>8,644</b>

## **Notes to the Financial Statements September 30, 2022**

- (i) 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 No. 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 No. 26969", for collections that would be subsequently transferred to the Ad Hoc Commission.

- (ii) 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) Corresponds to Bonos Familiares Habitaciones (BFH) and/or Bono de Protección de Vivienda Vulnerable (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 2022, the Fund received resources from the MVCS for this purpose, through Agreements No. 001-2022 for S/ 523,618,000 and Agreement No. 116-2022 for S/ 446,852,000 respectively.
  - (c) 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) Corresponds to the funds received from the MVCS that were assigned to the credits authorized to the IFI (for the MIHOGAR Project credit and the New Housing Credits), after reviewing compliance with the requirements established in the respective regulations.
  - (e) Corresponds to the balances to be paid to the technical entities on behalf of the eligible family groups that accessed the Techo Propio and New Housing Acquisition Program. This balance includes the savings deposited by the family group in the Fund's accounts.
  - (f) Corresponds to the balances payable to the eligible family groups that accessed the Housing Lease Bond (BAV). This balance includes the savings deposited by the family group in the Fund's accounts.
  - (g) Corresponds to the balances pending allocation of the resources received from the AFD (French Development Agency) under the LAIF Agreement. These resources are an aid to sub-borrowers to compensate for interest not collected by the Fund.
  - (h) Corresponds to the balances to be paid to eligible family groups that accessed the Bono de Alquiler de Vivienda para Emergencia (Emergency Housing Rental Bonus or "BAE" by its Spanish acronym), which was created with Law No. 31526 of July 25, 2022.

## **15. Provisions and Other Liabilities**

## Notes to the Financial Statements September 30, 2022

As of September 30, 2022 and December 31, 2021, this caption includes:

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Provisions and other liabilities</b>		
Provisions (a)	3,277	3,137
Other liabilities (b)	25,767	28,104
	<b>29,044</b>	<b>31,241</b>

- (a) The caption of provisions mainly includes the provision for credit risk coverage - portfolio sold, the balance of which as of September 30, 2022 is approximately S/ 1,121,000.

Additionally, it includes the provisions for credit risk hedge of the portfolio sold to the Investment Funds, for approximately S/ 124,000.

Likewise, the provisions recorded for legal proceedings associated with lawsuits and probable labor contingencies are presented. In the opinion of Management and its legal advisors, the provision recorded amounting to approximately S/ 1,970,000 as of September 30, 2022 is sufficient to cover the risk of loss from such contingencies.

- (b) Other liabilities mainly include deferred income from rescheduling of accounts receivable belonging to the COFIDE Trust, amounting to approximately S/ 25,419,000 and transactions in process that were settled in the subsequent 30 days for S/ 27,000.

### 16. Current taxes

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

<i>In thousands of Soles</i>	<b>September 2022</b>	<b>December 2021</b>
Income tax provision	(17,989)	(0)
Income tax advance payments		0
ITAN	29,410	0
Income Tax Credit for the year	3,902	43,535
General Sales Tax:	(36)	(45)
	<b>15,287</b>	<b>43,490</b>

- (b) The composition of the profit (expense) in the statement of income as of September 2022 and 2021 respectively, is as follows:

<i>In thousands of Soles</i>	<b>September 2022</b>	<b>September 2021</b>
Current	(17,989)	(13,562)
Deferred	(4,464)	14,137
	<b>(22,453)</b>	<b>575</b>

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

<i>In thousands of Soles</i>	<b>September 2022</b>	<b>September 2021</b>
------------------------------	-----------------------	-----------------------



## Notes to the Financial Statements September 30, 2022

Profit before income tax	69,304	100.00%	13,460	100.000%
<b>Theoretical Expense</b>	(20,445)	(29.50) %	(3,971)	(29.50) %
<b>Plus (minus)</b>				
Net effect of permanent items	(2,008)	(2.90) %	4,546	33.77%
<b>Income Tax</b>	(22,453)	(32.40) %	575	4.27%

### 17. Deferred Income Tax, Net

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

This caption includes:



## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	Balance as of December 31, 2020	(Charge) credit to income	(Charge) credit to shareholders' equity	Balance as of December 31, 2021	(Charge) credit to income	(Charge) credit to shareholders' equity	Balance as of September 30, 2022
<b>Deferred assets</b>							
Generic Allowance for Accounts Receivable (Trust Agreement - COFIDE)	14,919	6,830	-	21,749	1,189		22,938
Provision for Accounts Receivable (Trust Agreement - COFIDE) adjustment 2017 (*)	9,709		(5,117)	4,592	(844)		3,748
Unrealized loss on valuation of derivatives for hedging purposes	45,094		(45,094)	-			-
Unrealized loss on available-for-sale investments	-		26	26		118	144
Deferred income from loan portfolio	2,523	5,684	-	8,207	(681)		7,526
Unrealized loss on investments of CRC-PBP Trusts				-		15	15
Provision for accounts receivable from PrestaPerú customers	21,966	(20,628)	-	1,338	-		1,338
Provision for accounts receivable from ICCGSA	1,119	-	-	1,119	-		1,119
Other	9,105	(5,955)	-	3,150	1,032		4,182
<b>Total deferred assets</b>	<b>104,435</b>	<b>(14,069)</b>	<b>(50,185)</b>	<b>40,181</b>	<b>696</b>	<b>133</b>	<b>41,010</b>
<b>Deferred liabilities</b>							
Unrealized gains on investments of CRC-PBP Trusts	(335)	-	315	(20)		20	-
Unrealized loss on debt instruments reclassified from "Available-for-sale investments" to "Held-to-maturity investments".	(307)	-	(99)	(406)		(91)	(497)
Unrealized gains on available-for-sale investments	(28)		28	-			-
Unrealized gains of derivatives for hedging purposes	-		(8,190)	(8,190)		1,475	(6,715)
Leveling of assets and liabilities	(31,024)	11,552	-	(19,472)	(88)		(19,560)
Debts and financial obligations	-	(749)	-	(749)	(303)		(1,052)
Costs Incurred for Issuance	(1,105)	947	-	(158)	(4,769)		(4,927)
<b>Total deferred liabilities</b>	<b>(32,799)</b>	<b>11,750</b>	<b>(7,946)</b>	<b>(28,995)</b>	<b>(5,160)</b>	<b>1,404</b>	<b>(32,751)</b>
<b>Total net deferred assets</b>	<b>71,636</b>	<b>(2,319)</b>	<b>(58,131)</b>	<b>11,186</b>	<b>(4,464)</b>	<b>1,537</b>	<b>8,259</b>

## **Notes to the Financial Statements September 30, 2022**

*(\*) As a result of the observation made by the SBS in its Inspection Visit report No. 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 Official Letter No. 4907-2017/SBS dated Dec. 20, 2017, was recorded by the Fund in December 2017 reducing the balance maintained in the "Legal Reserve" caption of the shareholder's equity, see 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" caption. This treatment was authorized and subsequently approved by the SBS through Official Letter No. 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 the year 2018 with a charge to the deferred asset for income tax, net.*

### **18. Stockholders' equity**

#### **A. Capital stock**

As of September 30, 2022 and December 31, 2021, the Fund's capital stock is represented by 3,423'504,780 and 3,385'761,836 subscribed and paid common shares, respectively, with a par value of one sol per share. Its sole shareholder is the National Fund for the Financing of the Business Activities of the State – FONAFE by its Spanish acronym.

