

## **PROFONANPE**

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Financial statements audit report as of  
December 31, 2019

**PROFONANPE**

**INDEPENDENT AUDITOR'S OPINION**

**FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2019, AND 2018**

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## INDEPENDENT AUDITOR'S OPINION

To the members of the Board of Directors and Executive Director  
**PROFONANPE**

October 09, 2020

1. We have audited the accompanying financial statements of **PROFONANPE** which comprise the statements of financial position as of December 31, 2019 and 2018 the statement of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes from 1 to 23.

Management's responsibility for the financial statements -

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with general accepted accounting principles in Peru. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility –

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with international standards on auditing approved in Peru by the Board of Deans of Colleges of Public Accountants of Peru. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the **PROFONANPE** preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**PROFONANPE**

Opinion –

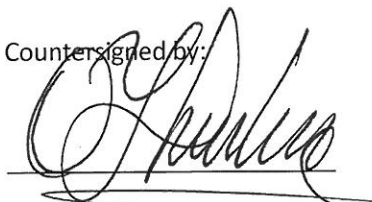
5. In our opinion, the financial statements above indicated present fairly, in all material respects, the financial position of **PROFONANPE** as of December 31, 2019 and 2018, as well as its financial performance and its cash flows for the years then ended, in accordance with accounting principles described in Note 2 to the audited financial statements.

Matter of importance –

6. According to the principles and practices used by **PROFONANPE** for the accounting registration of funds from Agreements financed by International Cooperation Agencies, in which it acts as manager of donated financial resources and in other cases derive these to other Government entities or non-profit associations for the realization of projects on conservation and management of the environment, funds received and expenses executed are recorded through assets accounts (Cash and Cash Equivalents, Other Accounts Receivable and Financial Investment) and liabilities (Management Funds), which is why they are not included as revenue or as expense in the statement of comprehensive income for the period.

Lima, Peru  
October 09, 2020

Countersigned by:



Oswaldo Fonseca Luna (Partner)  
Collegiate Public Accountant  
Registration N° 8095

*Fonseca, Camargo & Associates*

**PROFONANPE**

**STATEMENT OF FINANCIAL POSITION**  
AS OF DECEMBER 31, 2019 AND 2018  
(In American Dollars)

<b>ASSETS</b>				<b>LIABILITIES AND EQUITY</b>			
	Notes	2019	2018		Notes	2019	2018
<b>CURRENT ASSETS</b>				<b>CURRENT LIABILITIES</b>			
Cash and cash equivalents	3	7,943,927	7,888,229	Accounts payable	9	1,646	-
Other accounts receivable, current	4	251,194	148,459	Other accounts payable, current	10	399,509	320,623
Prepaid expenses	5	75,274	46,376	Total Current Liabilities		<u>401,155</u>	<u>320,623</u>
Total Current Assets		<u>8,270,395</u>	<u>8,083,064</u>				
<b>NON-CURRENT ASSETS</b>				<b>NON-CURRENT LIABILITIES</b>			
Financial investments	6	46,436,677	41,428,931	Accounts payable, non-current	10	233,923	233,923
Furniture and equipment, net	7	54,489	46,732	Management funds	11	54,562,312	49,425,810
Other accounts receivable non-current	7	233,923	233,923	Total Non-Current Liabilities		<u>54,796,235</u>	<u>49,659,733</u>
Intangibles, net	8	89,207	99,744	Total Liabilities		<u>55,197,390</u>	<u>49,980,356</u>
Total Non-Current Assets		<u>46,814,296</u>	<u>41,809,330</u>				
				<b>EQUITY</b>			
				Retained Earnings	12	(112,699)	(87,962)
				Total Equity		<u>(112,699)</u>	<u>(87,962)</u>
Total Assets		<u>55,084,691</u>	<u>49,892,394</u>	Total Liabilities and Equity		<u>55,084,691</u>	<u>49,892,394</u>
Off-Balance sheet accounts	13	<u>688,427</u>	<u>652,569</u>	Off-Balance sheet accounts	13	<u>688,427</u>	<u>652,569</u>

The accompanying notes from page 8 to 30 are part of the financial statements.

**PROFONANPE**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**  
(In American Dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
REVENUES			
Management income	14	771,857	1,189,091
Other income	14	<u>66,316</u>	<u>34,728</u>
Total revenues		838,173	1,223,819
EXPENSES			
Administrative expenses	15-18	(819,088)	(1,309,934)
Provisions	19	<u>(21,927)</u>	<u>(18,245)</u>
Total expenses		<u>(841,015)</u>	<u>(1,328,179)</u>
Gross profit		(2,842)	(104,360)
OTHER INCOME (EXPENSES)			
Financial income and expenses, net	20	<u>(21,632)</u>	<u>(14,287)</u>
		<u>(21,632)</u>	<u>(14,287)</u>
Integral Result		<u>(24,474)</u>	<u>(118,647)</u>

The accompanying notes from page 8 to 30 are part of the financial statements.

**PROFONANPE**

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(In American Dollars)

	Net income	Retained earnings	Total
<b>Balance at December 31, 2017</b>	(76,709)	105,776	29,067
Previous years adjustments	76,709	(75,091)	1,618
Results of the year	(118,647)	-	(118,647)
<b>Balance at December 31, 2018</b>	(118,647)	30,685	(87,962)
Previous years adjustments	-	( 263)	( 263)
Results of the year	( 24,474)	-	( 24,474)
<b>Balance at December 31, 2019</b>	(143,121)	30,422	(112,699)

The accompanying notes from page 8 to 30 are part of the financial statements.

**PROFONANPE**

**STATEMENT OF CASH FLOW**  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018  
(In American Dollars)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income by investment funds and portfolio	16,027,075	10,786,103
Income by contributions of institutional development, grants and management of portfolio	771,857	1,082,490
Financial income	-	2,650
Other collections related to activity	596,405	102,253
	<u>17,395,337</u>	<u>11,973,496</u>
Less:		
Payment to suppliers	(6,146,801)	(3,636,334)
Payment of wages	(2,171,158)	(1,494,346)
Payment of taxes	(755,845)	(533,008)
Administrative transfer of projects and sub grants	(2,303,010)	(2,520,693)
Other accounts payable related to activity	(5,939,338)	(2,727,745)
<b>Cash and cash equivalents provided by operating activities</b>	<u>(17,316,152)</u>	<u>(10,912,126)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase of fixed asset by purchases	(23,487)	(1,073)
Increase in intangible assets of purchases	-	(101,609)
<b>Cash and cash equivalents provided by financing activities</b>	<u>(23,487)</u>	<u>(102,682)</u>
Net increase of cash and cash equivalents	55,698	958,688
Cash at the beginning of the year	<u>7,288,229</u>	<u>6,929,541</u>
Cash at the end of the year	<u><u>7,943,927</u></u>	<u><u>7,888,229</u></u>

The accompanying notes from page 8 to 30 are part of the financial statements.



## **PROFONANPE**

### **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

#### **1. GENERAL INFORMATION**

##### **1.1 Identification**

The Peru's Fund for the Promotion of Protected Areas (hereinafter PROFONANPE), is a non-profit institution of private law and public and social interest, established by Law Decree N° 26154 dated December 29, 1992, to manage the National Fund for Natural Areas protected by the Government, whose regulation was approved by Supreme Decree N° 023-93-AG on July 13, 1993. The regulation of the PROFONANPE's social status was approved by its Board of Directors at the meeting dated August 25, 2009 and registered in the Public Records in Lima, Peru, on January 15, 2010. PROFONANPE is governed by its Statutes and by the rules of the Civil Code of Peru.

The legal address of PROFONANPE is located at Av. Javier Prado Oeste N° 2378, San Isidro, Lima – Peru.

##### **1.2 Economic activity**

Activities developed by PROFONANPE are outlined by Law N° 26154 and its regulations approved by the Executive Branch which establishes the National Fund for Natural Areas Protected by the Government – FONANPE, constituted as an intangible trust fund for conservation of natural protected areas. Such activities are aimed to the conservation, protection and management of Peru's protected areas, promoting conservation and sustainable development of influence zones, like the conservation of cultural and natural heritage included in the protected areas. The projects executed by PROFONANPE are funded by different International Cooperation Agencies and other non-profit organizations.

##### **1.3 Funds managed by PROFONANPE**

In compliance with its corporate purpose, PROFONANPE manages the trust fund established by Article 1 of Law N° 26154 aimed to the conservation, protection and management of natural areas protected by the Government. At December 31, 2017, PROFONANPE remains under its management a set of projects funded by International Technical Cooperation Agencies and Government Agencies through the form of an Exchange of External Debt for Nature, as well as private sector entities and include: Global Environment Facility – GEF; International Bank for Reconstruction and Development – BIRF, Interamerican Development Bank-IADB, International Fund for Agricultural Development – FIDA, KfW from Government of Germany and Green Fund Climate.

In the extraordinary session of April 26, 2019, the board of directors of PROFONANPE appointed the new executive director.

The detail of projects managed by PROFONANPE at December 31, 2019, is shown below:

Project Nº	Project description	Funding organization	Executing entity
PY - 002	Support to Protected Natural Areas (GEF I)	BIRF	PROFONANPE
PY - 005	Integral Management Plan for Buffer Zones of Forest Alto Mayo	External Debt Swap with Government of Germany	PROFONANPE
PY - 006	Development of Institutional Capacity - SI	Agreement Debt Conversion Germany	PROFONANPE
PY - 014	Conservation of Tropical Forests – ACBT.	External Debt Swap with Government of United States of America and NGO'	PRO NATURALEZA, AIDER and Others
PY - 015	Paracas National Reserve	PLUSPETROL Peru Corporation S.A.	SERNANP
PY - 020	Equity Fund – GPAN	GEF– BIRF	SERNANP-PROFONANPE
PY - 024	Awards Program Carlos F. Ponce	Foundation Blue Moon	PROFONANPE
PY - 026	Debt Conversion Canada	Canada	SERNANP - PROFONANPE
PY - 032	National Program of Protected Natural Areas	BIRF - KfW of Germany	SERNANP – GORES
PY - 033	Support to the Strengthening in RNPS.	PLUSPETROL North S.A.	SERNANP
PY - 035	Equity Fund PRONANP	GEF-BIRF	PROFONANPE
PY - 036	Project Effective Management ANP – SINANPE III	External Debt Swap with Government of Germany	SERNANP
PY - 037	Technical File Preparation Establishment in Natural Area Forest Cañaris - Lambayeque	GEF – FIDA	SERNANP/PROFONANPE
PY - 038	Mechanism for the payment for environmental services based on the hydric resource generated by National Reserve Aguada Blanca - RNSAB	REDLAC – FUNBIO	PROFONANPE
PY - 039	Sustainable Management of Protected Areas and Forests Sierra Norte.	GEF-FIDA	PROFONANPE
PY - 041	Portfolio Performance PRONANP- GEF	BIRF	PROFONANPE
PY - 045	Other	FUNBIO / REDLAC / UNEP	PROFONANPE
PY - 046	Territorial Order and sustainable Use of the Natural Resources in the Watersheds of Rivers Morona and Pastaza – Phase II.	External Debt Swap with Government of Germany	PROFONANPE
PY - 044	PRODERN II – Result 2	Belgian Technical Cooperation	SERNANP
PY - 047	Funding for the Permanence of System in ANP (SERNANP)	Foundation Gordon & Betty Moore	SERNANP
PY - 048	Performance PEAM	External Debt Swap with Government of Germany	PEAM
PY - 049	Development of Institutional Capacity SINANPE – Phase II	External Debt Swap with Government of Germany	PROFONANPE
PY - 052	Strengthening Sustainable Management of Islands Reserve	GEF-BIRF	SERNANP
PY - 053	Master Plan Implementation of the Communal Reserve of Amarakaeri – Phase II	Hunt Oil Exploration and Production Company	SERNANP
PY - 054	Dry Forest Component – Remnant	KfW Alemania	ECA-AMARAKAERI
PY - 055	Mitigation of Deforestation in the Chestnut Grants of Madre de Dios	BID	PROFONANPE
PY - 056	Tips and Islands Heritage Funds	GEF-BIRF	SERNANP
PY - 058	Mitigación de Deforestación de Concesiones	FIDA	PROFONANPE
PY - 059	FUNDESNAPE Agreement	CEPF-BIRF	PROFONANPE
PY - 060	Adaptation of the Impacts of Climate Change on the Coastal Marine Ecosystem of Peru	Adaptation fund	PROFONANPE
PY - 061	Strengthening Management In The Sierra Of The National Park Of The Divider	THE NEW VENTURE FUND	PROFONANPE
PY - 062	Humedales of Datem	GREEN CLIMATE FUND	PROFONANPE
PY - 063	Banano Carbono Neutral	FUNBIO	PROFONANPE
PY - 064	Vilcanota Polylepis	CI	PROFONANPE
PY - 065	Patrimonial Fund FIDA - MRESE	FIDA-GEF	PROFONANPE
PY - 066	PAN III	KfW – GERMANY	PROFONANPE
PY - 067	FORASAN	Junta Usuarios Bajo Piura	PROFONANPE
PY - 068	USFS-FOREST	US Forest Service	PROFONANPE
PY - 069	Nagoya Protocol	PUMA	PROFONANPE
PY - 071	National Park Management Yaguas	THE NEW VENTURE FUND	PROFONANPE

Project N°	Project description	Funding organization	Executing entity
PY – 072	Creation of Bioneering Model Base don Energy	KOICA	PROFONANPE
PY – 073	Adaptation to the impacts of climate change	ADAPTATION FUND	PROFONANPE
PY – 074	Ensuring the future of the ANP of Peru	GEF/WWF.T	PROFONANPE
PY – 075	READINES	GREEN CLIMATE FUND	PROFONANPE
PY - 076	Strengthening of Divisor management consolidated from PFP for SINANPE:	THE NEW VENTURE FUND	PROFONANPE
PY – 077	Natural Heritage	GORDON & BETTY FOUNDATION	
PY – 078	USFE FOREST – Phase II	US FOREST SERVICE	PROFONANPE
PY - 079	SIPAM Project	FAO	PROFONANPE
PY - 080	FONANPE	PROFONANPE	PROFONANPE
PY - 081	Agreement CEPF	CEPF	PROFONANPE
PY- 082	III Congress of ANP	-	PROFONANPE
PY- 083	READINESS II	Green Climate Fund	PROFONANPE
PY- 084	Strengthening MOORE	Fund Gordon & Betty Moore	PROFONANPE
PY- 085	Strengthening of SINANPE	Germany - KfW	PROFONANPE
PY- 086	SOS AMAZONÍA	-	PROFONANPE
PY- 087	HUMEDALES PNIPA I	PROFONANPE	PROFONANPE
PY- 088	USFS FOREST Phase III	US Forest Service	PROFONANPE
PY- 089	Portfolio PAN III	Germany - KfW	PROFONANPE
PY- 090	Initiative PDP	GEF - WWF	PROFONANPE
PY- 091	Effective Management of Parque Nacional de Yaguas, Phase III	New Venture Fund	PROFONANPE
PY- 092	Management Strengthening PN Sierra del Divisor, Phase III	New Venture Fund	PROFONANPE
PY- 093	READINESS III	Green Climate Fund	PROFONANPE

#### 1.4 New general guidelines for the Investment Portfolio and selection of Swiss UBP Bank

In the extraordinary session held on August 06, 2018, the Board of Directors approve the new general guidelines of PROFONANPE's investment portfolio, setting the ranges from 40% to 100% in fixed income financial assets; from 0% to 40% in variable income financial assets; and from 0% to 20% in alternative income financial assets.

