COLEGIO DE TRADUCTORES DEL PERÚ

LIC. JOSEFINA VILLAFAN CARRASCO
CTP No. 0085
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Spanish – English – German

CERTIFIED TRANSLATION

TC No. 0617-2013

STATEMENT OF THE COMPREHENSIVE INCOME FOR THE PERIODS ENDED ON JUNE 30, 2013 AND 2012

COLEGIO DE TRADUCTORES DEL PERU · 1996 · CTP

Josefina Villafán Carrasco
CTP Nº 085

Nº 0072300

Valor 3 Nuevos Soles

Josefina Villafán Carrasco
CTP Nº 085

Fondo MIVIVIENDA S.A.
Statement of the Comprehensive Income
For the periods ended on June 30, 2013 and 2012
(In thousands of nuevos soles)

	Note	For the specific quarter from April 1 to June 30, 2013	For the specific quarter from April 1 to June 30, 2012	For the accumulated period from January 1 to June 30, 2013	For the accumulated period from January 1 to June 30, 2012
Net profit (loss)		989	24,059	22,826	46,492
Other comprehensive income:					
Exchange difference due to conversion of transactions abroad		0	0	0	0
Investment profit (loss) in equity instruments at fair value		0	0	0	0
Cash flow hedging		0	0	0	0
Hedging of net investment of business abroad		0	0	0	0
Share in other comprehensive income of affiliates, associates and joint ventures		0	0	0	0
Surplus of revaluation		0	0	0	0
Others		(26,436)	(21)	(27,965)	(21)
Other comprehensive income before taxes		(26,436)	(21)	(27,965)	(21)
Income tax related to components of other comprehensive income					
Exchange difference due to conversion of transactions abroad		0	0	0	0
Investment profit (loss) in equity instruments at fair value		0	0	0	0
Cash flow hedging		0	0	0	0
Hedging of net investment of business abroad		0	0	0	0
Share in other comprehensive income of affiliates, associates and joint ventures		0	0	0	0
Surplus of revaluation		0	0	0	0
Others		0	0	0	0
Sum of income taxes related to components of other comprehensive income		**0**	**0**	**0**	**0**
Other comprehensive income		(26,436)	(21)	(27,965)	(21)
Total comprehensive income, net of the income tax		(25,447)	**24,038**	(5,139)	**46,471**

FONDO MIVIVIENDA S.A.
Estado de Resultados Integrales
Por los periodos terminados al 30 de Junio del año 2013 y 2012
(En miles de nuevos soles)

	Nota	Por el Trimestre especifico del 1 de Abril al 30 de Junio de 2013	Por el Trimestre especifico del 1 de Abril al 30 de Junio de 2012	Por el Periodo acumulado del 1 de Enero al 30 de Junio de 2013	Por el periodo acumulado del 1 de Enero al 30 de Junio de 2012
Ganancia (Pérdida) Neta del Ejercicio		989	24,059	22,826	46,492
Otro Resultado Integral:					
Diferencia de cambio por conversión de operaciones en el extranjero		0	0	0	0
Ganancias (pérdidas) de inversiones en instrumentos de patrimonio al valor razonable		0	0	0	0
Coberturas del flujo de efectivo		0	0	0	0
Coberturas de inversión neta de negocios en el extranjero		0	0	0	0
Participación en otro resultado integral de subsidiarias, asociadas y negocios conjuntos		0	0	0	0
Superávit de revaluación		0	0	0	0
Otros		(26,435)	(21)	(27,964)	(21)
Otro resultado integral antes de impuestos		(26,435)	(21)	(27,964)	(21)
Impuesto a las ganancias relacionado con componentes de otro resultado integral					
Diferencia de cambio por conversión de operaciones en el extranjero		0	0	0	0
Ganancias (pérdidas) de inversiones en instrumentos de patrimonio al valor razonable		0	0	0	0
Coberturas del flujo de efectivo		0	0	0	0
Coberturas de inversión neta de negocios en el extranjero		0	0	0	0
Participación en otro resultado integral de subsidiarias, asociadas y negocios conjuntos		0	0	0	0
Superávit de revaluación		0	0	0	0
Otros		0	0	0	0
Suma de impuestos a las ganancias relacionados con componentes de otro resultado integral		**0**	**0**	**0**	**0**
Otros resultado integral		**(26,435)**	**(21)**	**(27,964)**	**(21)**
Resultado integral total del ejercicio, neto del impuesto a las ganancias		**(25,446)**	**24,038**	**(5,138)**	**46,471**