At the General Shareholders' Meeting held on March 28, 2022, it was agreed to capitalize the 2021 profits, which were registered in public records by S/ 37,743,000. At the General Shareholders' Meeting held on June 30, 2021, it was agreed to capitalize the 2020 profits, which were registered in public records by S/ 3,175,000.

#### **B. Legal reserve**

Pursuant to current legislation, the Fund is required to establish a legal reserve for an amount equivalent to at least 35 percent of its paid-in capital. This reserve is constituted through an annual appropriation of at least 10 percent of net income 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 28, 2022 and June 30, 2021, approved the appropriation of legal reserves for net income 2021 and 2020 of S/ 4,194,000 and S/ 353,000, respectively.

#### **C. Adjustments to Stockholders' 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 the unrealized gains during 2022 and 2021 presented net of their tax effect, were as follows:

## Notes to the Financial Statements September 30, 2022

		(Charge) / credit to	Balance as of	(Charge) / credit to statements of comprehensive income	Balance as of September 30, 2022
<i>In thousands of Soles</i>	Balance as of January 1, 2021	statements of comprehensive income	December 31, 2021	statements of comprehensive income	September 30, 2022
<b>Available-for-sale investments from the Fund</b>					
Unrealized gain (loss) from investments available-for-sale	94	(183)	(89)	400	(489)
Unrealized loss from debt instruments, reclassified from "Available-for-sale investments" to "Held-to-maturity investments"	(5,963)	878	(5,085)	728	(4,357)
	<b>(5,869)</b>	<b>695</b>	<b>(5,174)</b>	<b>328</b>	<b>(4,846)</b>
Income Tax	<b>(336)</b>	<b>(43)</b>	<b>(379)</b>	<b>26</b>	<b>(353)</b>
<b>Subtotal</b>	<b>(6,205)</b>	<b>652</b>	<b>(5,553)</b>	<b>354</b>	<b>(5,199)</b>
<b>Cash flow hedges</b>					
Unrealized gain (loss) from cash flow hedge derivatives	394,716	423,573	818,289	(683,492)	134,797
Transfer to profit (loss) of realized gain (loss) from cash flow hedge derivatives	(547,576)	(242,950)	(790,526)	677,515	(113,011)
	<b>(152,860)</b>	<b>180,623</b>	<b>27,763</b>	<b>(5,977)</b>	<b>21,786</b>
Income Tax	<b>45,094</b>	<b>(53,284)</b>	<b>(8,190)</b>	<b>1,475</b>	<b>(6,715)</b>
<b>Subtotal</b>	<b>(107,766)</b>	<b>127,339</b>	<b>19,573</b>	<b>(4,502)</b>	<b>15,071</b>
<b>Total</b>	<b>(113,971)</b>	<b>127,991</b>	<b>14,020</b>	<b>(4,148)</b>	<b>9,872</b>

### D. Effective Stockholder's Equity

In June 2008, through L.D. No. 1028, the Ley de Banca, Seguros y AFP (Law on Banking, Insurance and AFP) was amended; being established that the regulatory capital must be equal to or greater than 10 percent of assets and contingent credits by total risk corresponding to the sum of: (i) the regulatory capital requirement for market risk multiplied by 10, (ii) the regulatory capital requirement for operational risk multiplied by 10, and (iii) the weighted assets and contingent credits by credit risk.

As of September 30, 2022, pursuant to Legislative Decree No. 1028 and amendments, the Fund keeps the following amounts related to weighted assets and contingent credits by risk and regulatory capital (basic and supplementary), in soles:

<i>In thousands of Soles</i>	2022	2021
Total risk weighted assets and credits	4,303,776	4,136,132
Total effective stockholders' equity	3,415,695	3,367,051
Basic effective stockholders' equity (Level 1)	3,415,695	3,367,051
Global regulatory capital ratio	79.37%	81.41%

As of September 30, 2022 and December 31, 2021, the Fund has complied with the SBS Resolutions No. 2115-2009 - Regulations for Regulatory Capital Requirements for Operational Risk, No. 6328-2009 - Regulatory Capital Requirements for Market Risk, No.

## **Notes to the Financial Statements September 30, 2022**

14354-2009 - Regulatory Capital Requirements for Credit Risk and their 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 No. 8425-2011, which establishes that in order to determine the additional regulatory capital, financial institutions must have a process to evaluate the sufficiency of their regulatory capital according to its risk profile, according to the methodology described in said Resolution. In application of said rule, additional regulatory capital will be equal to the sum of the regulatory capital 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.

Likewise, the regulation establishes a period of gradual adaptation of five years starting since July 2012. As of September 30, 2022, the percentage of adaptation established by SBS is 100 percent, therefore the additional requirement of regulatory capital estimated by the Fund amounts to S/ 177,775,000 (S/ 151,223,000 considering an adequacy of 100 percent established by the SBS as of December 31, 2021).

In Management's opinion, 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 regulatory capital by the Fund cover these requirements completely.

### **19. Tax situation**

- A. The Fund is subject to the Peruvian tax regime as of September 30, 2022 and December 31, 2021, the Corporate Income Tax rate is 29.5%, on net taxable income as established in Legislative Decree No. 1261, published on December 10, 2016 and effective as of January 1, 2017.

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.

Notwithstanding 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 No. 31098, ratifying Supreme Resolution No. 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 gross basis, respectively, as long as the application of the DTA does not apply,



## **Notes to the Financial Statements September 30, 2022**

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.

### ***Income tax non-encumbrance and exemption***

- B. As of 2010, capital gains from the sale, redemption or redemption of marketable securities through centralized trading mechanisms are subject to income tax. For this purpose, the computable cost has been established as the value of the securities at the end of the taxable year 2009 (listed value), acquisition cost or value of income to equity, whichever is higher, according to the procedure established by Supreme Decree No. 011-2010-EF.

Emergency Decree No. 005-2019 extended the term of the exoneration until December 31, 2022 and included as new exempted assumptions: i) Debt securities, ii) Certificates of participation in mutual funds for investment in securities, iii) Certificates of participation in Real Estate Rental Investment Funds (FIRBI) and Certificates of participation in Securitization Trusts for Investment in Real Estate Rental (FIBRA), and iv) Negotiable invoices. The referred exemption will be applicable provided that certain requirements are met.

Law No. 31106 extends to December 31, 2023 the validity of all exemptions in force to date contained in Article 19 of the Income Tax Law.

### ***Temporary tax on net assets***

- C. 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 close of the fiscal year 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 September 30, 2022 and December 31, 2021, 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 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.

Pursuant to Article 2 of Law No. 31104, SUNAT has 30 business days from the date the request is filed to make the refund of the Net Assets Tax for the year 2021. Upon expiration of such term, the taxpayer may consider it approved. In addition, the regulation specifies that the refund will only be made by credit to account; therefore, on July 22, 2022, through Resolution of Intendancy No. 012-180-0028673/SUNAT, SUNAT resolved to authorize the refund of the balance of the ITAN corresponding to the taxable year 2021 that was requested by the Fund, in the amount of S/ 39'632,079.00.