In addition, the board of directors agreed to ratify the selection of the Swiss UBP Bank as administrator of the PRONANP portfolio, included in the FONANPE patrimonial fund.

#### 1.5 Merger by absorption of the National Environment Fund -FONAM

Emergency Decree N° 022-2020, provided that PROFONANPE, through the modality of merger by absorption, assume the assets, liabilities and assets of the National Environmental Fund -FONAM, which is a non-profit private law institution. In addition, the aforementioned decree empowers PROFONANPE to administer the resources collected from the National Fund for Natural Areas Protected by the State - FONANPE and entrusts it with the performance of the Technical and Financial Secretariat of the Management Board of the Contingency Fund for Environmental Remediation.

## **1.6 Approval of financial statements**

The financial statements for the year ended December 31, 2019 have been issued and will be submitted for approval of the Board of Directors, in accordance with literal I), article Fifteenth, Title III of the PROFONANPE' Bylaws. In the opinion of the Executive Management, the accompanying financial statements as of December 31, 2019, will be approved without modifications. Likewise, the financial statements for the year ended December 31, 2018 are pending approval, having delivered to the members of the Board of Directors, on August 06, 2018, a copy of the audit report of the institutional financial statements for the year ended December 31, 2018, with the minutes of compliance of the Audit Committee.

## **2. ACCOUNTING PRINCIPLES AND PRACTICES**

The accounting principles and practices applied in the preparation and presentation of these financial statements are detailed below. These principles and practices have been applied consistently in the years presented, unless otherwise indicated:

### **a) Basis of preparation and presentation of financial statements**

#### **(a.1) Basis of preparation**

The financial statements of for-profit companies are prepared in accordance with the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, officialized in a complete set by the Accounting Standards Board as of December 31, 2019, by resolution No. 003-2019-EF / 30 of September 19, 2019, as it is the national accounting entity that approves the accounting standards for the private sector, in accordance with legislative decree No. 1438.

The information contained in these financial statements are the responsibility of the management of PROFONANPE, who expressly confirms that for its presentation, accounting principles and practices applicable to non-profit associations in Peru have been applied. These financial statements arise from PROFONANPE's accounting records and have been prepared on the basis of historical cost.

#### **(a.2) Officialized standards by the Accounting Standards Council (ASC).**

The Accounting Regulatory Council made official the 2018 version of the International Accounting Standards –NIC for its application in Peru; International Financial Reporting Standards - IFRS; Interpretations of the International Financial Reporting Standards - IFRIC; e, Interpretations of International Accounting Standards - SIC, adopted by the International Accounting Standards Board - IASB that include: IFRS, from 01 to 17; NIC, from 01 to 41; Interpretations of IFRIC N ° 1, 2, 5, 6, 7, 12, 14, 16, 17, 19,20, 21, 22, 23; e, Interpretations of IAS-SIC N ° 10, 25, 29 and 32.

In the opinion of management, the adoption of these standards and interpretations will have no significant effect on the financial position and performance of the entity when applied.

(a.3) Basis for presentation

The financial statements are expressed in American dollars as part of this report, which are the result of applying on the historical financial statements in Soles the methodology for translating balances at year end in foreign currency adopted by the entity. This methodology is intended to prepare the financial statements in order to show the impact of foreign currency in local currency, on the basis of one fiscal year, therefore it is considered the following guidelines:

- i) The conversion process initially requires quantifying the functional currency, which in this case is the Sol.
- ii) The conversion is performed on the following statements: statement of financial position; statement of comprehensive income; statement of changes in equity and statement of cash flows, which are referred to the historic conversion of non-monetary items and show the effect of conversion on all operations of the period under review.
- iii) The balances of monetary items are translated at the exchange rate at year end established by the Superintendence of Banking and Insurance and AFP, and income and expenses in foreign currency are translated at the exchange rate of the date when each transaction occurred.
- iv) Exchange rates published by the Superintendence of Banking and Insurance and AFP at December 31, 2019 for transactions of purchase and sale for American dollar, were S/. 3.311 and S/. 3.317, respectively. (S/ 3.369 and S/ 3.379 for transaction of purchase and sale at December 31, 2018)

b) Functional currency

Items included in the financial statements are expressed in the currency of the primary economic environment in which the entity (functional currency) operates. The financial statements are presented in Soles which is the functional and presentation currency. Nevertheless, the financial statements are also presented in American dollars at the end of the period.

c) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits in current accounts and time deposits in bank institutions.

d) Use of estimates

The preparation of financial statements in accordance with applicable accounting standards requires the entity makes estimates and assumptions in determining the amounts of assets and liabilities, income and expenses, and disclosure of significant events in the notes to the financial statements. Actual results could differ from those estimates. Estimates are continually evaluated and are based on historical experience and other factors. The significant estimates related to the accompanying financial statements are referred mainly to the depreciation of fixed assets and amortization of intangibles.

e) Furniture and equipment and accumulate depreciation

Fixed assets are initially recorded at historical cost. Subsequently, they are measured at cost, less accumulated depreciation and the cumulative amount of losses by impairment of assets if applicable. Disbursements for maintenance and repairs are charged to results and all renewal and improvement, is charged to results. All renewal and improvement is always capitalized as long as:

- It is probable that the entity obtains future economic benefits and,
- Its cost can be valued reliably. The cost and corresponding accumulated depreciation of sold or retired assets are removed from the respective accounts and withdrawn net cost is included in the results of the year.

The improvements made to the leased properties are recorded as post of the fixed assets, including the corresponding depreciation.

Maintenance and major repairs

The major maintenance includes the replacement cost of parts of the assets and the overhaul cost that takes place every certain number of periods, in order to maintain the asset's operational capability. The cost of major maintenance capitalizes in the initial recognition of the asset, as a separate component of the good and is depreciated on the estimate of time when the next major maintenance will be required.

Depreciation

The depreciation of assets that comprise this category is calculated following the straight-line method, in order to assign the cost during their estimated useful life, whose detail is as follows:

	<u>Years</u>
Improvements in leased properties	10
Furniture and facilities	10
Computer equipment	04
Transport units and equipment	05
Other equipment	10

The residual value, useful life and depreciation method are periodically reviewed to ensure that the method and the depreciation period are consistent with future economic benefits and life expectations of the items in this category.

f) Intangible

Assets are recorded at acquisition cost, less accumulated amortization and the cumulative amount of losses by impairment of assets, if applicable. These assets include, primarily, the acquisition of software used in entity's operations and are recognized when:

- The property is under the control of the entity.
- The good is identifiable to any contractual rights
- Future benefits are expected.

The intangibles that are acquired with funds from projects financed by international cooperation are registered in the caption "funds in administration"

The limited life intangible assets are amortized in a maximum period of 10 years. As a policy, intangibles are amortized under the straight-line method on the basis of its estimated useful life. The period and amortization method are reviewed at the end of the period.

g) Impairment of assets

When there are events or economic changes that indicate the value of a long-lived asset may not be recoverable, the Executive Director reviews at each date of the statement of financial situation, the carrying amount of these assets. If after this analysis, it seems that its carrying amount exceeds its recoverable value, a loss for impairment is recognized in the income statement. Recoverable amounts are estimated for each asset.

h) Investments portfolio

The Entity's investment portfolio consists of a set of Funds created at the request of International Cooperation Agencies (World Bank and KfW of Germany) and the Government of Germany and included in the agreements signed with PROFONANPE for the implementation of environmental projects. The Investment Portfolio is managed by a local financial entity and a bank in Switzerland, on the basis of the trust commission contracts entered into and include an automatic renewal clause, which are distributed in fixed and variable income financial assets. These financial assets are recorded at cost in foreign currency and are presented at fair value at the end of the period.

The yields at the end of the year represent the increases obtained by the investment portfolios, which are related to the projects financed by each Agreement. The use of the yields generated by the investments is restricted to the amounts of the budgets prepared by the entity that administers the projects, which must be approved by the respective International Cooperation Organizations.

The decreases in each investment portfolio are recorded when there is the withdrawal of funds for the execution of projects that gave rise to them and the payment of commissions for the management of the portfolios against the heading Funds in Administration.

i) Management funds

This category represents a deferred liability that reflects the net funds to implement the projects financed by cooperation international donors that PROFONANPE maintained under management. These funds come from cash transfers received to form investment portfolios and / or to the implementation of expenditure on projects.

Credits under this heading occur when the entity receives funds from international cooperating sources to finance the expenses foreseen in the budget of the Agreement, as well as when donors provide for the increase in the investment portfolio created previously. The returns obtained by the portfolios in the year are recorded as a credit to this item and directly affect the balance of the corresponding project subaccount.

Charges in this item are recorded for: i) the withdrawal of funds from the Portfolio required by the entity for the activities in some project; ii) payment of trust commissions in favor of the financial institution that administers the portfolio; and, iii) when the investment Portfolios obtain negative yields. Also, the disbursements of projects that require the

acquisition of equipment and vehicles, as appropriate, as well as the financing of intangibles required for institutional strengthening are incorporated.

j) Employee' benefits

The entity has short-term obligations for employee's benefits that include salaries, social contributions, bonuses, employee severance indemnities. These obligations are normally recorded with a charge to the statement of comprehensive income as they accrue.

k) Provisions

Provisions are recognized when the entity has a present legal or constructive obligation, resulting from past events that are likely to require the delivery of a flow of resources involving economic benefits for settlement and its amount can be estimated reliably.

l) Recognition of revenues

Revenues generated by way of contribution (overhead) to the institutional development for the management of projects financed by international technical cooperation are recorded when received. In this category, the funds received by the entity arising from cash donations from international sources cooperating are not recorded, because they are controlled through of assets and liabilities accounts.

m) Recognition of expenses

Expenses are recognized as they accrue and in the period to which they relate, regardless of when they are paid. Funds applied by project executing entities from cooperating international sources, whose expense receipts are issued in the name of PROFONANPE (project management entity) are not recorded in the statement of comprehensive income, but are controlled through the heading Funds in Administration.

n) Financial income and expenses

Financial income and expenses are recognized in the income statement in the periods to which they are related and are recognized when earned, regardless when it is received or disbursed.

### 3. CASH AND CASH EQUIVALENTS

It comprises:

	In U.S. Dollars	
	2019	2018
Current accounts for specific purposes (a)	7,914,477	7,857,731
Saving accounts (b)	29,450	30,498
Fixed-term deposits	-	-
Total	<u>7,943,927</u>	<u>7,888,229</u>



- (a) Current accounts are held in banks and are denominated in Soles and U.S. Dollars, whose balances correspond individually to the availability of funds in projects financed by International Technical Cooperation Organizations. These funds are freely available and do not generate interest at market rates.
- (b) The balances available in savings in financial system entities in Soles are freely available and correspond to the Fondo Editorial project. The annual interest rate on the balances in 2019 was 0.246% (0.246% in 2018).

#### 4. OTHER ACCOUNTS RECEIVABLE

It comprises:

	In U.S. Dollars	
	2019	2018
Current:		
Advances to staff and accountability	117,849	23,661
Deposits in guarantee (a)	14,372	13,000
Public service and other related	3,867	3,153
Accountability funds (b)	83,169	107,377
Other accounts receivable	31,937	1,268
	<u>251,194</u>	<u>148,459</u>
Non current:		
Accountability funds (c)	233,923	233,923
	<u>233,923</u>	<u>233,923</u>
	<u>485,117</u>	<u>382,382</u>

- (a) It comprises funds constituted as deposit in guarantee and delivered to the owner of the property in Lima.
- (b) It comprises funds given by per diem under accountability; operating expenses with outstanding accountability.
- (c) It comprises the transfer of funds made to the PROFONANPE Institutional Master Account (Project 016), as a loan to finance the operating expenses included in the Annual Operating Plan for Institutional Development for 2018, charged to the Project portfolio "Morona Pastaza" that will be canceled from 2020.

## 5. PREPAID EXPENSES

It comprises:

	In U.S. Dollars	
	2019	2018
Insurance, Soles	2,396	16,341
Insurance, American Dollars	25	392
Other prepaid expenses, Soles	246	488
Other accounts receivable	-	29,155
Supplier advance, local currency	69,633	-
Supplier advance, foring currency	2,974	-
	<u>75,274</u>	<u>46,376</u>

## 6. FINANCIAL INVESTMENTS

It includes funds from Grant Agreements signed with International Technical Cooperation Agencies and Debt Swap Agreements held with the Governments and private sector companies. Management of these resources is entrusted to financial institutions for investment in portfolio securities in order to generate returns and a sustainable source of funding for projects.