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CERTIFIED TRANSLATION

TC No. 0618-2013

STATEMENT OF CASH FLOWS
FOR THE PERIODS ENDED ON JUNE 30, 2013 AND 2012

COLEGIO DE TRADUCTORES DEL PERU · 1996 · CTP

Josefina Villafán Carrasco
CTP Nº 085

Nº 0072301

Valor 3 Nuevos Soles

Fondo MIVIVIENDA S.A.
Statement of Cash Flows
For the periods ended on June 30, 2013 and 2012
(In thousands of nuevos soles)

	Note	From January 1, 2013 to June 30, 2013	From January 1, 2012 to June 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
NET INCOME		22,826	46,492
ADJUSTMENTS		0	0
Depreciation and amortization		328	293
Provisions		23,279	28,643
Impairment		0	0
Other adjustments		(4,495)	(364)
NET CHANGES IN ASSETS AND LIABILITIES			
(Net Increase) decrease in assets			
Loans			
Investments at fair value through profit or loss			
Available-for-sale investments		(269,199)	(2,555)
Accounts receivable and others		(537,266)	(119,042)
Net Increase (decrease) in liabilities			
Financial liabilities, non-subordinated liabilities			
Accounts payable and others		(3,414)	43,845
Cash flows and cash equivalent after adjustments and net changes in assets and liabilities		**(767,941)**	**(2,688)**
Cash collected (paid) from income taxes		(26,683)	(12,978)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(794,624)**	**(15,666)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Inflow from the sale of shares		0	0
Outflow from the purchase of shares		0	0
Inflow from the sale of intangibles and property, furniture and equipment		0	47
Outflow from acquisition of intangibles and property, furniture and equipment		(362)	0
Inflow from held-to-maturity debt instrument		0	0
Outflow from held-to-maturity debt instrument		0	0
Other inflows related to investment activities		0	53
Other outflows related to investment activities		0	0
NET CASH FLOWS FROM INVESTMENT ACTIVITIES		**(362)**	**100**
CASH FLOWS FROM FINANCING ACTIVITIES			
Inflow from issuance of subordinated financial liabilities		0	0
Outflow from recovery of subordinated financial liabilities		0	0
Inflow from issuance of equity instruments		0	0
Dividends paid		0	0
Other inflows related to financing activities		1,061,255	270,919
Other outflows related to financing activities		(11,831)	(209,393)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,049,424**	**61,526**
Net increase (decrease) in cash and cash equivalent before the effects of changes on the exchange rate		**254,438**	**45,960**
Effects of the changes on the cash and cash equivalent exchange rate		61,081	3,111
Net increase (decrease) of cash and cash equivalent		315,519	49,071
Cash and cash equivalent at the beginning of the period		340,476	157,229
Cash and cash equivalent at the end of the period		**655,995**	**206,300**

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FONDO MIVIVIENDA S.A.
Estado de Flujos de Efectivo
Por los periodos terminados al 30 de Junio del año 2013 y 2012
(En miles de nuevos soles)