### ***Financial Transactions Tax***

## **Notes to the Financial Statements September 30, 2022**

- D. By means of Law No. 29667 of February 21, 2011, 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 from 2016 to 2021 are pending audit by the Tax Authority. It should be noted that for the year 2018, the Fund is currently undergoing a partial audit.

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, 2022 and 2021.

### ***General sales tax regime***

- F. By means of Legislative Decree No. 1347, published on January 7, 2017, the possibility of a one percentage point reduction in the General Sales Tax rate was established as of July 1, 2017, provided that the annualized collection target as of May 31, 2017 of the General Sales Tax, net of internal refunds of 7.2% of GDP is met. In other words, as long as such condition is met, the General Sales Tax rate (including the 2% Municipal Promotion Tax-IPM) would be reduced from 18% to 17%. However, since at the end of the term the proposed collection goal was not met, the General Sales Tax rate remained at 18%.

In accordance with Legislative Decree No. 1519, the exemptions from appendix I and II of the General Sales Tax Act are extended to 31 December 2022 and the exemption from the rule on refunds of taxes imposed on acquisitions with donations from abroad and imports from diplomatic missions and the exemption from VAT for the issuance of electronic money is extended to December 31, 2024.

- G. **Normative concept of accrual:**

Legislative Decree No. 1425 of September 12, 2018, introduced the definition of legal accrual for Income Tax purposes establishing that income in the case of: a) transfer of goods occurs when: i) the change of control operates (in accordance with IFRS 15); or ii) the transfer of risk to the acquirer occurs (Risk Theory established in the Civil Code), whichever occurs first; and b) for the case of rendering of services, the degree of performance of the rendering has been established.

The legal concept of accrual is applicable to lessees for purposes of establishing the tax treatment of the expense associated with lease contracts regulated by IFRS 16 (e.g. operating leases for tax purposes).

## **Notes to the Financial Statements September 30, 2022**

Finally, it should be noted that the concept in question would not be applicable to those entities that accrue their income or expenses for income tax purposes according to tax provisions that establish a special (sectorial) accrual regime.

### **H. Undercapitalization:**

In fiscal year 2019 and until December 31, 2020, the financial expense generated by indebtedness both between independent and related parties is subject to the undercapitalization limit of (3:1 Debt-Equity Ratio) calculated at the close of the previous fiscal year.

Pursuant to the Amending Complementary Provision of Legislative Decree No. 1424, as of January 1, 2021, financial expenses will be deductible up to the limit of 30% of the tax EBITDA (net income - loss compensation + net interest + depreciation + amortization) of the previous year.

There are some exceptions to the application of this limitation, for example i) companies of the financial and insurance system indicated in Article 16 of Law No. 26702, ii) taxpayers with income not exceeding 2,500 UIT, infrastructure, public services, among others.

Through Supreme Decree No. 402-2021-EF, published on December 30, 2021, paragraph a) of Article 21 of the Income Tax Law Regulations, approved by Supreme Decree No. 122-94 EF, is modified, indicating that for the deduction of the expenses provided for in the aforementioned paragraph, the following must be taken into account as of January 1, 2022:

1. Regarding the limitation on the deduction of interest:

...

3. When establishing the proportion referred to in numeral 4 of the second paragraph of the aforementioned subparagraph, banks and financial companies shall not consider dividends, exempt and tax-exempt generated by securities acquired in compliance with a legal regulation or provisions of the Banco Central de Reserva del Perú, nor those generated by securities that yield an interest rate in local currency not higher than 50% of the monthly average lending interest rate in domestic currency (TAMN) published by the Superintendency of Banking, Insurance and Pension Funds Administrators. The aforementioned entities will determine the deductible expenses based on the percentage resulting from dividing the taxed financial income by the total taxed, exempt and unaffected financial income.

4. The payment of interest on credits from abroad and the declaration and payment of the tax levied thereon is evidenced by the corresponding certificates issued by the entities of the Financial System through which such transactions are carried out, in accordance with the provisions of SUNAT.

### **I. Deduction of expenses or costs incurred in transactions with non-domiciled parties:**

Legislative Decree No. 1369 requires that costs and/or expenses (including "outbound interest") incurred with non-domiciled counterparties must have been effectively paid in order to be deductible in the year in which they were incurred. Otherwise, their impact on the determination of net income will be deferred to the year in which they are effectively paid, at which time the corresponding withholding will be applied.

## **Notes to the Financial Statements September 30, 2022**

This rule eliminated the obligation to pay the amount equivalent to the withholding on the amount recorded as cost and/or expense.

**J. Measures for the application of the General Anti-Circumvention Clause contained in the Regulation XVI of the Tax Code**

Legislative Decree No. 1422 has established the procedure for the application of the General Anti-Circumvention Clause (henceforth referred to as "CAG"), stating that: (i) it is applicable only in definitive audit procedures in which acts, facts or situations produced since July 19, 2012 are reviewed; (ii) for its application there must be prior favorable opinion of a review committee integrated by officials of SUNAT itself, such opinion not being appealable; (iii) the definitive audit procedures in which the CAG is applied are not subject to the one (1) year term to require information to the audited parties.

On May 6, 2019, Supreme Decree No. 145-2019-EF was published in the Official Gazette El Peruano, approving the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Tax Code, which means that the requirement to lift the suspension established by Law No. 30230 for the application of such rule has been fulfilled. Likewise, SUNAT Regulations on Tax Procedures have been adapted for such purpose.

**K. *Joint and several liability of the legal representatives and directors of the companies.***

As of September 14, 2018, it has been established, through Legislative Decree No. 1422 that, when an audited subject is subject to the General Anti-elusive Clause (CAG), it is automatically considered that there is fraud, gross negligence or abuse of powers with respect to its legal representatives, unless there is evidence to the contrary. The aforementioned joint and several liability will be attributed to such representatives whenever they have collaborated with the design, approval or execution of acts, situations or economic relations with an elusive purpose.

The regulation also involves the members of the Board of Directors of companies, by stating that these subjects are responsible for defining the tax strategy of the companies in which they are directors, and they must decide whether or not to approve acts, situations or economic relationships to be carried out within the framework of tax planning, this attribution being non-delegable to the directors.

The members of the Board of Directors of domiciled companies were granted a term that expired on March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the framework of tax planning, and implemented as of September 14, 2018 that continue to have tax effect up to the present.

Notwithstanding the aforementioned maximum term indicated for compliance with said formal obligation, and considering the aforementioned joint and several liability attributable to both legal representatives and directors, as well as the lack of definition of the term tax planning it will be critical to review any act, situation or economic relationship that has (i) increased tax attributes, and/or (ii) generated a lower payment of taxes for the aforementioned years, in order to avoid the attribution of joint and several tax liability, both at an administrative and even criminal level, depending on the criteria of the tax agent, in case the CAG is applied to the company that is subject to a tax audit by SUNAT.