At December 31, 2019 and 2018, the balances of investment portfolios are as follows:

	In U.S. Dollars	
	2019	2018
PY- 007 Project Management of Natural Resources in Rivers	4,168,024	4,389,098
PY- 015 Paracas National Reserve - Pluspetrol	6,574,756	5,743,967
PY- 035 Equity Fund PRONANP – GEF /KfW	-	9,291,778
PY- 036 Project Effective Management ANP – SINANPE III	2,441,890	2,260,142
PY- 056 Islands and Guaneras Points Heritage Funds - BIRF	2,174,843	1,909,333
PY- 062 Humedales of Datem - GREEN CLIMATE FUND	519,665	-
PY- 064 Vilcanota Polylepis	1,036,139	907,821
PY- 065 Patrimonial Fund FIDA - MERESE	2,201,393	1,933,613
PY- 080 FONANPE	14,199,950	14,993,179
PY- 085 Strengthening of SINANPE - KfW	2,782,132	-
PY- 035 Fund PRONANP – GEF /KfW (UBP – Swiss)	10,341,886	-
PY- 039 Sustainable Management of Protected Areas and Forests Sierra Norte – GEF (Adjustment)	(4,001)	-
	<u>46,436,677</u>	<u>41,428,931</u>

Detailed information on the structure and variations of the Investment Portfolio for the period ended December 31, 2019 is described in Annexes 1 and 2 of the supplementary information attached to this report.

### Management policies for Portfolio resources.

The conditions and guidelines established for the management of investment portfolios are the following:

- a) *PY-007 "Project Management of Natural Resources in Rivers Morona and Pastaza" External Debt Swap with the Government of Germany"*

The Intergovernmental Peruvian – German Agreement for debt restructuring held between the Government of Peru and the Government of Germany, this project was assigned to Deutsche Mark 14.7 million. The trust commission contract with the local bank was signed

on September 01, 2003 with yearly validity and renewable for equal periods, having signed the last addendum to the contract on March 31, 2014

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 4,168,024.

- b) *PY-015 Project "Establishment of Fund for Managing and Recovering Paracas National Reserve" Pluspetrol Peru Corporation SA*

The Tripartite Agreement signed between PLUSPETROL, SERNANP and PROFONANPE establish a Fund for Managing and Recovering Paracas National Reserve up to US\$ 3.0 million, having signed the trust commission contract with the local bank on September 30, 2009.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 6,574,756.

- c) *PY-035 "Project PRONANP Equity Fund", International Bank for Reconstruction and Development – BIRF / KfW of Germany*

On August 16, 2010, the International Bank for Reconstruction and Development – BIRF, as implementing agency of the *Global Environment Facility* – GEF signed with PROFONANPE the Grant Agreement TF097155 to finance the implementation of the project "*Strengthening the Conservation of Biodiversity through the National Protected Areas Program*" – PRONANP up to US\$ 8.8 million. From this amount, it was agreed to entrust the management and investment of US\$ 3.0 million to establish an equity fund for the financial sustainability of protected areas within the selected Ecological Corridors. Additionally, on August 19, 2013 was made an additional contribution to this portfolio for EUR 5.0 million (US\$ 6'621,936) from the Expansion Contract signed with KfW of Germany at December 31, 2012.

In August 2018, the Board of Directors, following the recommendation made by KfW of Germany, agreed to transfer the funds from the PRONANP portfolio, included in the FONANPE endowment fund, to the UBP Bank of Switzerland.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 10,341,887.

- d) *PY-036 "Project Effective Management of Protected Natural Areas – SINANPE III": Government of Germany*

It is related to the Exchange Debt operation with the Government of Germany signed on June 30, 2011 by EUR 7,998,907 (approximately US\$ 8.2 million) to support the project. From this amount, the project financing amounted to EUR 5.7 million. On December 12, 2011, it was signed the trust commission contract with a local bank, valid for one year and renewable for equal periods, having signed the corresponding Addendum on March 31, 2014.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 2,441,890.

- e) *PY-056 Patrimonial Fund of the Project "Strengthening the Sustainable Management of the National Reserve System of Islands, Islets and Guaneras Points."* On February 11, 2014, the Donation Agreement was signed between the World Bank, in its capacity implementation agency of the Global Environment Facility - GEF, and PROFONANPE, to finance the activities

in the project for up to US \$ 8.9 million. Also, the Endowment Fund was established for US \$ 2.0 million, having signed the trust commission contract on December 19, 2014 and is valid for one year, renewable for equal periods.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 2,174,843

f) *PY-062 Project "Building Resilience in the Wetlands of Datem Province of Marañón, Peru"*

On July 19, 2016, the Green Climate Fund signed the Master Accreditation Agreement with PROFONANPE to finance the project "Building Resilience in the Wetlands of Datem Province of Marañón, Peru", which was approved in November 2015 and started its activities in June 2017. This project aims to improve the resilience capabilities (the ability of humans to adapt positively to adverse situations) of indigenous communities living in carbon-rich wetland ecosystems in Datem Province of Marañón in the Loreto Region.

On December 15, 2016, the Green Climate Fund and PROFONANPE signed the Financed Activity Agreement for the execution of the project. According to the budget approved by the Agreement, the amount financed amounts to US\$ 9'110,000, of which US\$ 6'240,000 is contributed by the Green Climate Fund; US\$ 1'800,000 is contributed by the Government of South Korea and US\$ 1'070,000 corresponds to the counterpart provided by PROFONANPE. The implementation period for the Agreement is five years, i.e. from March 2016 to February 2021.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 519,665.

g) *PY-064 "Vilcanota Reserves Network, Conservation of Polylepis Forests of Peru".* On September 09 and 25, 2017, the Global Conservation Fund and PROFONANPE signed a Donation Agreement for the establishment of the Vilcanota Polylepis Equity Fund, up to an amount of US\$ 938,908.09. The purpose of the Fund is to finance the administrative costs of conserving the biological diversity of the Vilcanota Polylepis Reserve, in accordance with the terms and conditions established in the operations manual and in each operational plan. In this regard, the Government Natural Protected Areas Service – SERNANP should ensure that expenses are used exclusively to finance the costs of biodiversity conservation in the Reserve Areas. On February 16, 2018, PROFONANPE signed a trust commission contract with a local bank to invest funds received from Conservation International Foundation.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 1,036,138.

h) *PY-065 Project "Conservation and sustainable use of the high Andean ecosystems through payment for environmental services for rural poverty alleviation and social inclusion".* On June 12 and October 06, 2015, the International Fund for Agricultural Development (IFAD) (acting as the Implementing Agency of the Global Environment Facility – GEF) and Ministry of Environment - MINAM, respectively, signed the Financing Agreement for the implementation of the project entitled "Conservation and sustainable use of the high Andean ecosystems through payment for environmental services for rural poverty alleviation and social inclusion", which establishes a non-reimbursable contribution from IFAD, for a total amount of US\$ 5'354,545.00, which would be disbursed on the agreed opportunities, amounts and terms. According to the established agreement, the amount to be destined to the establishment of the Investment Portfolio amounts to a total of US\$ 2.0 million. The trust commission agreement signed between PROFONANPE and a Peruvian bank was signed on October 12, 2017 is valid for one year and is renewable for equal periods.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 2,201,393.

- i) PY- 080 “*National Fund of Natural Areas Protected by the Government– FONANPE*” On December 14, 2018, PROFONANPE’S Board of Directors adopted agreement to integrate the investment portfolios correspondent to projects as follows: PRONANP (PY-036); ALTO MAYO (PY-035); FINLANDIA (PY-025); GPAN (PY-020); GEF (PY-002); SINANPE III (PY-036) and, Canada (PY-026), transferring the funds from these portfolios to constitute the FONANPE. The entity has signed a trust commission contract with a local bank for the administration of FONANPE funds.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 14,199,950.

- j) PY-085 SINANPE Strengthening Project. This is a portfolio that is extinguishable and has its origin in the FONANPE portfolio that has been constituted by agreement of the Board of Directors for up to US \$ 1.33 million, to finance activities and institutions of SINANPE and to SERNANP activities, as well as financing of the organization of the first PROFONANPE project competition.

The net amount as of December 31, 2019 of the investment portfolio amounted to US \$ 2,782,131

### **Annual behavior of Portfolio Investment**

At the end of 2019, the market value of the investment portfolios managed by Credicorp Capital - Peru was US \$. 36.1 million, which despite registering an accumulated profitability of US \$ 4.91 during the period, shows a nominal decrease of US \$ 5.3 million compared to the amount at the end of 2018.

In 2019, economic agents and markets were permanently affected by the trade conflict between the United States and China, which began in mid-2018. The sequence of events took place in the search for a settlement, and eventual setbacks due to threats of more tariffs from North America, which had a decisive influence on decision-making and price formation in the different markets.

The markets started the year favorably, with an upward phase sustained by a series of satisfactory corporate results from several leading Wall Street companies, as well as some advances in trade deals between the United States and China that augured a speedy solution. This trend was maintained throughout the first four months of the year, a period during which the MSCI ACW (All Country World Index), an indicator that considers all the world's stock markets, reached accumulative gain of 15.18% while the Peru Select, the main indicator, rose 9.09%, reaching its highest level in April (570.62 points). In May this trend changed dramatically when the United States government announced new tariffs on Chinese imports. This trade showdown cut MSCI ACWI's earnings by roughly 6%.

Negative expectations eased in June, giving way to some optimism as monetary authorities in key developed countries began to show signs that they were evaluating easing their policy towards further cuts in its benchmark rates.

Against this background, the S & P / BVL Peru Select index closed with annual variations of + 3.72%. The highest returns abroad were in North America and Europe. Thus, the S&P 500 rose 28.9%, followed by the Dow Jones and Nasdaq (both + 22.3%).

PROFONANPE is not governed by the General Law of the Financial System and of the Insurance and Organic System of the Superintendence of Banking and Insurance, Law N° 26702. For this reason, the provisions of Resolution N° 7033-2012 of the Superintendence of Banking, Insurance and Pension Fund Administrators regarding the classification and valuation of investments are only applicable to companies in the financial system. Article 10 of these regulations establishes that debt instruments must be restated to amortized cost, applying the effective interest rate methodology and, based on the amortized cost obtained, gains and losses from changes in fair value must be recognized. In the case of PROFONANPE, total investments are recorded at market value, which is provided by the asset manager.

According to the Regulation on the Classification and Valuation of Investments of Financial System Companies, the fluctuation in the value of investments is obtained by comparing the fair value with the accounting value, obtaining a gain by fluctuation if the fair value is higher, otherwise it would be a loss. For PROFONANPE, the unrealized gain or loss (fluctuation of values) is presented in the reports sent by the Asset Manager, in which the market value is compared with the average purchase value, but for accounting purposes this is not considered. It is important to highlight that the accumulated net yield resulting from the comparison of the quota values of the investment portfolios or from the variation of the final and initial balance of the portfolios is accounted for in their financial statements.

At the end of 2019, the market value of the investment portfolios managed by UBP Switzerland were US \$. 10,341,887, registering a nominal increase of US \$ 6,358,107 compared to the opening amount, dated March 12, 2019, of US \$ 3,983,780. This increase is explained to a greater extent by the contributions (capital increase) during the month of March in US \$. 5,393,942 and April at US \$ 429,921. Likewise, at the end of the year there is a net accumulated profitability of US \$ 534,244

The portfolio is composed according to the following classification: fixed income assets (82%) and equity assets (18%).

The overall performance of PROFONANPE investment portfolio as of December 31, 2019 amounted as US\$ 46,436,677 and the summary is as follows:

	<u>In U.S. Dollars</u>
- Beginning balance	41,428,931
- Contributions	13,312,233
- Commissions and management	( 180,736)
- Gross performance	5,605,533
- Withdrawal	(13,729,284)
	<u>46,436,677</u>

The movements of the investment portfolio as of December 31, 2019 and its structure made up of fixed interest, variable interest and alternative interest securities, are shown in Annex's 1 and 2 of supplementary information.

## 7. FURNITURE AND EQUIPMENT

The variation of the account and its related accumulated depreciation for the years ended December 31, 2019 and 2018, is as follows:

	Building, Improvement In leased properties	Furniture	Transport Unit	Computer equipment	Other equipment	Final balance
<b>Year 2019:</b>						
Opening balance	3,881	22,254	-	9,468	11,129	46,732
Additions	-	-	-	23,487	-	23,487
Adjustment depreciation	(613)	-	-	(3,727)	-	(4,340)
Depreciation charge	(488)	(2,992)	-	(6,160)	(1,750)	(11,390)
<b>Net cost at 31/12/2019</b>	<b>2,780</b>	<b>19,262</b>	<b>-</b>	<b>23,068</b>	<b>9,379</b>	<b>54,489</b>
Cost	62,301	43,085	29,240	56,278	25,098	216,002
Accumulate Depreciation	(59,521)	(23,823)	(29,240)	(33,210)	(15,719)	(161,513)
	<b>2,780</b>	<b>19,262</b>	<b>-</b>	<b>23,068</b>	<b>9,379</b>	<b>54,489</b>
<b>Year 2018:</b>						
Opening balance	5,022	25,491	-	11,312	12,100	53,926
Additions	-	-	-	-	1,070	1,070
Depreciation charge	(1,141)	(3,238)	-	(1,844)	(2,041)	(8,264)
<b>Net cost at 31/12/2018</b>	<b>3,881</b>	<b>22,253</b>	<b>-</b>	<b>9,468</b>	<b>11,129</b>	<b>46,732</b>
Cost	62,301	43,084	29,240	32,793	25,098	192,516
Accumulated depreciation	(58,420)	(20,830)	(29,240)	(23,325)	(13,969)	(145,784)
Net value	<b>3,881</b>	<b>22,254</b>	<b>-</b>	<b>9,468</b>	<b>11,129</b>	<b>46,732</b>

## 8. INTANGIBLES, NET

It comprises:

	In U.S. Dollars		
	Balance at 01.01.2019	Variations Additions	Balance at 31.12.2019
Cost:			
Software	147,255	-	147,255
	147,255	-	147,255
Amortization:			
Software	(47,511)	(10,537)	(58,048)
	(47,511)	(10,537)	(58,048)
Net value	99,744	(10,537)	89,207

## 9. ACCOUNTS PAYABLE

Comprises:

	In U.S. Dollars	
	2019	2018
Invoice payable to local currency suppliers	(459)	-
Invoice payable to foreign currency suppliers	291	-
Fee to be pay	1,814	-
	<u>1,646</u>	<u>-</u>

## 10. OTHER ACCOUNTS PAYABLE

It comprises:

	In U.S. Dollars	
	2019	2018
Current:		
Taxes and contributions	138,770	44,359
Salaries and participations payable (a)	183,758	228,940
Social benefits	-	-
Other accounts payable (b)	37,277	46,832
Loans between projects	39,704	492
	<u>399,509</u>	<u>320,623</u>
Non Current:		
Other accounts payable	233,923	233,923
	<u>633,432</u>	<u>554,546</u>

(a) It includes obligations to pay for vacation, PROFONANPE's employee severance indemnities and other related concepts.