	Nota	Del 1 de Enero de 2013 al 30 de Junio de 2013	Del 1 de Enero de 2012 al 30 de Junio de 2012
FLUJOS DE EFECTIVO DE ACTIVIDADES DE OPERACIÓN			
RESULTADO NETO DEL EJERCICIO		22,826	46,492
AJUSTES		0	0
Depreciación y amortización		328	293
Provisiones		23,279	28,643
Deterioro		0	0
Otros ajustes		(4,495)	(364)
VARIACIONES NETAS DE ACTIVOS Y PASIVOS		0	0
(Aumento neto) disminución en activos		0	0
Creditos		0	0
Inversiones a valor razonable con cambios en resultados		0	0
Disponibles para la venta		(269,199)	(2,555)
Cuentas por cobrar y otras		(537,266)	(119,042)
Aumento neto (disminución) en pasivos		0	0
Pasivos financieros, no subordinados		0	0
Cuentas por pagar y otras		(3,414)	43,845
Flujos de efectivo y equivalente al efectivo después de ajustes y variaciones neta en activos y pasivos		**(767,941)**	**(2,688)**
Impuesto a las ganancias (pagados) cobrados		(26,683)	(12,978)
FLUJOS DE EFECTIVO NETO DE ACTIVIDADES DE OPERACIÓN		**(794,624)**	**(15,666)**
FLUJOS DE EFECTIVO DE ACTIVIDADES DE INVERSIÓN			
Entrada por venta de participacions		0	0
Salida por compra en participaciones		0	0
Entrada por venta de intangibles e inmuebles, mobiliario y equipos		0	47
Salida por compras de intangibles e inmuebles, mobiliario y equipo)		(362)	0
Entrada de instrumento de deuda mantenidos hasta el vencimiento		0	0
Salida de instrumento de deuda mantenidos hasta el vencimiento		0	0
Otras entradas relacionadas a actividades de inversión		0	53
Otras salidas relacionadas a actividades de inversión		0	0
FLUJOS DE EFECTIVO NETO DE ACTIVIDADES DE INVERSIÓN		**(362)**	**100**
FLUJOS DE EFECTIVO DE ACTIVIDADES DE FINANCIAMIENTO			
Entrada por la emisión de pasivos financieros subordinados		0	0
Salida por el rescate de pasivos fiancieros subordinados		0	0
Entrada por emisión de instrumentos de patrimonio		0	0
Dividendos pagados		0	0
Otras entradas relacionadas a las actividades de financiamiento		1,061,255	270,919
Otras salidas relacionadas a las actividades de financiamiento		(11,831)	(209,393)
FLUJOS DE EFECTIVO NETO ACTIVIDADES DE FINANCIAMIENTO		**1,049,424**	**61,526**
Aumento neto (disminución) en efectivo y equivalente de efectivo antes del efecto de las variaciones en el tipo de cambio		**254,438**	**45,960**
Efectos de las variaciones en el tipo de cambio en el efectivo y equivalente de efectivo		61,081	3,111
Aumento neto (disminución) de efectivo y equivalentes al efectivo		315,519	49,071
Efectivo y equivalentes al efectivo al inicio del periodo		340,476	157,229
Efectivo y equivalentes al efectivo al finalizar el periodo		**655,995**	**206,300**

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CERTIFIED TRANSLATION

TC No. 0619-2013

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED ON JUNE 30, 2013 AND 2012

COLEGIO DE TRADUCTORES DEL PERU · 1996 · CTP

Josefina Villafán Carrasco
CTP Nº 085

Nº 0072242

Valor 3 Nuevos Soles

Josefina Villafán Carrasco
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Fondo MIVIVIENDA S.A.
Statement of Changes in the Shareholders' Equity
For the periods ended on June 30, 2013 and 2012
(In thousands of nuevos soles)