**L. Special Depreciation Regime**

## **Notes to the Financial Statements September 30, 2022**

By means of Law No. 31107, published on December 31, 2020, the table of Article 5 of Legislative Decree No. 1488, Legislative Decree that establishes a special depreciation regime and modifies depreciation terms, was modified; therefore, this Law came into effect on January 1, 2021, which indicates that buildings and constructions may be depreciated, for income tax purposes, applying an annual depreciation percentage of twenty percent (20%) up to their total depreciation, provided that they comply with the requirements set forth in the regulation, data processing equipment 50%, machinery and equipment 20%, land transportation equipment 33.3% or 50% considering its exceptions.

Law No. 31107 establishes that the special depreciation regime for buildings and constructions described in Legislative Decree No. 1488 is optional and not mandatory.

By means of Legislative Decree No. 1488 Special Regime for Depreciation and Modification of Depreciation Periods, by increasing the percentages of depreciation for certain assets, in order to promote private investment and grant greater liquidity given the current economic situation due to the effects of COVID-19.

As of taxable year 2021, buildings and constructions will be depreciated, for income tax purposes, by applying an annual depreciation percentage of twenty percent (20%) until their total depreciation, provided that the assets are fully affected to the production of third category taxable income.

As of the taxable year 2021, the assets indicated below, acquired in the years 2020 and 2021, affected to the production of taxable income, will be depreciated by applying to their value the maximum percentage resulting from the following table, until their total depreciation:

- Data processing equipment at a rate of 50.0%
- Machinery and equipment at a rate of 20%
- Land transportation vehicles (except railroads), with technology EURO IV, Tier II and EPA 2007 (to which the provisions of Supreme Decree No. 010-2017-MINAM apply), employed by authorized companies that provide transportation services for people and/or goods at the provincial, regional and national levels at a rate of 33.3%.
- Land transport vehicles (except railroads) hybrid (with piston engine and electric motor) or electric (with electric motor) at a rate of 50%.

### **Deferral and/or Fractionation Regime for tax debts administered by SUNAT (COVID\_19 Rule)**

By means of Legislative Decree No. 1487, published on May 10, 2020, the Deferral and/or Fractionation Regime for tax debts administered by SUNAT ("RAF"), which constitute income of the Public Treasury or ESSALUD, has been established.

Through Supreme Decree No. 144-2021-EF, the possibility for SUNAT to grant deferral and/or installment payments for the amount of the tax debt contained in a resolution of loss of the Deferment and/or Installment Regime (RAF), approved by DL No. 1487, is established as a temporary exception to the application of paragraph b) of Article 36 of the Tax Code. As of September 30, 2022, the Fund has no debts that imply the use of this regime.

### **M. Availability of funds from drawdown accounts (COVID\_19 Rule)**

## **Notes to the Financial Statements September 30, 2022**

Superintendence Resolution No. 058-2020/SUNAT, published on March 18, 2020, established an emergency procedure to request the free disposal of the amounts deposited in the deduction account, through SUNAT-Operaciones en Línea, between March 23 and April 7, 2021. The Fund did not request it.

### **N. Non-application of Penalties for Violations committed during the State of Emergency (COVID\_19 Rule)**

Superintendence Resolution No. 008-2020-SUNAT/700000, published on March 18, 2020, provided for the application of SUNAT discretionary power for this entity not to sanction tax violations incurred by tax debtors during the State of National Emergency. In this order, Resolution of Superintendency No. 78-2021/SUNAT is issued, which establishes that those tax debtors included in the General Regime and other regimes, whose net income for the fiscal year prior to that of the declaration for which the infraction is incurred, does not exceed 150 UIT (for 2020), there will be a gradual reduction of 100% of the fine in case they incur in the infraction typified in numeral 1 of Article 176 of the Tax Code (failure to file the sworn tax returns within the established terms), provided that they correct the infraction by filing the omitted return voluntarily, that is to say, before any notification from SUNAT indicating that the infraction has been incurred.

### **O. Interest Rate applicable to taxes administered or collected by SUNAT (COVID\_19 Rule)**

By means of Superintendence Resolution No. 066-2020/SUNAT, published on June 30, 2020, a reduction has been established to the moratorium interest rates of tax debts ("TIM"), as well as the interest rates corresponding to refunds, moratorium interest rates: Reduction from 1.2% to 1% per month (debts in national currency); among others, as well as repayment interest rates: reduction from 0.5% to 0.42% per month (refunds in national currency) (maintaining the TIM for withholdings and receipts of the General Sales Tax not applied), among others.

By means of Superintendence Resolution No. 044-2021/SUNAT, published on June 30, 2021, a reduction has been established to the moratorium interest rates of tax debts ("TIM"), moratorium interest rates: Reduction from 1% to 0.9% per month (debts in local currency); among others.

### **P. Deduction of provisions related to direct credits with higher than normal risk in the case of companies of the financial system.**

SUNAT points out that in the case of companies of the financial system regulated by Law No. 26702, the deficit of provisions related to direct credits with respect to which a higher than normal risk has been identified, corresponding to fiscal years 2014 to 2016 and recorded in fiscal year 2017 against the legal reserve, by express provision of the SBS, is not deductible for the determination of their net income in any of said taxable years.

### **Q. Reprogrammed Loans - COVID 19 and its regulation with Income Tax:**

By means of Ministerial Resolution No. 384-2021-EF/15, it is resolved that the provisions for Reprogrammed Loans - COVID 19 referred to in the Ninth Final and Transitory Provision of the Regulation for the Evaluation and Classification of the Debtor and the Requirement of Provisions, approved by SBS Resolution No. 11356-2008, amended by SBS Resolution No. 03922- 2021, jointly comply with the requirements set forth in Article 37, subparagraph h) of the Income Tax Law, regulated by Article 21, subparagraph e) of the Income Tax Law Regulations.

## Notes to the Financial Statements September 30, 2022

### R. **Decrease in VAT (%) for companies in the area of restaurants, hotels and tourist accommodation:**

Under Law No. 31556, the Value Added Tax (VAT) rate is reduced to 10% for taxpayers categorized as micro and small businesses engaged in the activities of restaurants, hotels, tourist accommodation, catering services and food concessionaires. As for the validity of the rule, it will be from 09.01.2022 to 12.31.2024; therefore, it is important to consider, in view of this decrease of the % of the VAT, what is indicated by Article 2 of Law 31566 as a whole the Supreme Decree No. 237-2022-EF that regulates Law 31556.

### S. **Amendments to the law to combat evasion and to formalize the economy in force from 04.01.2022**

Legislative Decree No. 1529 provides that obligations that are fulfilled by the payment of sums of money in excess of two thousand soles (S/ 2,000) or five hundred United States dollars (US\$ 500) must be paid using the Means of Payment, even if they are cancelled by partial payments less than these amounts.

### T. **Legislative Decree No. 1523 incorporates into Article 87 of the Tax Code obligations for administrators, including:**

- Provide data and access profiles to the electronic data processing system (accounting operations).
- Provide the necessary data to know the programs, files on magnetic media or any other nature.
- Provide access profiles to the electronic data processing system with which the tax debtor subject to control or verification registers his accounting transactions whenever such system has such an option.
- Keep electronic, computer systems and other digital technologies active while actions are carried out through these.