(b) It includes accounts payable of various nature related to the development of activities in PROFONANPE in Soles and U.S. Dollars, as well as deposits received in guarantee.

## 11. MANAGEMENT FUNDS

It comprises:

Project N°	Project's name	In U.S. Dollars	
		2019	2018
PY-007	Project Pastaza Morona	234,371	4,623,552
PY-008	Protection Naturals Areas - Phase II	(5)	-
PY-010	Agreement KfW, Study PRONANP	71	70
PY-015	Paracas Fund – PLUS PETROL	6,609,973	5,830,735
PY-016	Development Institution - PROFONANPE	(4,628)	-
PY-018	Biological corridor Nanay Pucacuro	-	-
PY-020	Portfolio Equity Fund GPAN	869	1,217
PY-024	Program Awards Carlos F. Ponce	84,509	39,726
PY-026	Debt Conversion Canada	(1)	-
PY-030	Editorial Fund	29,450	30,498
PY-032	National Program of Protected Natural Areas – PRONANP	-	28
PY-033	Support to the Strengthening in RN Pacaya Samiria	1,957	2,045



Project N°	Project's name	In U.S. Dollars	
		2019	2018
PY-035	Equity Fund PRONANP-GEF-KfW	10,341,885	9,291,777
PY-036	Project Effective Management ANP – SINANPE III	327,740	2,698,395
PY-045	Other	18	18
PY-046	Project Morona – Pastaza, Phase II	4,167,944	(85)
PY-049	Development of Institutional Capacity SINANPE II	1	1
PY-050	REDD Cordillera Azul	120,811	120,811
PY-052	Strengthening Sustainable Management of Islands Reserve	-1	358,160
PY- 053	Implementation of the Communal Reserve Master Plan Amarakaeri – Phase II	248	244
PY- 055	Mitigation of deforestation in the Chesnutt Grants of Madre de Dios	(242)	125,714
PY- 056	Equity Fund Bits and Islands	2,200,536	2,015,053
PY- 058	Project FIDA - MERESE	24,991	401,584
PY- 059	FUNDESNAP Agreement	336	(2,747)
PY- 060	Adaptation of the Impacts of Climate Change on the Coastal Marine Ecosystem of Peru	1,966,745	2,671,275
PY - 062	Humedales of Datem	1,721,408	264,055
PY - 064	Vilcanota Polylepis	1,036,139	907,821
PY - 065	Portfolio FIDA-MERERE	2,201,393	1,933,613
PY - 066	PAN III Project	189,551	69,337
PY - 067	FORASAN	25,474	15,019
PY – 068	US Forest	19	121,559
PY – 069	Nagoya Protocol	436,018	280,923
PY – 071	Yaguas National Park Management	24,280	446,782
PY – 072	Creating an Energy-Based Bio Business Model	808,078	822,198
PY – 073	Adaptation to the Impacts of Climate Change - PROFONANPE	-	84,078
PY – 074	Securing the Future of Peru's ANPs	196,107	37,255
PY – 075	READINES Project	99,716	226,483
PY – 076	Strengthening Divider Management	17,764	312,450
PY – 077	Consolidated PFP for SINANPE: Natural Heritage	117,136	349,043
PY – 078	USFS Forest - Phase II	(6,462)	39,052
PY – 079	SIPAM Project	168,282	130,000
PY – 080	FONANPE	14,199,950	14,993,179
PY – 081	Agreement CEPF	103,560	184,892
PY – 082	III Congress of ANP	274,757	-
PY – 083	READINES II - GREEN CLIMATE FUND	157,349	-
PY – 084	Strengthening Moore - Foundation Gordon & Betty Moore	310,950	-
PY – 085	Strengthening SINANPE	2,782,131	-
PY – 086	SOS AMAZONIA	(19)	-
PY – 087	HUMEDALES PNIPA I	22,560	-
PY – 088	USFS FOREST - PHASE III	(1,007)	-
PY – 089	Portfolio PAN III	2,438,546	-
PY - 090	Initiative PDP	1,131,054	-
	Total	54,562,312	49,425,810

The detail of the variation for each project in the period is included in Annex N° 3 attached to the supplementary information which forms part of this report.

## 12. EQUITY

They include the results obtained at the end of the financial year and which are accumulated with other financial contributions obtained by PROFONANPE that are destined to the realization of its corporate purpose.

As of December 31, 2019, this item amounted to US \$ (112,699). As of December 31, 2018, this amount is (US \$ 87,962).

### 13. ORDER ACCOUNTS

It comprises:

	In U.S. Dollars	
	2019	2018
Minor assets	686,341	650,483
Bond Letters	2,086	2,086
	<u>688,427</u>	<u>652,569</u>

### 14. MANAGEMENT INCOME

It comprises:

	In U.S. Dollars	
	2019	2018
Contribution from institutional development (a)	771,857	601,053
Portfolio management	-	523,038
Grants	-	65,000
Other income (b)	66,316	34,728
	<u>838,173</u>	<u>1,223,819</u>

(a) It comprises the transfer of funds from the accounts of the projects executed by PROFONANPE in the period to the institutional master account, to cover their administrative costs.

(b) Includes income from the sale of three transportation vehicles and accessories (US \$ 47,032) and recoveries from medical, accident and life insurance and other equivalents (US \$ 19,282).

### 15. ADMINISTRATIVE EXPENSES

It comprises:

	In American Dollars	
	2019	2018
Personnel expenses (Note 16)	641,755	950,641
Services provided by third parties (Note 17)	119,453	308,854
Other management expenses (Note 18)	57,880	50,439
	<u>819,088</u>	<u>1,309,934</u>

### 16. PERSONNEL EXPENSES

It comprises:

	In American Dollars	
	2019	2018
Salaries	532,700	753,485
Other salaries	8,513	13,035
Employee's severance indemnities	7,414	19,773
Health benefits	49,214	102,757
Compensation for service time	43,914	61,591
	<u>641,755</u>	<u>950,641</u>

In 2019, the entity had 77 servers in payroll. (In 2018. there were 67 servers).

**17. SERVICES PROVIDED BY THIRD PARTIES**

It comprises:

	In American Dollars	
	2019	2018
Passenger transportation	4,149	57,917
Consulting	23,260	48,223
Maintenance and repairs	5,642	14,022
Rental of buildings	55,000	97,366
Basic services	467	22,374
Advertising publications and public relations	60	20,128
Contractor service	25,902	34,346
Other services	4,973	14,479
	<u>119,453</u>	<u>308,854</u>

**18. OTHER MANAGEMENT EXPENSES**

It comprises:

	In American Dollars	
	2019	2018
Insurance	42,117	11,279
Subscriptions and quotes	6,758	4,057
Supplies	3,912	16,296
Investigation and development	-	13
Taxes	866	3,445
Other expenses	4,227	15,349
	<u>57,880</u>	<u>50,439</u>

**19. PROVISIONS**

It comprises:

	In American Dollars	
	2019	2018
Depreciation of furniture and various equipment	11,391	8,264
Amortization of intangibles	10,536	9,981
	<u>21,927</u>	<u>18,245</u>

**20. OTHER INCOME AND EXPENSES**

It comprises:

	In American Dollars	
	2019	2018
Financial income:		
Exchange rate gain	251,056	24,195
	<u>251,056</u>	<u>24,195</u>
Financial expenses:		
Exchange rate loss	(272,688)	(38,482)
	<u>(272,688)</u>	<u>(38,482)</u>
	<u>(21,632)</u>	<u>(14,287)</u>

## **21. SUBSEQUENT EVENTS**

There are no events subsequent to December 31, 2019 and 2018, that have been identified and must be reported or that affect the balances of the financial statements as of those dates, except for the following.

The sixth final complementary provision of Emergency Decree N° 022-2020, provided that PROFONAPE, through the modality of merger by absorption, assume the assets, liabilities and equity of the National Environmental Fund - former FONAM, which is an intangible trust fund and, at the same time, a non-profit private law institution created by Law N° 26793. In addition, PROFONAPE was empowered to administer the resources collected by the sources of financing referred to in article 4 of Law N° 26154 that creates the National Fund for Natural Areas Protected by the State - FONANPE; providing that the Ministry of the Environment carry out the monitoring and evaluation of the resources transferred by the national government, regional governments and local governments in favor of PROFONAPE that will be destined for specific purposes, for which reason, they will be under the scope of application of the Law No. 27785.

Upon completion of the merger between both entities, the Ministry of the Environment must approve by Supreme Decree the internal regulations of PROFONAPE, specifying this legal norm that any reference made to FONAM or the powers that it had been exercising are understood as being made by the absorbing entity, being one of They serve as the Technical and Financial Secretary of the Board of Directors of the Contingency Fund for Environmental Remediation created by Law N° 30321 and its regulations, approved by Supreme Decree N° 039-2016-EM.

Through Supreme Decree N° 044-2020-PCM of March 15, 2020, the National Government declared a State of National Emergency in Peru as a result of the COVID-19 outbreak, which has been classified as a pandemic by the World Health Organization and later, extended the term of these exceptional measures, in order to protect the life and health of the population, limiting the exercise of the right to freedom of movement, suspension of attendance at schools and universities, restrictions in the field of commercial activity, cultural activities, establishments and recreational activities, among others. Subsequently, such restrictions were lifted as of August 15 in a targeted manner by zones throughout the republic.

Consequently, the critical processes of financial management in PROFONAPE are being developed virtually.

Considering the uncertainty and the rapid evolution of the circumstances explained above, including the new actions that the National Government could take to contain the COVID-19 outbreak, as well as its effect on the national economy, it is not possible to predict the extent to which it could the future operations of the entity and its financial results will be affected if this situation is prolonged in time.

## **22. TAX STATUS**

According to article 19 of the Single Ordered Text (TUO) of the law on income tax, issued by legislative decree No. 774 and its regulations approved by supreme decree N° 179-2004-EF, modified by legislative decree N° 1312 that modifies Income tax law, non-profit associations in Peru are not subject to the tax. Law N° 30404 extended the exemptions included in article 19 of the TUO of the income tax law until December 31, 2018 and Law N° 30898 extended the exemption until December 31, 2019. Subsequently, the emergency decree N° 025-2019, ordered to extend until December 31, 2020, the exemption from the payment of income tax to foundations and non-profit associations, whose constitution instrument includes the following purposes: charity, social assistance, education, cultural, scientific, artistic, literary, sports, political, union and / or housing.

The Income Tax affidavits submitted for the years 2015 to 2019 are pending for review by the National Customs and Tax Administration Superintendence – SUNAT which have authority to carry out this procedure, including the unaffected taxpayers within the following 4 years after submitting the affidavit. Considering the possible interpretations that tax authorities may provide on current tax regulations, it is not possible to determine to date, if the revisions to be performed could be liabilities or not for the institution.

In the opinion of the Executive Director of PROFONANPE, any eventual additional tax settlement would not be important for the financial statements, as of December 31, 2019.

## **23. FINANCIAL RISK MANAGEMENT**

The risk management structure is based on the Board of Directors and the Executive Director of the entity, who are responsible for identifying and controlling the risks to which the entity is exposed, as explained below:

### **i. Board of directors.**

It is the body responsible for establishing the general approach to risk management and the approval of current policies and strategies. The Board of Directors is responsible for providing the principles for risk management, as well as the policies prepared for specific areas, such as exchange rate risks and interest rate risk.

### **ii. Executive Director.**

It is responsible for supervising the entity's risk management. Likewise, it provides security over the procedures and financial risks identified, measured and managed in accordance with the guidelines approved by the Board of Directors. The Executive Director reviews and approves the risk management policies as described below.

### **iii. Administrative and finance Manager**

The Executive Director is supported by the Administrative and Finance Manager, being responsible for managing the entity's flow of funds on a daily basis, taking into consideration the policies, procedures and limits set by both the Board of Directors and the Executive Director.

## Financial Risks

PROFONANPE's activities are exposed to a set of financial risks, the potential adverse effects of which are permanently evaluated by the Executive Director, in order to minimize them. Likewise, the Executive Director approves and reviews the policies to manage the risks indicated below:

### A. Market Risk

It is the risk that fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. In the case of the entity, market risks comprise two types of risk: foreign exchange risk and interest rate risk.

#### i) Exchange rate risk

The entity is exposed to fluctuations in the foreign exchange rates prevailing in its financial position and cash flows. Transactions in foreign currency are carried out at the exchange rates of the free market. The Executive Director is responsible for identifying, measuring, controlling and reporting on exposure to foreign exchange risk. Exchange risk arises when the entity presents mismatches between its active, passive and off-balance sheet positions in the different currencies in which it operates, which are mainly Soles (functional currency) and U.S. Dollars. The Executive Director monitors this risk through the analysis of variables that are applicable.

Transactions in foreign currency are carried out at market exchange rates published by the Superintendence of Banking and Insurance and Pension Fund Administrators. As of December 31, 2019, the weighted average market exchange rates for transactions in U.S. Dollars were S/ 3,311 for purchase and S/ 3,317 for sale (S/ 3,269 for purchase and S/ 3,379 for sale as of December 31, 2018).