## 20. **Risks and Contingent Commitments**

As of September 30, 2022 and December 31, 2021, the risks and contingent commitments correspond to the portion covered by the Portfolio Fund sold in 2007 to BBVA Banco Continental, Banco de Crédito del Perú, Banco Internacional del Perú - Interbank and Scotiabank Perú S.A.A. These are being updated due to the recovery of the portfolio.

## 21. **Interest Income and Expenses**

This caption includes:

<i>In thousands of Soles</i>	<b>09.30.2022</b>	<b>09.30.2021</b>
<b>Interest Income</b>		
Available	42,837	2,221
Held-to-maturity	7,699	8,711
Direct loan portfolio	5,157	3,566
Accounts receivable <b>(a)</b>	411,390	362,397
Other financial income	82	94
	<b>467,165</b>	<b>376,989</b>



## Notes to the Financial Statements September 30, 2022

<b>Interest expenses</b>		
Securities and bonds outstanding	203,890	181,239
PBP (capital) granted by the Fund <b>(b)</b>	28,731	27,373
Debts and financial obligations	47,839	9,873
PBP (capital and interest) - Trust CRC and PBP	2,183	1,388
	<b>282,643</b>	<b>219,873</b>

(a) As of September 30, 2022 and 2021, this caption corresponds to the interest on accrued returns of the Trust – COFIDE by S/ 419,907,000 and S/ 371,375,000, respectively, which includes the accrued interest of the reprogrammed portfolio by S/ 955,000 and S/ 1,977,000, respectively, net of interest proceeds of the Good Payer Award Bonus by S/ 10,412,000 and S/ 12,753,000, respectively.

(b) As of September 30, 2022 and 2021, this caption corresponds mainly to the Good Payer Award for Traditional Housing and New Housing Credits of S/ 5,522,000 and S/ 14,559,000, respectively (as of September 30, 2021 of S/ 7,402,000 and S/ 15,000,000 respectively).

## 22. Income from and expenses for financial services

This caption includes:

<i>In thousands of Soles</i>	<b>09.30.2022</b>	<b>09.30.2021</b>
<b>Income from financial services</b>		
Commission for CRC and PBP services	1,552	2,254
Execution of letters of guarantee constituted by technical entities - BFH and family savings	721	-
Commission for operating MVCS subsidies	331	575
Other	214	442
	<b>2,818</b>	<b>3,271</b>
<b>Expenses for financial services</b>		
Trust expenses and Trust Commissions	(134)	(136)
Miscellaneous expenses	(1,301)	(1,682)
	<b>(1,435)</b>	<b>(1,818)</b>

## 23. Results on financial operations

This caption includes:

<i>In thousands of Soles</i>	<b>09.30.2022</b>	<b>09.30.2021</b>
Net income in financial Prod. from trading derivatives	(1,734)	(460)
Net loss from financial Prod. from derivative hedge	(79,996)	(66,663)
Loss (Gain) on exchange difference	906	1,859
Other	2,619	237
<b>Results from financial operations</b>	<b>(78,205)</b>	<b>(65,027)</b>

## 24. Administrative Expenses

This caption includes:

<i>In thousands of Soles</i>	<b>09.30.2022</b>	<b>09.30.2021</b>
Personnel and Board of Directors expenses (a)	22,800	20,755
Services received from third parties (b)	16,402	15,691
Taxes and contributions	451	288



## Notes to the Financial Statements September 30, 2022

	<b>39,653</b>	<b>36,734</b>
--	---------------	---------------

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

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Salaries	9,065	9,085
Workers' profit sharing	3,209	2,420
Gratuities	1,650	1,659
Social security	1,397	1,469
Bonuses as per Management agreement	1,116	0
Other Bonuses	734	1,922
Severance indemnity	977	111
Compensation for time of services	969	974
Food Services	664	689
Vacation	854	861
Internship Subsidy	770	646
Training	200	74
Allowances to the Board of Directors	194	246
Staff clothing	293	0
Oncology insurance	98	113
Other	610	486
	<b>22,800</b>	<b>20,755</b>

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

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
Advertising	727	733
Property and good rentals	2,209	2,091
Fees and consultancy	1,183	1,636
Expenses related to bonds issued	2,642	1,498
Repair and Maintenance	1,691	1,487
Miscellaneous management services	1,375	1,039
ICT Project Expenses	1,239	3,583
Communications	841	781
Telemarketing services	749	1,176
Travel expenses	187	7
Transport	308	27
Insurance	1,291	754
Document storage	153	144
Supplies	257	53
Other expenses	1,550	682
	<b>16,402</b>	<b>15,691</b>

## 25. Other Income and Expenses

<i>In thousands of Soles</i>	<b>2022</b>	<b>2021</b>
<b>Other income</b>		
Interest from Ex - CONEMINSA portfolio	67	61
Interest from Ex - PrestaPerú portfolio	0	3,981
Reversal of Trust Prov. Cofide-Portfolio sold 2007	480	676
Other income	1,220	641

## Notes to the Financial Statements September 30, 2022

	<b>1,767</b>	<b>5,359</b>
Other expenses		(171)
<b>Total other income and expenses, net</b>	<b>1,767</b>	<b>5,188</b>

## 26. Contingencies

As of September 30, 2022 and 2021, 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/ 1,949,000 as of September 30, 2022 (S/ 1,404,000 as of December 31, 2021). As well as by Litigation Processes the amount of S/ 21,000 (thousands 0.00 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, 2022 and December 31, 2021, is adequate to cover any losses that may be generated.

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 activities of the Fund are mainly related to the credit placement of its resources through IFI of the country for the acquisition of housing by natural persons. 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 BFH) and its own resources, investing these funds mainly, in interest-bearing demand deposits and time 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 regard, 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.

- **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 positions on and off- statement of financial position derived from variations on interest rates, exchange rates, prices of equity instruments and other market prices, which affect the valuation of positions in financial instruments.

## **Notes to the Financial Statements**

### **September 30, 2022**

- **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 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 managerial and governance structure that allows it to adequately articulate the management and control of the risks it is exposed to.

#### ***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 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 (henceforth "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 a minimum of three directors and a maximum of five directors: the Chairman of the Board, the General Manager and the Risk Manager. In the absence of the Chairman, one of the Directors chairs the Committee by agreement of the members present at the meeting. 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 (henceforth "the Special Committee") is a collegiate body created in a Board session. 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 monitoring the proper functioning of the internal control system. The Committee is comprised of three members who do not hold executive positions in the Fund.

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

## **Notes to the Financial Statements**

### **September 30, 2022**

The Special Committee meets at least once a month and reports quarterly to the Board 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. It manages and coordinates the efforts of the different managements and offices, ensuring an adequate balance between risk and profitability. The 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 by 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. Provides independent services, and assurance and consultation objectives. Assists to the Fund in achieving its objectives 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 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**

## **Notes to the Financial Statements**

### **September 30, 2022**

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 profit and loss, 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 Earnings at Risk (EAR) and Value at Risk (VAR), which are indicators of short and long term structural rate risk, respectively.

As of September 30, 2022 and December 31, 2021, the Fund monitors that the gains at risk are below the regulatory limit of 5 percent of the Fund's net equity. In addition, the Fund has an internal limit of 20 percent for the regulatory calculation and an internal limit of 20 percent for the internal calculation.

As of September 30, 2022, the interest rate risk of the fixed income portfolio is monitored through the calculation of the market value of each investment instrument 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



## **Notes to the Financial Statements September 30, 2022**

Interest Rate Risk - Gain at Risk" and the 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.

## Notes to the Financial Statements September 30, 2022

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

<i>In thousands of Soles</i>	September 2022						Total
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Non-interest- bearing	
<b>Assets</b>							
Available	1,545,632	39,906	91,921	-	82	-	1,677,541
Held-to-maturity	-	1,419	71,702	45,366	63,268	-	181,755
Accounts Receivable, Net (Trust Agreement - COFIDE)	49,711	108,976	466,222	3,102,638	5,682,974	-	9,410,521
Loan portfolio, net	274	573	2,428	13,292	11,770	-	28,337
Other accounts receivable, net	-	-	-	-	70,624	-	70,624
Hedging derivatives	-	-	-	-	-	238,575	238,575
Other assets, net	-	-	-	-	-	97,108	97,108
<b>Total assets</b>	<b>1,595,617</b>	<b>150,874</b>	<b>632,273</b>	<b>3,161,296</b>	<b>5,828,718</b>	<b>335,683</b>	<b>11,704,461</b>
<b>Liabilities and Equity</b>							
Obligations with the public	-	-	478	-	-	-	478
Debts and financial obligations	29	31,990	81,822	951,522	435,509	-	1,500,872
Securities and bonds outstanding	-	-	744,073	4,693,377	-	-	5,437,450
Hedging derivatives	-	-	-	-	-	45,358	45,358
Other accounts payable, provisions and other liabilities	836,220	-	-	-	-	369,869	1,206,089
Stockholders' equity	-	-	-	-	-	3,514,215	3,514,215
<b>Total liabilities and equity</b>	<b>836,249</b>	<b>31,990</b>	<b>826,373</b>	<b>5,644,899</b>	<b>435,509</b>	<b>3,929,442</b>	<b>11,704,462</b>
Off-balance sheet items:							
Hedge derivatives financial instruments – Assets	-	-	-	-	-	3,614,194	3,614,194
Hedge derivatives financial instruments – Liability	-	-	-	-	-	130,201	130,201
<b>Marginal gap</b>	<b>759,368</b>	<b>118,884</b>	<b>(194,100)</b>	<b>(2,483,603)</b>	<b>5,393,209</b>	<b>(109,766)</b>	<b>3,483,992</b>
<b>Accumulated gap</b>	<b>759,368</b>	<b>878,252</b>	<b>684,152</b>	<b>(1,799,451)</b>	<b>3,593,758</b>	<b>3,483,992</b>	

## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	December 2021						Total
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Non-interest- bearing	
<b>Assets</b>							
Available	1,181,713	-	-	-	41	-	1,181,754
Held-to-maturity	-	1,360	31,190	156,423	69,096	-	258,069
Accounts Receivable, Net (Trust Agreement - COFIDE)	46,814	98,393	445,874	2,918,808	5,114,645	-	8,624,534
Loan portfolio, net	308	633	2,809	15,520	15,340	-	34,610
Other accounts receivable, net	-	-	-	-	33,744	-	33,744
Hedging derivatives	-	-	-	-	-	824,861	824,861
Other assets, net	-	-	-	-	-	64,780	64,780
<b>Total assets</b>	<b>1,228,835</b>	<b>100,386</b>	<b>479,873</b>	<b>3,090,751</b>	<b>5,232,866</b>	<b>889,641</b>	<b>11,022,352</b>
<b>Liabilities and Equity</b>							
Obligations with the public	-	-	217	-	-	-	217
Debts and financial obligations	-	58,123	95,339	931,733	345,740	-	1,430,935
Securities and bonds outstanding	-	-	-	4,736,948	245,235	-	4,982,183
Hedging derivatives	-	-	-	-	-	30,213	30,213
Other accounts payable, provisions and other liabilities	860,281	-	-	-	-	247,010	1,107,291
Stockholders' equity	-	-	-	-	-	3,471,513	3,471,513
<b>Total liabilities and equity</b>	<b>860,281</b>	<b>58,123</b>	<b>95,556</b>	<b>5,668,681</b>	<b>590,975</b>	<b>3,748,736</b>	<b>11,022,352</b>
Off-balance sheet items:							
Hedge derivatives financial instruments – Assets	-	-	-	-	-	3,446,383	3,446,383
Hedge derivatives financial instruments – Liability	-	-	-	-	-	258,629	258,629
<b>Marginal gap</b>	<b>368,554</b>	<b>42,263</b>	<b>384,317</b>	<b>(2,577,930)</b>	<b>4,641,891</b>	<b>328,659</b>	<b>3,187,754</b>
<b>Accumulated gap</b>	<b>368,554</b>	<b>410,817</b>	<b>795,134</b>	<b>(1,782,796)</b>	<b>2,859,095</b>	<b>3,187,754</b>	



## Notes to the Financial Statements September 30, 2022

### ***Sensitivity to changes in interest rates***

The sensitivity of the income statement, as well as the valuation of the nontrading book in the face of various interest rate fluctuations are shown. Fluctuations affect both the expected flows and the value of the balances.

In the case of the income statement, the calculation reflects the expected variation of the financial margin for a period equivalent to one year. For that purpose, the Fund takes into account the current position of revenues and expenses, and annualizes the effect of the interest rates variations. 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, 2022 and December 31, 2021, are the following:

<i>In thousands of Soles</i>	September 2022				
	Changes in basis points	Net income sensitivity		Equity Sensitivity	
US Dollars	+/-25	+ / -	109	+ / -	(69)
US Dollars	+/-50	+ / -	217	+ / -	(139)
US Dollars	75	+	326	+	(208)
US Dollars	100	+	435	+	(277)
Soles	+/- 50	- / +	2,513	- / +	18,429
Soles	+/-75	- / +	3,769	- / +	27,644
Soles	+/-100	- / +	5,026	- / +	36,858
Soles	+/-150	- / +	7,539	- / +	55,287



## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	December 2021				
	Changes in basis	Net income sensitivity		Equity Sensitivity	
	points				
US Dollars	+/-25	+ / -	(148)	+ / -	(4)
US Dollars	+/-50	+ / -	(297)	+ / -	(8)
US Dollars	75	+	(445)	+	(11)
US Dollars	100	+	(593)	+	(15)
Soles	+/- 50	- / +	4,644	- / +	18,067
Soles	+/-75	- / +	6,967	- / +	27,101
Soles	+/-100	- / +	9,289	- / +	36,135
Soles	+/-150	- / +	13,933	- / +	54,202

### **i. Foreign exchange 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 rates movements.

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 as of an internal hedge limit, which is in the range of 95 percent and 105 percent 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 percent 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 maximum expected losses.