As of December 31, 2019, and 2018, the Company has the following foreign currency assets and liabilities, which are summarized as follows:

	Al 31 de December de	
	2019	2018
	US \$	US \$
Assets:		
Cash and cash equivalents	7,291,527	7,486,891
Other accounts receivable	255,232	252,952
Advances from suppliers	2,998	9,452
	<b>7,549,757</b>	<b>7,749,295</b>
Liabilities:		
Other accounts payable	(270,290)	(262,150)
	<b>(270,290)</b>	<b>(262,150)</b>
Asset position, net	<b>7,279,467</b>	<b>7,487,145</b>

During the 2019 period, the entity recorded a loss for net exchange difference amounting to US \$ 272,688. In the 2018 period, the exchange loss recorded was US \$ 38,482.

#### ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As of December 31, 2019, and 2018, the entity does not have financing with banking entities, nor assets or liabilities that accrue variable interest rates; therefore, the Executive Director considers that it is not exposed to this risk.

B. Liquidity risk

It is the risk that the entity will not be able to meet its payment obligations related to financial liabilities at maturity. The consequence would be default in the payment of its obligations towards third parties. As of December 31, 2018 and 2017, financial liabilities are supported by income flows from cash and cash equivalents and accounts receivable in general. Liquidity is controlled by matching the maturities of its assets and liabilities; obtaining credit lines and maintaining surplus liquidity, which guarantees the entity to carry out its activities without financial difficulties.

Liquidity risk management involves maintaining sufficient cash and availability of funding. The Executive Director guide its efforts to maintain the sources of funding provided by donors for the implementation of its activities.

C. Credit risk

The credit risk or the risk of default of the counterparties with which the entity has carried out operations is controlled through the approval of limits and monitoring procedures. As of December 31, 2019 and 2018, PROFONANPE does not carry out credit operations with third parties, for which reason the Executive Director considers that it is not exposed to this risk.

D. Fair value

Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in a current transaction on the assumption that the entity is a going concern.

Fair value is a market-based measurement, so a financial instrument traded in an actual transaction in an active liquid 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 variables and minimize the use of unobservable variables.

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

- (i) Financial instruments recorded at fair value. Within this category, the entity considers investments in fixed income and variable income financial assets that make up its Investment Portfolio (included in the "Financial Investments" heading of the statement of financial position).
- (ii) Instruments whose fair value is similar to the carrying amount. Within this category, the entity considers cash and cash equivalents, other accounts receivable and liabilities in general.

On this basis, at December 31, 2019 and 2018, there are no differences between the carrying amounts and fair values of the entity's financial instruments presented in the statement of financial position.

**PROFONANPE**

**COMPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS**  
AS OF DECEMBER 31, 2019

**CONTENT**

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## INDEPENDENT AUDITOR'S OPINION ON COMPLEMENTARY INFORMATION

To the members of the Board of Directors and Executive Director

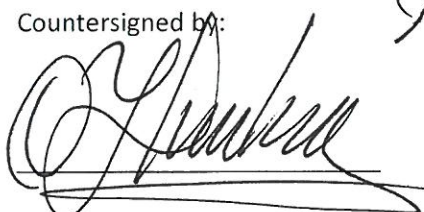
**PROFONANPE**

Lima - Peru.-

1. In regard to the audit of financial statements of **PROFONANPE** as of December 31, 2019, on which we have issued our report on October 09, 2020, we have also reviewed the additional financial information required by that entity included in Annexes N° 1 "Movement of Investments Portfolio"; N° 2 "Structure of Investment Portfolio"; and N° 3 "Project Balance". These annexes have been prepared by PROFONANPE Executive Director, in compliance to its records, according to accounting principles described in Note 2 to the financial statements.
2. Our review was conducted in order to express an opinion on the financial statements taken as a whole. The accompanying additional financial information is submitted pursuant to the requirements established by **PROFONANPE** and is not necessary for a fair presentation of the financial statements at that date. This additional information has been subject to audit procedures applied to the financial statements and therefore, included selective tests of the accounting and implementing other audit procedures as we consider necessary in the circumstances, therefore, in our opinion is fairly presented, in its important respects in relation to the financial statements taken as a whole.

Lima, Peru  
October 09, 2020

Countersigned by:



Oswaldo Fonseca Luna (Partner)  
Collegiate Public Accountant  
Registration N° 8095

*Fonseca, Camargo & Associates*

## PROFONANPE

**MOVEMENT OF INVESTMENTS PORTFOLIO**  
**AS OF DECEMBER 31, 2019**  
 (Expressed in American Dollars)

Donor	Project Nº	Balance as of 01.01.2019	Contributions - Transfers	Commissions and Management	Gross Yield	Withdrawals	Balance as of 31.12.2019
MEF – Debt conversion, Germany - Morona	PY - 007	4,389,099	-	(23,866)	602,338	( 799,547)	4,168,024
Paracas – Donation PLUSPETROL	PY - 015	5,743,966	-	(49,313)	880,103	-	6,574,756
Donation BM-GEF-KfW	PY - 035	9,291,778	-	( 4,448)	520,314	(9,807,644)	-
MEF – Debt conversion, Germany - SINANPE III	PY - 036	2,260,143	-	(13,875)	327,109	( 131,487)	2,441,890
BM-Donation – Islands and Guaneras Points	PY - 056	1,909,333	-	( 9,104)	274,614	-	2,174,843
Datem from Marañon	PY- 062	-	754,589	( 391)	6,073	( 240,606)	519,665
Donation GEF-Vilcanota Polylepis	PY - 064	907,820	-	( 4,614)	132,933	-	1,036,139
FIDA - MERESE	PY - 065	1,933,613	-	( 8,993)	276,773	-	2,201,393
FONANPE	PY - 080	14,993,179	-	(53,663)	2,010,434	(2,750,000)	14,199,950
Strengthening SINANPE	PY- 085	-	2,750,000	( 8,468)	40,600	-	2,782,132
Donation BM-GEF-KfW	PY - 035	-	9,807,644	-	534,242	-	10,341,886
Adjustment - FIDA	PY - 039	-	-	(4,001)	-	-	(4,001)
Total		<u>41,428,931</u>	<u>13,312,233</u>	<u>(180,736)</u>	<u>5,605,534</u>	<u>(13,729,284)</u>	<u>46,440,677</u>

## PROFONANPE

**STRUCTURE OF THE INVESTMENT PORTFOLIO**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

Portfolio	Agreement	Project	Total Fixed Income	Fixed rent			Total Variable Income	Funds	Current value
				Funds	Savings - Checking accounts	Net accounts receivable			
a) Credicorp Capital									
MORONA	Ministry of Economy and Finance - MEF - Debt conversion, Germany	PY- 007	3,476,308	3,366,917	114,788	(5,397)	691,716	691,716	4,168,024
PARACAS	Project Paracas - Donation Pluspetrol	PY -015	3,825,795	3,795,577	38,777	(8,559)	2,748,961	2,748,961	6,574,756
SINANPE III	Ministry of Economy and Finance - MEF - Debt conversion, Germany	PY - 036	2,045,225	2,000,475	47,840	(3,090)	396,665	396,665	2,441,890
PUNTAS E ISLAS	Global Environment Facility- GEF	PY- 052	1,813,940	1,779,511	36,029	(1,600)	360,903	360,903	2,174,843
MERESE FIDA	Global Environment Facility- GEF	PY- 065	1,835,790	1,807,763	29,733	(1,706)	365,603	365,603	2,201,393
VILCANOTA POLYLEPIS	Global Environment Facility- GEF	PY- 064	864,000	860,636	4,167	(803)	172,139	172,139	1,036,139
FONANPE	FONANPE, INTEGRATION	PY- 080	11,834,984	11,807,499	37,936	(10,451)	2,364,966	2,364,966	14,199,950
Strengthening SINANPE	KfW	PY- 085	2,782,132	2,731,951	51,487	(1,306)	-	-	2,782,132
DATEM OF MARAÑON	GREEN CLIMATE FUND	PY - 062	519,665	517,135	2,530	-	-	-	519,665
Sustainable Management of Protected Areas	Adjustment - FIDA	PY - 039	(4,001)	(4,001)	-	-	-	-	(4,001)
			28,993,838	28,667,463	363,287	(32,912)	7,100,953	7,100,953	36,094,791
b) UBP Bank of Switzerland									
PRONANP	KfW Germany	PY - 035	8,466,791	8,469,812	2,477	(5,498)	1,875,095	1,875,095	10,341,886
			37,464,629	37,137,275	365,764	(38,410)	8,976,048	8,976,048	46,436,677

## PROFONANPE

## BALANCE OF PROJECTS

AS OF DECEMBER 31, 2019

(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	007 – PROJECT MORONA - PASTAZA	008 – PROTECTED NATURAL AREAS PROTECTED PHASE II	010 - AGREEMENT PROFONANPE KFW – STUDY PRONANP	015 PARACAS FUND – PLUS PETROL	016 - DEVELOPMENT INSTITUTION - PROFONANPE	018 – BIOLOGICAL CORRIDOR NANAY PUCACURO	020 - RENDIMIENTO PORTAFOLIO - GPAN	024 - PROGRAM AWARDS CARLOS F. PONCE	026 - DEBT CONVERSION CANADA	030 - EDITORIAL FUND	032 - NATIONAL PROGRAM OF PROTECTED NATURAL AREAS – PRONANP	033 - SUPPORT TO THE STRENGTHENING IN RN PACAYA SAMIRIA	035 - EQUITY FUND PRONANP- GEF-KFW	036 - PROJECT EFFECTIVE MANAGEMENT ANP – SINANPE III
<b>1.REVENUES</b>		<b>10,695,770</b>	<b>9,656,430</b>	<b>58,044</b>	<b>8,523,911</b>	-	<b>864,658</b>	<b>1,829,607</b>	<b>222,917</b>	<b>330,266</b>	-	<b>23,541,507</b>	<b>315,361</b>	<b>10,603,082</b>	<b>8,017,490</b>
		-	<b>9,656,430</b>	<b>58,044</b>	<b>1,166,170</b>	-	<b>864,658</b>	<b>997,610</b>	<b>222,917</b>	-	-	<b>23,541,507</b>	<b>315,361</b>	-	-
	DIRECT FUNDS S/.	-	(276)	-	20,498	-	425,185	166,184	107,815	-	-	611,647	315,361	-	-
	DIRECT FUNDS US\$	-	8,955,820	58,044	1,145,672	-	439,473	831,426	115,102	-	-	22,929,860	-	-	-
	DIRECT FUNDS NOT CASH CONTRIBUTION	-	700,886	-	-	-	-	-	-	-	-	-	-	-	-
	DIRECT FUNDS EUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>10,695,770</b>	-	-	<b>7,357,741</b>	-	-	<b>831,997</b>	-	<b>330,266</b>	-	-	-	<b>10,603,082</b>	<b>8,017,490</b>
	ENABLEMENT	4,746,839	-	-	6,000,000	-	-	519,954	-	23,169	-	-	-	9,543,243	7,486,455
	RETURN	6,711,529	-	-	1,647,769	-	-	467,860	-	439,651	-	-	-	940,757	885,701
	FLUCTUATION	-	-	-	-	-	-	-	-	(78,697)	-	-	-	-	-
	COMMISSION	(762,598)	-	-	(290,028)	-	-	(155,811)	-	(53,857)	-	-	-	119,082	(354,666)
	BANK EXPENSES DIRECT TO PORTFOLIO	-	-	-	-	-	-	(6)	-	-	-	-	-	-	-
<b>2.EXPENSES</b>		<b>(10,461,399)</b>	<b>(9,656,435)</b>	<b>(57,973)</b>	<b>(1,913,938)</b>	<b>(4,628)</b>	<b>(864,658)</b>	<b>(1,828,738)</b>	<b>(138,408)</b>	<b>(330,267)</b>	<b>29,450</b>	<b>(23,541,507)</b>	<b>(313,404)</b>	<b>(261,197)</b>	<b>(7,689,750)</b>
		<b>(386,623)</b>	<b>(2,979,619)</b>	-	<b>(357,639)</b>	-	<b>(27,659)</b>	<b>(30,959)</b>	-	-	-	<b>(258,464)</b>	<b>(24,668)</b>	-	<b>(3,068,218)</b>
	PROPERTIES	-	(64,027)	-	-	-	-	-	-	-	-	-	-	-	(195,628)
	BUILDINGS	-	(278,567)	-	(79)	-	20	-	-	-	-	(18,294)	-	-	(1,718,928)
	MACHINERY	(31,450)	(168,690)	-	(12,228)	-	(1,390)	-	-	-	-	(34,904)	(5,839)	-	(36,076)
	TRANSFERT UNITS	(116,541)	(429,954)	-	(233,667)	-	(8,133)	-	-	-	-	(97,756)	(5,217)	-	(208,455)
	FURNITURE	(4,140)	(27,230)	-	(14,422)	-	-	(2,054)	-	-	-	(3,579)	-	-	(24,413)
	COMPUTER EQUIPMENT	(231,687)	(713,120)	-	(97,243)	-	(18,156)	(28,905)	-	-	-	(103,903)	(12,615)	-	(696,240)
	REPLACEMENT UNITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UNITS TO RECEIVE	(2,560)	(30,579)	-	-	-	-	-	-	-	-	-	-	-	-
	CONSTRUCTION IN PROGRESS	(245)	(1,267,452)	-	-	-	-	-	-	-	-	(28)	(997)	-	(188,478)
		<b>(70,194)</b>	<b>(88,218)</b>	-	<b>(7,909)</b>	-	<b>(499)</b>	<b>(105)</b>	-	-	-	<b>(29,520)</b>	-	-	<b>(349,061)</b>
	LICENSES	(5,796)	-	-	-	-	-	(105)	-	-	-	(15,535)	-	-	(59,243)
	SOFTWARE	(57,049)	(9,400)	-	-	-	-	-	-	-	-	(802)	-	-	(289,391)
	DESIGNS	-	-	-	(2,332)	-	-	-	-	-	-	(4,797)	-	-	-
	OTHER ASSETS INTANGIBLE	(7,349)	(78,818)	-	(5,577)	-	(499)	-	-	-	-	(8,386)	-	-	(427)
		<b>(1,490,274)</b>	<b>(362,445)</b>	-	<b>(133,669)</b>	-	-	<b>(106,762)</b>	-	-	-	<b>(2,930,214)</b>	-	-	<b>(726,793)</b>
	SALARIES	(1,221,038)	(295,039)	-	(113,288)	-	-	(4,371)	-	-	-	(2,367,119)	-	-	(591,329)
	OTHER SALARIES	(68,344)	(25,125)	-	(8,537)	-	-	(93,252)	-	-	-	(81,932)	-	-	(11,026)
	PERSONAL INDEMNITIES	(1,193)	(1,224)	-	-	-	-	-	-	-	-	(34,046)	-	-	-
	TRAINING	(10,573)	(3,107)	-	-	-	-	-	-	-	-	(1,275)	-	-	-
	SOCIAL SECURITY	(129,893)	(28,934)	-	(9,976)	-	-	(9,139)	-	-	-	(246,801)	-	-	(76,244)
	SOCIAL BENEFITS	(59,233)	(9,016)	-	(1,868)	-	-	-	-	-	-	(199,041)	-	-	(48,194)
		<b>(4,377,029)</b>	<b>(3,715,463)</b>	<b>(39,433)</b>	<b>(774,666)</b>	<b>(4,582)</b>	<b>(201,023)</b>	<b>(1,314,078)</b>	<b>(12,489)</b>	<b>(251,577)</b>	<b>(9,386)</b>	<b>(5,380,484)</b>	<b>(125,821)</b>	<b>(1,000)</b>	<b>(2,220,276)</b>