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



## Notes to the Financial Statements September 30, 2022

<i>In thousands of Soles</i>	<b>September 2021</b>		<b>December 2021</b>	
Internal model	6,566	0.19%	2,849	0.01%
Global Position	7,269	0.21%	7,308	0.22%

(\*) On June 1, 2018, the Regulation for Market Risk Management, approved by SBS Resolution No. 4906-2017, which amended the Accounting Manual with respect to Annex 9. "Affected Positions at Risk Exchange", came into force, replacing it with new Annex 9 "Results of Market Risk Measurement Models".

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

As of September 30, 2022, 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:

<i>In Soles</i>	<b>Symbol</b>	<b>03.31.2022</b>	<b>12.31.2021</b>
US Dollars	US\$	3.981	3.987
Euros	EUR	3.899883	4.538936

## Notes to the Financial Statements September 30, 2022

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 balance sheet "spot" positions and also derivative positions.

Below are the sensitivities for the case of the variation of the US dollar and euro. Negative changes represent potential losses while positive changes represent potential gains.

<i>In thousands of Soles</i>	<b>Changes in Exchange Rates</b>	<b>September 2022</b>	<b>December 2021</b>
<b>Sensitivity analysis</b>			
<b>Revaluation</b>			
US Dollar	5%	(431)	(367)
US Dollar	10%	(863)	(735)
<b>Devaluation</b>			
US Dollar	5%	431	367
US Dollar	10%	863	735

<i>In thousands of Soles</i>	<b>Changes in Exchange Rates</b>	<b>September 2022</b>	<b>December 2021</b>
<b>Sensitivity analysis</b>			
<b>Revaluation</b>			
Euros	5%	69	2
Euros	10%	137	4
<b>Devaluation</b>			
Euros	5%	(69)	(2)
Euros	10%	(137)	(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 case of 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 takeover.

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, 2022**

### **C. Credit risk**

It is defined as the likelihood of incurring in financial losses originated by 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, 2022 and December 31, 2021, the Fund Management has estimated that the maximum amount of credit risk to which the Fund is exposed is represented by the book values 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 financial derivative instruments and other monetary assets. Exposure by each counterparty is limited by internal and regulatory guidelines.

In this regard, as of September 30, 2022 and December 31, 2021 the:

- 100% of the accounts receivable, net (Trust Agreement - COFIDE) are classified, according to IFI risk, into the two upper levels defined by the SBS (Note 7).
- 67.68% and 81.34%, 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 99.34%, 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 No. 11356-2008 "Regulation for the evaluation and classification of the debtor and the requirement of provisions" and their modifications. See Note 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.

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,

## Notes to the Financial Statements September 30, 2022

(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. 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, 2022 and December 31, 2021 the US dollar portfolio represents 0.41% and 0.64% of the total portfolio, respectively).

September 30, 2022 and December 31, 2021, the maximum level of credit risk exposure of the accounts receivable fund (Trust Agreement - COFIDE) is S/ 9,606,377,000 and S/ 8,822,477,000 and S/ 8,066,891,000, respectively, corresponding to its balances as of such dates.

In accordance with the Resource Channeling Agreement between the Fund and the IFI, the IFI is responsible for ensuring that sub loans are secured by a mortgage.

Due to its role as trustee, COFIDE has mechanisms through the channeling contracts of resources 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 is carried out by the 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, 2022 and December 31, 2021, Accounts Receivable (Trust Agreement – COFIDE) without CRC, classified by IFI Risk are as follow:

<i>In thousands of Soles</i>	<b>2021</b>		<b>2021</b>	
Normal	7,101,602	100.55%	6,571,687	100.70%
With potential problem	11,254	0.16%	613	0.01%
	7,112,856	<b>100.71%</b>	<b>6,572,300</b>	<b>100.71%</b>
Provision for credits of doubtful accounts receivable (Trust Agreement – COFIDE)	50,001	(0.71%)	46,023	(0.71%)
	<b>7,062,855</b>	<b>100.00%</b>	<b>6,526,277</b>	<b>100.00%</b>

## Notes to the Financial Statements September 30, 2022

### 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:

<i>In thousands of Soles</i>	September 2022				December 2021			
	Available-for-sale Investments		Held-to-maturity Investments		Available-for-sale Investments		Held-to-maturity Investments	
<b>Instruments issued and rated in Peru</b>								
AAA	-	-	-	-	-	-	-	-
AA- a AA+	-	-	81,448	55.65%	-	-	85,856	41.51%
CP-1(+/-)	-	-	-	-	-	-	-	-
CP-2(+/-)	-	-	-	-	-	-	-	-
	-	-	<b>81,448</b>	<b>55.65%</b>	-	-	<b>85,856</b>	<b>41.51%</b>
<b>Instruments issued in Peru and rated abroad</b>								
A- a A+	-	-	-	-	-	-	-	-
BBB- a BBB+	35,063	99.06%	31,343	21.42%	50,488	98.52%	86,769	41.95%
BB- a BB+	-	-	31,706	21.66%	-	-	31,482	15.22%
	<b>35,063</b>	<b>99.06%</b>	<b>63,049</b>	<b>43.08%</b>	<b>50,488</b>	<b>98.52%</b>	<b>118,251</b>	<b>57.17%</b>
<b>Instruments issued and classified abroad</b>								
BBB- a BBB+	-	-	-	-	-	-	-	-
CP-1(+/-)	-	-	-	-	-	-	-	-
CP-2(+/-)	-	-	-	-	-	-	-	-
	35,063	99.06%	144,497	98.73%	50,488	98.52%	204,107	98.69%
Accrued income	333	0.94%	1,862	1.27%	757	1.48%	2,716	1.31%
	<b>48,126</b>	<b>100.00%</b>	<b>155,187</b>	<b>100.00%</b>	<b>51,245</b>	<b>100.00%</b>	<b>206,823</b>	<b>100.00%</b>

## Notes to the Financial Statements September 30, 2022

### Financial instruments exposed to credit risk - Concentration

As of September 30, 2022 and December 31, 2021, the financial instruments exposed to credit risk were distributed according to the following economic sectors:

	September 2022					December 2021				
	Designated at fair value through profit or loss	Accounts receivable	Available-for- sale investments	Held-to- maturity Investments	Total	Designated at fair value through profit or loss	Accounts receivable	Available-for- sale investments	Held-to- maturity Investments	Total
<i>In thousands of Soles</i>	Held for trading or hedging purposes					Held for trading or hedging purposes				
Financial services	238,597	11,102,081	35,063	40,655	11,416,396	824,861	9,736,525	50,488	52,796	10,664,670
Central Government	-	-	-	31,343	31,343	-	-	-	31,341	31,341
Electricity, gas and water	-	-	-	40,793	40,793	-	-	-	88,489	88,489
Construction	-	-	-	31,706	31,706	-	-	-	31,482	31,482
Other	-	91,719	-	-	91,719	-	33,744	-	-	33,744
	<b>238,597</b>	<b>11,193,800</b>	<b>35,063</b>	<b>144,497</b>	<b>11,611,957</b>	<b>824,861</b>	<b>9,770,268</b>	<b>50,488</b>	<b>204,108</b>	<b>10,849,725</b>
Interest	-	14,383	333	1,862	16,578	-	13,762	757	2,716	17,235
	<b>238,597</b>	<b>11,208,183</b>	<b>35,396</b>	<b>146,359</b>	<b>11,628,535</b>	<b>824,861</b>	<b>9,784,030</b>	<b>51,245</b>	<b>206,824</b>	<b>10,866,960</b>