**PROFONANPE**  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	007 – PROJECT MORONA - PASTAZA	008 – PROTECTED NATURAL AREAS PROTECTED PHASE II	010 - AGREEMENT PROFONANPE KFW – STUDY PRONANP	015 PARACAS FUND – PLUS PETROL	016 - DEVELOPMENT INSTITUTION - PROFONANPE	018 – BIOLOGICAL CORRIDOR NANAY PUCACURO	020 - RENDIMIENTO PORTAFOLIO - GPAN	024 - PROGRAM AWARDS CARLOS F. PONCE	026 - DEBT CONVERSION CANADA	030 - EDITORIAL FUND	032 - NATIONAL PROGRAM OF PROTECTED NATURAL AREAS – PRONANP	033 - SUPPORT TO THE STRENGTHENING IN RN PACAYA SAMIRIA	035 - EQUITY FUND PRONANP-GEF- KFW	036 - PROJECT EFFECTIVE MANAGEMENT ANP – SINANPE III
	TRANSPORTATION AND TRAVEL EXPENSES	(585,453)	(513,615)	(12,091)	(108,887)	(2,945)	(54,326)	(284,564)	-	(892)	(227)	(1,059,438)	(15,258)	-	(516,571)
	FEE AND COMMISSIONS	(1,089,581)	(1,392,108)	(23,722)	(176,288)	-	(84,502)	(578,562)	-	(71,043)	-	(3,477,091)	(55,458)	(1,000)	(924,185)
	PRODUCTION COMMISSIONED TO THIRD PARTIES	(1,031,727)	(593,665)	-	(63,248)	-	-	(78)	-	(32,513)	-	-	(180)	-	-
	MANTENANCE	(14,571)	(3,268)	(65)	(110,297)	-	(4,695)	(24,964)	-	(6,958)	-	(25,623)	(40,350)	-	(71,221)
	RENTS	(152,851)	(111,637)	(333)	(112,377)	-	(4,220)	(187,087)	-	-	-	(108,095)	(220)	-	(29,825)
	BASIC SERVICES	(63,460)	(37,372)	-	(25,371)	-	(2,312)	(72,694)	-	-	-	(28,229)	-	-	(1,247)
	ADVERTISING	(97,546)	(202,241)	-	(65,811)	-	-	(63,104)	-	(113,023)	(8,219)	(108,409)	(219)	-	(96,567)
	CONTRACTOR SERVICES	(1,217,695)	(719,251)	-	(17,489)	-	(37,765)	(16,210)	-	-	-	(19,718)	-	-	(13,259)
	OTHER SERVICES	(124,145)	(142,306)	(3,222)	(94,898)	(1,637)	(13,203)	(86,815)	(12,489)	(27,148)	(940)	(553,881)	(14,136)	-	(567,401)
		<b>(8,878)</b>	<b>(29,350)</b>	<b>(221)</b>	<b>(6,761)</b>	<b>(45)</b>	<b>(4,073)</b>	<b>(18,486)</b>	<b>(24)</b>	<b>-</b>	<b>(16)</b>	<b>(3,877)</b>	<b>(28)</b>	<b>-</b>	<b>(12,050)</b>
	TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	REGIONAL GOVERNMENT TAXES	(8,052)	(10,385)	(221)	(4,404)	(45)	-	(1,412)	(24)	-	(16)	(3,324)	(28)	-	(305)
	LOCAL GOVERNMENT TAXES	(196)	(18,895)	-	(1,743)	-	(4,073)	(16,691)	-	-	-	(7)	-	-	(11,727)
	OTHER TAXES	(630)	(70)	-	(614)	-	-	(383)	-	-	-	(546)	-	-	(18)
		<b>(4,187,292)</b>	<b>(2,514,823)</b>	<b>(18,255)</b>	<b>(638,325)</b>	<b>-</b>	<b>(628,423)</b>	<b>(360,072)</b>	<b>(122,536)</b>	<b>(78,764)</b>	<b>(1,935)</b>	<b>(14,950,697)</b>	<b>(158,422)</b>	<b>(260,195)</b>	<b>(1,314,643)</b>
	INSURANCE	(73,419)	(234,729)	-	(48,508)	-	-	(119,486)	-	-	-	(19,462)	-	-	(13,655)
	SUBSCRIPTIONS	(464)	(606)	-	(21)	-	-	(63)	-	-	-	(83)	(71)	-	-
	LICENSES	-	(46)	-	-	-	-	-	-	-	-	(270)	-	-	-
	SUPPLIES	(688,273)	(437,695)	(213)	(234,181)	-	(57,861)	(106,934)	-	(11,890)	(728)	(125,641)	(132,545)	-	(551,522)
	RESEARCH EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENVIRONMENTAL MANAGEMENT	-	-	-	-	-	-	(710)	-	-	-	-	-	-	-
	OTHER EXPENSES	(3,425,136)	(1,841,747)	(18,042)	(355,615)	-	(570,562)	(132,879)	(122,536)	(66,874)	(1,207)	(14,805,241)	(25,806)	(260,195)	(749,466)
		<b>(19,830)</b>	<b>(45,609)</b>	<b>(262)</b>	<b>(14,729)</b>	<b>(1)</b>	<b>(7,017)</b>	<b>(15,731)</b>	<b>(47,027)</b>	<b>(935)</b>	<b>(22,893)</b>	<b>(456)</b>	<b>(12,726)</b>	<b>(2)</b>	<b>(1,955)</b>
	INTEREST FOR LOANS	(1)	(26)	(1)	(2)	(1)	(1)	(2)	(1)	(1)	-	1	1	(1)	4
	EXCHANGE RATE	(19,829)	(45,583)	(261)	(14,727)	-	(7,016)	(15,729)	(47,026)	(934)	(22,893)	(457)	(12,727)	(1)	(1,959)
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	PROVISIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>78,721</b>	<b>79,092</b>	<b>198</b>	<b>19,760</b>	<b>-</b>	<b>4,036</b>	<b>17,455</b>	<b>43,668</b>	<b>1,009</b>	<b>63,680</b>	<b>12,205</b>	<b>8,261</b>	<b>-</b>	<b>3,246</b>
	OTHER INCOME	8	22,061	-	29	-	1	22	(9,351)	393	44,205	12,002	-	-	9
	RETURN OBTAINED	-	-	-	969	-	-	-	15,509	-	5,373	-	458	-	1,746
	EXCHANGE RATE	78,713	57,031	-	18,762	-	4,035	17,433	37,510	616	14,102	203	7,803	-	1,491
<b>3. GRAND TOTAL</b>		<b>234,371</b>	<b>(5)</b>	<b>71</b>	<b>6,609,973</b>	<b>(4,628)</b>	<b>-</b>	<b>869</b>	<b>84,509</b>	<b>(1)</b>	<b>29,450</b>	<b>-</b>	<b>1,957</b>	<b>10,341,885</b>	<b>327,740</b>

**PROFONANPE**  
  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	045 - OTHER	046 - PROJECT MORONA – PASTAZA, PHASE II	049- DEVELOPMENT OF INSTITUTIONAL CAPACITY SINANPE II	050- REDD CORDILLERA AZUL	052 - STRENGTHENING SUSTAINABLE MANAGEMENT OF ISLANDS RESERVE	053 IMPLEMENTATION OF THE COMMUNAL RESERVE MASTER PLAN AMARAKAERI – PHASE II	055 -- MITIGATION OF DEFORESTATION IN THE CHESNUT GRANTS OF MADRE DE DIOS	056 – EQUITY FUND BITS AND ISLANDS	058 -- PROJECT MERESE - FIDA	059 - FUNDESNAPE AGREEMENT	060 - ADAPTATION OF THE IMPACTS OF CLIMATE CHANGE ON THE COASTAL MARINE ECOSYSTEM OF PERU	062 - HUMEDALES OF DATEM	063- BANANO CARBONO NEUTRAL	064- VICANOTA POLYLEPIS
<b>1.REVENUES</b>		<b>96,000</b>	<b>6,008,785</b>	<b>292,566</b>	<b>168,895</b>	<b>13,910,591</b>	<b>177,222</b>	<b>1,636,616</b>	<b>2,297,032</b>	<b>5,307,917</b>	<b>120,938</b>	<b>2,775,614</b>	<b>3,638,959</b>	<b>200,000</b>	<b>1,036,314</b>
		<b>96,000</b>	<b>1,041,215</b>	<b>292,566</b>	<b>168,895</b>	<b>13,910,591</b>	<b>177,222</b>	<b>1,636,616</b>	-	<b>5,307,917</b>	<b>120,938</b>	<b>2,775,614</b>	<b>2,882,116</b>	<b>200,000</b>	<b>175</b>
	DIRECT FUNDS S/.	-	-	-	-	-	-	60,816	-	467,030	-	-	-	-	-
	DIRECT FUNDS US\$	96,000	823,107	282,238	168,895	13,910,591	177,222	1,575,800	-	4,840,887	120,938	2,775,614	2,752,116	200,000	175
	DIRECT FUNDS NOT CASH CONTRIBUTION	-	-	-	-	-	-	-	-	-	-	-	130,000	-	-
	DIRECT FUNDS EUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	<b>4,967,570</b>	-	-	-	-	-	<b>2,297,032</b>	-	-	-	<b>756,843</b>	-	<b>1,036,139</b>
	ENABLEMENT	-	4,389,098	-	-	-	-	-	2,000,000	-	-	-	751,151	-	938,733
	RETURN	-	599,834	-	-	-	-	-	350,136	-	-	-	6,084	-	102,730
	FLUCTUATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	COMMISSION	-	(21,362)	-	-	-	-	-	(52,984)	-	-	-	(392)	-	(5,324)
	BANK EXPENSES DIRECT TO PORTFOLIO	-	-	-	-	-	-	-	(120)	-	-	-	-	-	-
<b>2.EXPENSES</b>		<b>(95,982)</b>	<b>(1,840,841)</b>	<b>(292,565)</b>	<b>(48,084)</b>	<b>(13,910,592)</b>	<b>(176,974)</b>	<b>(1,636,858)</b>	<b>(96,496)</b>	<b>(5,282,926)</b>	<b>(120,602)</b>	<b>(808,869)</b>	<b>(1,917,551)</b>	<b>(200,000)</b>	<b>(175)</b>
		-	<b>(21,522)</b>	-	-	<b>(1,595,182)</b>	<b>(18,276)</b>	<b>(81,809)</b>	<b>(40,112)</b>	<b>(18,765)</b>	<b>(2,310)</b>	<b>(440,798)</b>	<b>(16,601)</b>	<b>(1,984)</b>	-
	PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BUILDINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MACHINERY	-	(2,832)	-	-	(87,064)	-	(9,146)	-	-	(1,817)	(302,698)	-	(1,685)	-
	TRANSFERT UNITS	-	-	-	-	(647,503)	-	(43,899)	-	(6,046)	-	-	(1,073)	-	-
	FURNITURE	-	-	-	-	(40,868)	-	(374)	-	-	-	(3,327)	-	-	-
	COMPUTER EQUIPMENT	-	(18,527)	-	-	(814,497)	(17,848)	(28,390)	(40,112)	(12,648)	(493)	(134,773)	(15,354)	(299)	-
	REPLACEMENT UNITS	-	-	-	-	(10)	(428)	-	-	-	-	-	-	-	-
	UNITS TO RECEIVE	-	-	-	-	(5,238)	-	-	-	-	-	-	-	-	-
	CONSTRUCTION IN PROGRESS	-	(163)	-	-	(2)	-	-	-	(71)	-	-	(174)	-	-
		-	<b>(231)</b>	<b>(1,000)</b>	-	<b>(2,261)</b>	-	<b>(5,843)</b>	-	-	<b>(41)</b>	-	<b>(311)</b>	-	-
	LICENSES	-	(231)	(1,000)	-	(1,907)	-	(5,843)	-	-	(41)	-	(72)	-	-
	SOFTWARE	-	-	-	-	(354)	-	-	-	-	-	-	(239)	-	-
	DESIGNS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OTHER ASSETS INTANGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	<b>(275,456)</b>	<b>(8,797)</b>	-	<b>(922,249)</b>	-	<b>(360,012)</b>	-	<b>(421,257)</b>	<b>(79,950)</b>	<b>(153,085)</b>	<b>(780,446)</b>	<b>(490)</b>	-
	SALARIES	-	(225,497)	(7,120)	-	(748,241)	-	(299,185)	-	(357,979)	(62,316)	(133,423)	(655,811)	-	-
	OTHER SALARIES	-	(3,114)	-	-	(15,066)	-	(5,766)	-	(5,200)	(1,912)	(843)	(7,300)	-	-
	PERSONAL INDEMNITIES	-	-	-	-	(1,347)	-	(1,399)	-	(1)	(32)	-	(586)	-	-
	TRAINING	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SOCIAL SECURITY	-	(28,653)	(641)	-	(97,349)	-	(28,953)	-	(30,657)	(10,282)	(10,177)	(67,969)	(490)	-
	SOCIAL BENEFITS	-	(18,192)	(1,036)	-	(60,246)	-	(24,709)	-	(27,420)	(5,408)	(8,642)	(48,780)	-	-
		<b>(83,368)</b>	<b>(438,392)</b>	<b>(113,179)</b>	-	<b>(7,122,927)</b>	<b>(49,800)</b>	<b>(1,023,047)</b>	<b>(43,939)</b>	<b>(522,140)</b>	<b>(22,571)</b>	<b>(184,497)</b>	<b>(673,390)</b>	<b>(189,899)</b>	<b>(128)</b>