## Notes to the Financial Statements September 30, 2022

As of September 30, 2022 and December 31, 2021, credit risk exposure is geographically distributed as follows:

	September 2022					December 2021				
	Designated at fair value through profit or loss Held for trading or hedging purposes	Accounts receivable	Available-for- sale investments	Held-to- maturity Investments	Total	Designated at fair value through profit or loss Held for trading or hedging purposes	Accounts receivable	Available-for- sale investments	Held-to- maturity Investments	Total
<i>In thousands of Soles</i>										
Peru	14,454	11,193,800	35,063	144,497	11,387,814	118,303	9,770,268	50,488	204,107	10,143,166
United States of America	126,789	-	-	-	126,789	337,719	-	-	-	337,719
Germany	24,135	-	-	-	24,135	24,073	-	-	-	24,073
Canada	402	-	-	-	402	7,216	-	-	-	7,216
United Kingdom	72,817	-	-	-	72,817	337,550	-	-	-	337,550
Spain	-	-	-	-	-	-	-	-	-	-
	238,597	11,193,800	35,063	144,497	11,611,957	<b>824,861</b>	<b>9,770,268</b>	<b>50,488</b>	<b>204,108</b>	<b>10,849,725</b>
Interest	-	14,383	333	1,862	16,578	-	13,762	757	2,716	17,235
	<b>238,597</b>	<b>11,208,183</b>	<b>35,396</b>	<b>146,359</b>	<b>11,628,535</b>	<b>824,861</b>	<b>9,784,030</b>	<b>51,245</b>	<b>206,824</b>	<b>10,866,960</b>

## Notes to the Financial Statements September 30, 2022

The following presents the Fund's cash flows payable as of September 31, 2022 and December 31, 2021, according to contractual terms, the amounts disclosed are undiscounted, including accrued interest:

<i>In thousands of Soles</i>	September 2022					
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
<b>Financial liabilities by type</b>						
Obligations with the public	-	-	478	-	-	478
Debts and financial obligations	29	31,990	81,822	951,522	435,509	1,500,872
Securities and bonds outstanding	-	-	744,073	4,693,377	-	5,437,450
Other accounts payable	847,013	681	3,857	-	325,593	1,177,144
<b>Total non-derivative financial liabilities</b>	<b>847,042</b>	<b>32,671</b>	<b>830,230</b>	<b>5,644,899</b>	<b>761,102</b>	<b>8,115,944</b>
<b>Derivative financial liabilities (*)</b>						
Contractual amounts receivable (inflow)	77,179	34,076	837,864	2,842,540	-	3,791,659
Contractual amounts payable (outflow)	(85,499)	(50,064)	(749,139)	(3,153,695)	-	(4,038,397)
	<b>(8,320)</b>	<b>(15,988)</b>	<b>88,725</b>	<b>(311,155)</b>	<b>-</b>	<b>(246,738)</b>

  

<i>In thousands of Soles</i>	December 2021					
	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
<b>Financial liabilities by type</b>						
Obligations with the public	-	-	217	-	-	217
Debts and financial obligations	-	58,123	95,339	931,733	345,740	1,430,935
Securities and bonds outstanding	-	-	-	4,736,948	245,235	4,982,183
Other accounts payable	869,184	5,047	716	-	201,066	1,076,013
<b>Total non-derivative financial liabilities</b>	<b>869,184</b>	<b>63,170</b>	<b>96,272</b>	<b>5,668,681</b>	<b>792,041</b>	<b>7,489,348</b>
<b>Derivative financial liabilities (*)</b>						
Contractual amounts receivable (inflow)	10,466	263,256	172,063	2,970,843	-	3,416,628



**Notes to the Financial Statements**  
**September 30, 2022**

Contractual amounts payable (outflow)	(40,774)	(252,235)	(208,385)	(2,346,059)	-	(2,847,453)
	<b>(30,308)</b>	<b>11,021</b>	<b>(36,322)</b>	<b>624,784</b>	<b>-</b>	<b>569,175</b>

## Notes to the Financial Statements September 30, 2022

### D. Capital management

As of September 30, 2022 and December 31, 2021, the Fund has complied with Legislative Decree No. 1028 and with Resolutions SBS No. 2115-2009, No. 6328-2009, No. 14354-2009, No. 8425-2011, No. 4128-2014 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 can be exchanged between a knowledgeable buyer and seller, 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 inputs.

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. Positions valued at market prices consider mainly investments that are traded in centralized mechanisms. 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 book value** - For financial assets and liabilities that are liquid or have short-term maturities (less than three months), the book value is considered to be similar to their fair value. This assumption also applies to time 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 No. 1575-2014, corresponds to their book value.

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

The following table presents an analysis of the financial instruments that are measured at fair value as of September 30, 2022 and December 31, 2021, including the level of the fair value hierarchy. The amounts are based on the values recognized in the statement of financial position:

In thousands of Soles	September 2022				December 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								

## Notes to the Financial Statements September 30, 2022

Available-for-sale investments	- 35,396	- 35,396	- 51,245	- 51,245
Hedging derivatives	- 238,575	- 238,575	- 824,861	- 824,861
	- 273,971	- 273,971	- <b>876,106</b>	- <b>876,106</b>
<b>Financial liabilities</b>				
Hedging derivatives	- 45,358	- 45,358	- 30,213	- 30,213

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.

During the years 2022 and 2021, no financial instruments have been transferred from Level 2 to Level 1 or Level 3.

### ii. **Financial instruments not measured at fair value**

The following is a comparison of the carrying amounts and fair values of financial instruments not measured at fair value in the statement of financial position as of September 30, 2022 and December 31, 2021:

<i>In thousands of Soles</i>	<b>September 2022</b>		<b>December 2021</b>	
	<b>Fair Value</b>	<b>Book value</b>	<b>Fair Value</b>	<b>Book value</b>
<b>Assets</b>				
Available	1,677,541	1,677,541	1,181,754	1,181,754
Held-to-Maturity Investments	140,702	146,359	212,579	206,823
Accounts Receivable, Net (Trust Agreement - COFIDE)	9,410,522	9,410,522	8,624,535	8,624,535
Loan portfolio, net	28,337	28,337	34,611	34,611
Other accounts receivable, net	91,783	91,783	33,744	33,744
	<b>11,348,885</b>	<b>11,354,542</b>	<b>10,087,223</b>	<b>10,081,467</b>
<b>Liabilities</b>				
Obligations with the public	478	478	217	217
Debts and financial obligations	1,500,872	1,500,872	1,430,935	1,430,935
Securities and bonds outstanding	5,091,370	5,437,450	5,298,130	4,982,183
Other accounts payable	1,177,144	1,177,144	1,076,013	1,076,013
	<b>7,769,864</b>	<b>8,115,944</b>	<b>7,805,295</b>	<b>7,489,348</b>

### 29. Subsequent Events

Since September 30, 2022 as of the date of this document, no significant events have occurred that affect the financial statements.