**PROFONANPE**  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	045 - OTHER	046 - PROJECT MORONA – PASTAZA, PHASE II	049- DEVELOPMENT OF INSTITUTIONAL CAPACITY SINANPE II	050- REDD CORDILLERA AZUL	052 - STRENGTHENING SUSTAINABLE MANAGEMENT OF ISLANDS RESERVE	053 IMPLEMENTATION OF THE COMMUNAL RESERVE MASTER PLAN AMARAKAERI – PHASE II	055 -- MITIGATION OF DEFORESTATION IN THE CHESNUT GRANTS OF MADRE DE DIOS	056 – EQUITY FUND BITS AND ISLANDS	058 -- PROJECT MERESE - FIDA	059 - FUNDESAP AGREEMENT	060 - ADAPTATION OF THE IMPACTS OF CLIMATE CHANGE ON THE COASTAL MARINE ECOSYSTEM OF PERU	062 - HUMEDALES OF DATEM	063- BANANO CARBONO NEUTRAL	064- VICANOTA POLYLEPIS
	TRANSPORTATION AND TRAVEL EXPENSES	(6,778)	(110,582)	(42,724)	-	(527,096)	(18,774)	(161,607)	(18,868)	(110,483)	(11,608)	(59,369)	(249,103)	(28,147)	-
	FEE AND COMMISSIONS	(70,400)	(206,320)	(66,418)	-	(4,018,869)	(7,918)	(411,477)	(11,095)	(368,463)	(1,180)	(61,383)	(287,066)	(130,095)	-
	PRODUCTION COMMISSIONED TO THIRD PARTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MANTENANCE	-	(3,506)	6	-	(38,261)	(4,242)	(7,236)	-	(227)	-	-	(5,494)	-	-
	RENTS	-	(58,251)	-	-	(106,514)	(150)	(31,397)	(2,000)	(2,089)	(3,600)	(370)	(40,093)	-	-
	BASIC SERVICES	-	(7,739)	-	-	(17,423)	(37)	(11,662)	(645)	(1,827)	(1,214)	-	(16,898)	-	-
	ADVERTISING	-	(2,519)	-	-	(85,610)	(1,133)	(29,832)	-	(6,280)	(603)	(5,304)	(11,232)	(5,128)	-
	CONTRACTOR SERVICES	-	-	(500)	-	(213,175)	-	(174,944)	-	-	-	(45,324)	(44,870)	(20,889)	-
	OTHER SERVICES	(6,190)	(49,475)	(3,543)	-	(2,115,979)	(17,546)	(194,892)	(11,331)	(32,771)	(4,366)	(12,747)	(18,634)	(5,640)	(128)
		-	(162)	(18)	-	(11,674)	-	(952)	(25)	(209)	(11)	(6,168)	(408)	-	(47)
	TAXES	-	-	-	-	(6,452)	-	-	-	-	-	(2,925)	-	-	-
	REGIONAL GOVERNMENT TAXES	-	(61)	(18)	-	(788)	-	-	(9)	(209)	(11)	(34)	(210)	-	(47)
	LOCAL GOVERNMENT TAXES	-	-	-	-	(4,434)	-	(952)	(16)	-	-	(3,209)	(198)	-	-
	OTHER TAXES	-	(101)	-	-	-	-	-	-	-	-	-	-	-	-
		(11,980)	(1,099,255)	(169,033)	(48,084)	(4,235,023)	(106,844)	(151,638)	(10,394)	(4,293,970)	(11,824)	(20,253)	(410,239)	(7,624)	-
	INSURANCE	-	(2,132)	-	-	(16,861)	-	(14,055)	(608)	(4,141)	(70)	(1,423)	(9,519)	-	-
	SUBSCRIPTIONS	-	(36)	(3,540)	-	(224)	-	-	-	-	-	-	-	-	-
	LICENSES	-	(35)	-	-	(1,097)	-	(366)	-	-	-	-	(537)	-	-
	SUPPLIES	(118)	(102,458)	-	-	(137,357)	(10,241)	(50,493)	(992)	(7,897)	(2,115)	(14,933)	(144,523)	(6,539)	-
	RESEARCH EXPENSES	-	-	-	-	(148,641)	-	-	-	-	-	-	-	-	-
	ENVIRONMENTAL MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OTHER EXPENSES	(11,862)	(994,594)	(165,493)	(48,084)	(3,930,843)	(96,603)	(86,724)	(8,794)	(4,281,932)	(9,639)	(3,897)	(255,660)	(1,085)	-
		(843)	(6,303)	(634)	-	(84,572)	(2,700)	(36,234)	(8,575)	(130,195)	(3,037)	(25,647)	(73,569)	(599)	-
	INTEREST FOR LOANS	-	(2)	1	-	(4)	-	1	(1)	(2)	(1)	-	1	1	-
	EXCHANGE RATE	(843)	(6,301)	(635)	-	(84,568)	(2,700)	(36,235)	(8,574)	(130,193)	(3,036)	(25,647)	(73,570)	(600)	-
		-	-	-	-	(13,268)	-	(9,048)	-	(5,949)	(3,177)	-	(31,049)	-	-
	PROVISIONS	-	-	-	-	(13,268)	-	(9,048)	-	(5,949)	(3,177)	-	(31,049)	-	-
		209	480	96	-	76,564	646	31,725	6,549	109,559	2,319	21,579	68,462	596	-
	OTHER INCOME	1	75	-	-	673	-	4	-	3	1	1	4	-	-
	RETURN OBTAINED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EXCHANGE RATE	208	405	96	-	75,891	646	31,721	6,549	109,556	2,318	21,578	68,458	596	-
<b>3. GRAND TOTAL</b>		<b>18</b>	<b>4,167,944</b>	<b>1</b>	<b>120,811</b>	<b>(1)</b>	<b>248</b>	<b>(242)</b>	<b>2,200,536</b>	<b>24,991</b>	<b>336</b>	<b>1,966,745</b>	<b>1,721,408</b>	<b>-</b>	<b>1,036,139</b>

**PROFONANPE**  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	065 - PORTFOLIO FIDA - MERESE	066 – PAN III	067 - FORASAN	068 - US FOREST	069 - NAGOYA PROTOCOL	071 – NATIONAL PARK MANAGEMENT YAGUAS	072 - CREATION OF BIONEERING MODEL BASED ON ENERGY	074 - – ENSURING THE FUTURE OF THE ANP OF PERU	075 - READINESS	076 – STRENGTHENING OF DIVISOR MANAGEMENT	077 - CONSOLIDATED FROM PFP FOR SINANPE: NATURAL HERITAGE	078 - USFS FOREST - PHASE II	079 – SIPAM PROYECT	080 - FONANPE
<b>1.REVENUES</b>		<b>2,201,393</b>	<b>1,288,834</b>	<b>31,868</b>	<b>599,071</b>	<b>951,900</b>	<b>532,500</b>	<b>822,620</b>	<b>897,916</b>	<b>273,125</b>	<b>325,298</b>	<b>513,000</b>	<b>1,682,212</b>	<b>864,393</b>	<b>17,193,243</b>
		-	1,288,834	31,868	599,071	951,900	532,500	822,620	897,916	273,125	325,298	513,000	1,682,212	864,393	-
	DIRECT FUNDS S/.	-	-	31,868	(150)	-	-	-	-	-	-	-	150	864,393	-
	DIRECT FUNDS US\$	-	-	-	599,221	951,900	532,500	822,620	897,916	273,125	325,298	513,000	1,682,062	-	-
	DIRECT FUNDS NOT CASH CONTRIBUTION	-	239,605	-	-	-	-	-	-	-	-	-	-	-	-
	DIRECT FUNDS EUR	-	1,049,229	-	-	-	-	-	-	-	-	-	-	-	-
		<b>2,201,393</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>17,193,243</b>
	ENABLEMENT	2,000,000	-	-	-	-	-	-	-	-	-	-	-	-	15,976,545
	RETURN	211,094	-	-	-	-	-	-	-	-	-	-	-	-	1,268,553
	FLUCTUATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	COMMISSION	(9,574)	-	-	-	-	-	-	-	-	-	-	-	-	(51,855)
	BANK EXPENSES DIRECT TO PORTFOLIO	(127)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>2.EXPENSES</b>		<b>-</b>	<b>(1,099,283)</b>	<b>(6,394)</b>	<b>(599,052)</b>	<b>(515,882)</b>	<b>(508,220)</b>	<b>(14,542)</b>	<b>(701,809)</b>	<b>(173,409)</b>	<b>(307,534)</b>	<b>(395,864)</b>	<b>(1,688,674)</b>	<b>(696,111)</b>	<b>(2,993,293)</b>
		-	(374,424)	-	(2,495)	(4,110)	(49,743)	-	-	-	(13,384)	(10,740)	(12,361)	(50,841)	-
	PROPERTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BUILDINGS	-	(270,000)	-	-	-	-	-	-	-	-	-	-	-	-
	MACHINERY	-	(6,257)	-	-	-	-	-	-	-	(955)	-	(2,014)	-	-
	TRANSFERT UNITS	-	(90,759)	-	-	-	(30,693)	-	-	-	(5,337)	-	-	-	-
	FURNITURE	-	-	-	(144)	-	-	-	-	-	(726)	(961)	(7,608)	-	-
	COMPUTER EQUIPMENT	-	(7,408)	-	(2,351)	(4,110)	(19,050)	-	-	-	(6,366)	(9,779)	(2,739)	(50,841)	-
	REPLACEMENT UNITS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	UNITS TO RECEIVE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(2,879)	(42,126)	-	-	(52,692)	(30,179)	-	(5,220)	(14,168)	-	-
	LICENSES	-	-	-	-	-	-	-	(130)	-	-	(1,670)	(610)	-	-
	SOFTWARE	-	-	-	(2,879)	(42,126)	-	-	(52,562)	(30,179)	-	(3,550)	(13,558)	-	-
	DESIGNS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OTHER ASSETS INTANGIBLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	(301,520)	-	-	(179,329)	(27,596)	-	(370,003)	-	(14,985)	(106,536)	-	(421,497)	-
	SALARIES	-	(263,048)	-	-	(155,730)	(23,881)	-	(321,643)	-	(13,032)	(92,030)	-	(372,459)	-
	OTHER SALARIES	-	(996)	-	-	(361)	(140)	-	(1,647)	-	-	(441)	-	-	-
	PERSONAL INDEMNITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TRAINING	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SOCIAL SECURITY	-	(19,778)	-	-	(11,932)	(1,857)	-	(23,851)	-	(1,005)	(7,170)	-	(26,766)	-
	SOCIAL BENEFITS	-	(17,698)	-	-	(11,306)	(1,718)	-	(22,862)	-	(948)	(6,895)	-	(22,272)	-
		-	(265,519)	(199)	(457,596)	(240,187)	(162,366)	(5,486)	(197,945)	(126,736)	(190,786)	(218,332)	(1,395,691)	(146,268)	-



**PROFONANPE**  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2019  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	065 - PORTFOLIO FIDA - MERESE	066 – PAN III	067 - FORASAN	068 - US FOREST	069 - NAGOYA PROTOCOL	071 – NATIONAL PARK MANAGEMENT YAGUAS	072 - CREATION OF BIONEERING MODEL BASED ON ENERGY	074 - – ENSURING THE FUTURE OF THE ANP OF PERU	075 - READINESS	076 – STRENGTHENING OF DIVISOR MANAGEMENT	077 - CONSOLIDATED FROM PFP FOR SINANPE: NATURAL HERITAGE	078 - USFS FOREST - PHASE II	079 – SIPAM PROYECT	080 - FONANPE
	TRANSPORTATION AND TRAVEL EXPENSES	-	(22,575)	(19)	(218,480)	(106,939)	(56,517)	(480)	(142,765)	(8,960)	(37,209)	(50,285)	(443,989)	(79,193)	-
	FEE AND COMMISSIONS	-	(117,619)	-	(151,718)	(74,514)	(95,294)	(4,784)	(7,184)	(57,242)	(51,165)	(102,764)	(482,895)	(23,807)	-
	PRODUCTION COMMISSIONED TO THIRD PARTIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MAINTENANCE	-	-	-	(414)	-	(1,798)	-	(483)	-	(1,297)	(1,715)	(13,366)	-	-
	RENTS	-	(628)	-	(13,432)	(3,705)	(4,906)	-	(5,828)	(4,455)	-	(4,444)	(109,965)	(2,150)	-
	BASIC SERVICES	-	-	-	(8,263)	(758)	(89)	-	(10,789)	-	(21)	(11,552)	(9,500)	(7)	-
	ADVERTISING	-	(15,519)	-	(16,369)	(4,956)	-	-	(8,719)	(21)	-	(25,215)	(38,900)	(1,795)	-
	CONTRACTOR SERVICES	-	(104,639)	-	(2,355)	(28,253)	-	-	(6,417)	(18,869)	(8,663)	(2,810)	(171,347)	(29,972)	-
	OTHER SERVICES	-	(4,539)	(180)	(46,565)	(21,062)	(3,762)	(222)	(15,760)	(37,189)	(92,431)	(19,547)	(125,729)	(9,344)	-
		-	<b>(7,504)</b>	<b>(1)</b>	<b>(38,828)</b>	<b>(43)</b>	<b>(1,350)</b>	<b>(26)</b>	<b>(56)</b>	<b>(3)</b>	<b>(118)</b>	<b>(17)</b>	<b>(6,143)</b>	<b>(65)</b>	-
	TAXES	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	REGIONAL GOVERNMENT TAXES	-	(79)	(1)	(214)	(43)	(81)	(26)	(56)	(3)	(118)	(17)	(156)	(65)	-
	LOCAL GOVERNMENT TAXES	-	-	-	(38,614)	-	-	-	-	-	-	-	(5,987)	-	-
	OTHER TAXES	-	(7,425)	-	-	-	(1,269)	-	-	-	-	-	-	-	-
		-	<b>(63,590)</b>	<b>(5,995)</b>	<b>(97,252)</b>	<b>(43,845)</b>	<b>(259,527)</b>	<b>(8,526)</b>	<b>(74,548)</b>	<b>(14,675)</b>	<b>(83,572)</b>	<b>(50,292)</b>	<b>(245,663)</b>	<b>(70,569)</b>	<b>(2,993,293)</b>
	INSURANCE	-	(5,366)	-	(509)	(1,277)	(1,403)	-	(9,240)	-	(332)	(1,353)	(443)	(333)	-
	SUBSCRIPTIONS	-	-	-	-	-	-	-	-	(300)	-	-	-	-	-
	LICENSES	-	-	-	-	-	-	-	(146)	-	-	(1,683)	(28)	-	-
	SUPPLIES	-	(10,061)	(3,578)	(6,766)	(406)	(49,832)	(8,611)	(5,414)	-	(32,233)	(9,265)	(51,575)	(5,154)	-
	RESEARCH EXPENSES	-	-	-	-	-	-	-	-	-	-	(5,427)	(4,731)	-	-
	ENVIRONMENTAL MANAGEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	OTHER EXPENSES	-	(48,163)	(2,417)	(89,977)	(42,162)	(208,292)	85	(59,748)	(14,375)	(51,007)	(32,564)	(188,886)	(65,082)	(2,993,293)
		-	<b>(176,025)</b>	<b>(1,992)</b>	<b>(1,893)</b>	<b>(26,078)</b>	<b>(34,019)</b>	<b>(1,956)</b>	<b>(35,411)</b>	<b>(8,174)</b>	<b>(26,264)</b>	<b>(23,351)</b>	<b>(93,833)</b>	<b>(77,337)</b>	-
	INTEREST FOR LOANS	-	2	-	(1)	(1)	2	1	(3)	-	(2)	3	(1)	-	-
	EXCHANGE RATE	-	(176,027)	(1,992)	(1,892)	(26,077)	(34,021)	(1,957)	(35,408)	(8,174)	(26,262)	(23,354)	(93,832)	(77,337)	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PROVISIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	<b>89,299</b>	<b>1,793</b>	<b>1,891</b>	<b>19,836</b>	<b>26,381</b>	<b>1,452</b>	<b>28,846</b>	<b>6,358</b>	<b>21,575</b>	<b>18,624</b>	<b>79,185</b>	<b>70,466</b>	-
	OTHER INCOME	-	1	-	1	1	-	-	1	-	1	1	2	1	-
	RETURN OBTAINED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	EXCHANGE RATE	-	89,298	1,793	1,890	19,835	26,381	1,452	28,845	6,358	21,574	18,623	79,183	70,465	-
<b>3. GRAND TOTAL</b>		<b>2,201,393</b>	<b>189,551</b>	<b>25,474</b>	<b>19</b>	<b>436,018</b>	<b>24,280</b>	<b>808,078</b>	<b>196,107</b>	<b>99,716</b>	<b>17,764</b>	<b>117,136</b>	<b>(6,462)</b>	<b>168,282</b>	<b>14,199,950</b>

**PROFONANPE**  
**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2018  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	081 - AGREEMENT CEPF	082 – II CONGRESS OF ANP	083 - READINESS II – GREEN CLIMATE FUND	084 – STRENGTHENING MOORE – FOUNDATION GORDON & BETTY MOORE	085 - STRENGTHENING SINANPE	086 – SOS AMAZONIA	087 – HUMEDALES PNIPA I	088 - USFS FOREST - PHASE III	089 - PORTFOLIO PAN III	090 – INITIATIVE PDP	TOTAL
<b>1.REVENUES</b>		<b>399,285</b>	<b>-</b>	<b>169,158</b>	<b>520,000</b>	<b>2,782,131</b>	<b>-</b>	<b>23,267</b>	<b>230,728</b>	<b>2,573,377</b>	<b>1,131,175</b>	<b>148,332,986</b>
		<b>399,285</b>	<b>-</b>	<b>169,158</b>	<b>520,000</b>	<b>-</b>	<b>-</b>	<b>23,267</b>	<b>230,728</b>	<b>-</b>	<b>1,131,175</b>	<b>76,688,912</b>
	DIRECT FUNDS S/.	-	-	-	-	-	-	23,267	-	-	-	3,322,224
	DIRECT FUNDS US\$	399,285	-	169,158	520,000	-	-	-	230,728	-	1,131,175	71,246,968
	DIRECT FUNDS NOT CASH CONTRIBUTION	-	-	-	-	-	-	-	-	-	-	1,070,491
	DIRECT FUNDS EUR	-	-	-	-	-	-	-	-	-	-	1,049,229
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,782,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,573,377</b>	<b>-</b>	<b>71,644,074</b>
	ENABLEMENT	-	-	-	-	2,750,000	-	-	-	2,533,062	-	59,658,249
	RETURN	-	-	-	-	40,601	-	-	-	41,870	-	13,714,169
	FLUCTUATION	-	-	-	-	-	-	-	-	-	-	(78,697)
	COMMISSION	-	-	-	-	(8,470)	-	-	-	(1,555)	-	(1,649,394)
	BANK EXPENSES DIRECT TO PORTFOLIO	-	-	-	-	-	-	-	-	-	-	(253)
<b>2.EXPENSES</b>		<b>(295,725)</b>	<b>274,757</b>	<b>(11,809)</b>	<b>(209,050)</b>	<b>-</b>	<b>(19)</b>	<b>(707)</b>	<b>(231,735)</b>	<b>(134,831)</b>	<b>(121)</b>	<b>(93,770,674)</b>
		<b>(2,418)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,294)</b>	<b>-</b>	<b>-</b>	<b>(9,894,018)</b>
	PROPERTIES	-	-	-	-	-	-	-	-	-	-	(259,655)
	BUILDINGS	-	-	-	-	-	-	-	-	-	-	(2,285,848)
	MACHINERY	-	-	-	-	-	-	-	-	-	-	(705,045)
	TRANSFERT UNITS	-	-	-	-	-	-	-	-	-	-	(1,925,033)
	FURNITURE	-	-	-	-	-	-	-	-	-	-	(129,846)
	COMPUTER EQUIPMENT	(2,418)	-	-	-	-	-	-	(2,294)	-	-	(3,092,166)
	REPLACEMENT UNITS	-	-	-	-	-	-	-	-	-	-	(438)
	UNITS TO RECEIVE	-	-	-	-	-	-	-	-	-	-	(38,377)
	CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-	-	-	-	(1,457,610)
		<b>(4,082)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,579)</b>	<b>-</b>	<b>-</b>	<b>(710,118)</b>
	LICENSES	(1,584)	-	-	-	-	-	-	-	-	-	(93,767)
	SOFTWARE	(2,498)	-	-	-	-	-	-	(3,579)	-	-	(508,166)
	DESIGNS	-	-	-	-	-	-	-	-	-	-	(7,129)
	OTHER ASSETS INTANGIBLE	-	-	-	-	-	-	-	-	-	-	(101,056)
		<b>(96,996)</b>	<b>-</b>	<b>-</b>	<b>(148,186)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,418,547)</b>
	SALARIES	(83,920)	-	-	(131,484)	-	-	-	-	-	-	(8,538,983)
	OTHER SALARIES	(447)	-	-	-	-	-	-	-	-	-	(331,449)
	PERSONAL INDEMNITIES	(1,033)	-	-	-	-	-	-	-	-	-	(40,861)
	TRAINING	-	-	-	-	-	-	-	-	-	-	(14,955)
	SOCIAL SECURITY	(6,215)	-	-	(9,755)	-	-	-	-	-	-	(884,487)
	SOCIAL BENEFITS	(5,381)	-	-	(6,947)	-	-	-	-	-	-	(607,812)
		<b>(23,806)</b>	<b>(197,112)</b>	<b>(12)</b>	<b>(53,745)</b>	<b>-</b>	<b>(137)</b>	<b>(1,073)</b>	<b>(190,148)</b>	<b>(131,317)</b>	<b>(65)</b>	<b>(32,899,110)</b>

## PROFONANPE

**BALANCE OF PROJECTS**  
AS OF DECEMBER 31, 2018  
(Expressed in American Dollars)

TYPE	ACCOUNT DESCRIPTION	081 - AGREEMENT CEPF	082 – II CONGRESS OF ANP	083 - READINESS II – GREEN CLIMATE FUND	084 – STRENGTHENING MOORE – FOUNDATION GORDON & BETTY MOORE	085 - STRENGTHENING SINANPE	086 – SOS AMAZONIA	087 – HUMEDALES PNIPA I	088 - USFS FOREST - PHASE III	089 - PORTFOLIO PAN III	090 – INITIATIVE PDP	TOTAL
	TRANSPORTATION AND TRAVEL EXPENSES	(9,037)	(22,360)	-	(30,295)	-	-	-	(78,969)	-	-	(5,807,478)
	FEE AND COMMISSIONS	(3,737)	(1,423)	-	(23,059)	-	-	(1,048)	(73,914)	(22,423)	-	(14,808,814)
	PRODUCTION COMMISSIONED TO THIRD PARTIES	-	-	-	-	-	-	-	-	-	-	(1,721,411)
	MANTENANCE	-	-	-	-	-	-	-	(5,529)	-	-	(385,574)
	RENTS	-	-	-	-	-	-	-	(16,113)	-	-	(1,116,735)
	BASIC SERVICES	(284)	-	-	-	-	-	-	(2,578)	-	-	(331,971)
	ADVERTISING	(4,819)	(2,311)	-	-	-	-	-	(4,097)	-	-	(1,025,501)
	CONTRACTOR SERVICES	-	(33,809)	-	-	-	-	-	(1,179)	(108,894)	-	(3,058,296)
	OTHER SERVICES	(5,929)	(137,209)	(12)	(391)	-	(137)	(25)	(7,769)	-	(65)	(4,643,330)
		<b>(7)</b>	<b>(7)</b>	<b>-</b>	<b>(36)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>-</b>	<b>(57)</b>	<b>(157,773)</b>
	TAXES	-	-	-	-	-	-	-	-	-	-	(9,377)
	REGIONAL GOVERNMENT TAXES	(7)	(7)	-	(36)	-	-	-	(29)	-	(57)	(30,598)
	LOCAL GOVERNMENT TAXES	-	-	-	-	-	-	-	-	-	-	(106,742)
	OTHER TAXES	-	-	-	-	-	-	-	-	-	-	(11,056)
		<b>(161,025)</b>	<b>(65,482)</b>	<b>(11,797)</b>	<b>(5,000)</b>	<b>-</b>	<b>(2,757)</b>	<b>-</b>	<b>(32,998)</b>	<b>-</b>	<b>-</b>	<b>(40,100,949)</b>
	INSURANCE	(4,346)	-	-	-	-	-	-	-	-	-	(582,670)
	SUBSCRIPTIONS	-	-	-	(5,000)	-	-	-	-	-	-	(10,408)
	LICENSES	(219)	-	-	-	-	-	-	-	-	-	(4,427)
	SUPPLIES	(143)	(19,164)	-	-	-	-	-	(8,546)	-	-	(3,035,897)
	RESEARCH EXPENSES	-	-	-	-	-	-	-	-	-	-	(158,799)
	ENVIRONMENTAL MANAGEMENT	-	-	-	-	-	-	-	-	-	-	(710)
	OTHER EXPENSES	(156,317)	(46,318)	(11,797)	-	-	(2,757)	-	(24,452)	-	-	(36,308,038)
		<b>(12,352)</b>	<b>(20,796)</b>	<b>-</b>	<b>(13,350)</b>	<b>-</b>	<b>(283)</b>	<b>(325)</b>	<b>(9,184)</b>	<b>(5,611)</b>	<b>1</b>	<b>(1,130,314)</b>
	INTEREST FOR LOANS	-	-	-	-	-	-	-	(1)	2	1	(35)
	EXCHANGE RATE	(12,352)	(20,796)	-	(13,350)	-	(283)	(325)	(9,183)	(5,613)	-	(1,130,279)
		<b>(2,905)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,396)</b>
	PROVISIONS	(2,905)	-	-	-	-	-	-	-	-	-	(65,396)
		<b>7,866</b>	<b>558,154</b>	<b>-</b>	<b>11,267</b>	<b>-</b>	<b>3,158</b>	<b>691</b>	<b>6,497</b>	<b>2,097</b>	<b>-</b>	<b>1,605,551</b>
	OTHER INCOME	(2,400)	541,295	-	1	-	2,973	-	1	-	-	612,020
	RETURN OBTAINED	-	-	-	-	-	-	-	-	-	-	24,055
	EXCHANGE RATE	10,266	16,859	-	11,266	-	185	691	6,496	2,097	-	969,476
<b>3. GRAND TOTAL</b>		<b>103,560</b>	<b>274,757</b>	<b>157,349</b>	<b>310,950</b>	<b>2,782,131</b>	<b>(19)</b>	<b>22,560</b>	<b>(1,007)</b>	<b>2,438,546</b>	<b>1,131,054</b>	<b>54,562,312</b>