				Reserves				Adjustments to Equity								
	Capital stock	Additional capital	Treasury stock	Legal reserves	Voluntary reserves	Retained earnings	Net income	Exchange differences on translation of foreign transactions	Gains (losses) of investments in equity instruments at fair value	Cash flow hedging	Hedging of net investment of business abroad	Share in other comprehensive income of affiliates, associates and joint ventures	Surplus of revaluation	Other adjustments	Total adjustments to shareholders' equity	Total net shareholders' equity
Balances as of January 1, 2012	2,889,344	34	0	25,815	0	87,437										3,002,630
1. Adjustments due to changes in accounting policies																0
2. Adjustments due to correction of errors																0
3. Initial balance after adjustments	2,889,344	34	0	25,815	0	87,437	0	0	0	0	0	0	0	0	0	3,002,630
4. Changes in shareholders' equity:																
5. Comprehensive income:																
6. Income							46,492									46,492
7. Other comprehensive income								0	0	0	0	0	0	(21)	(21)	(21)
8. Total comprehensive income								0	0	0	0	0	0	(21)	(21)	3,049,101
9. Changes in the net equity (not included in the comprehensive income)																
10. Transfer of income to retained earnings and reserves				8,302		(8,302)										0
11. Declared cash dividends						0										0
12. Issuance of capital stocks (different than business combination)	78,816	0	0	0	0	(78,816)										0
13. Reduction of capital (different than business combination)	0	0	0	0	0	0										0
14. Increase (decrease) of business combinations	0	0	0	0	0	0										0
15. Increase (decrease) due to trades of treasury stock	0	0	0	0	0	0										0
16. Increase (decrease) due to transfer and other changes	0	0	0	0	0	946										946
Total changes in shareholders' equity	78,816	0	0	8,302	0	(86,172)	0									946
Balances as of June 30, 2012	2,968,160	34	0	34,117	0	1,265	46,492	0	0	0	0	0	0	(21)	(21)	3,050,047
Balances as of January 1, 2013	2,968,160	34	0	34,117		92,627		0	0	0	0	0	0	0	0	3,094,938
1. Adjustments due to changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Adjustments due to correction of errors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Initial balance after adjustments	2,968,160	34	0	34,117	0	92,627	0	0	0	0	0	0	0	0	0	3,094,938
4. Changes in shareholders' equity:																
5. Comprehensive income:																
6. Income							22,826									22,826
7. Other comprehensive income								0	0	0	0	0	0	(27,964)	(27,964)	(27,964)
8. Total comprehensive income								0	0	0	0	0	0	(27,964)	(27,964)	3,089,800
9. Changes in the net equity (not included in the comprehensive income)																
10. Transfer of income to retained earnings and reserves				9,166	0	(9,166)	0									0
11. Declared cash dividends						0										0
12. Issuance of capital stocks (different than business combination)	82,494	0	0	0	0	(82,494)										0
13. Reduction of capital (different than business combination)	0	0	0	0	0	0										0
14. Increase (decrease) of business combinations	0	0	0	0	0	0										0
15. Increase (decrease) due to trades of treasury stock	0	0	0	0	0	0										0
16. Increase (decrease) due to transfer and other changes	0	0	0	0	0	(4,135)										(4,135)
Total changes in shareholders' equity	82,494	0	0	9,166	0	(95,795)	0									(4,135)
Balances as of June 30, 2013	3,050,654	34	0	43,283	0	(3,168)	22,826	0	0	0	0	0	0	(27,964)	(27,964)	3,085,665

CERTIFIED TRANSLATION No.0619-2013

FONDO MIVIVIENDA S.A.
Estado de Cambios en el Patrimonio
Por los periodos terminados al 30 de Junio del año 2013 y 2012
(En miles de nuevos soles)

				Reservas				Ajustes al Patrimonio								
	Capital social	Capital adicional	Acciones en Tesorería	Reservas obligatorias	Reservas voluntarias	Resultados acumulados	Resultado neto del ejercicio	Diferencias de Cambio por Conversión de Operaciones en el Extranjero	Ganancias (Pérdidas) de Inversiones en Instrumentos de Patrimonio al valor razonable	Coberturas del flujo de efectivo	Coberturas de inversión neta de negocios en el extranjero	Participación en otro Resultado Integral de Subsidiarias, Asociadas y Negocios conjuntos	Superávit de Revaluación	Otros ajustes	Total de ajustes al patrimonio	Total Patrimonio Neto
Saldos al 1ero. de enero de 2012	2,889,344	34	0	25,815	0	87,437									0	3,002,630
1. Ajustes por cambios en políticas contables															0	0
2. Ajustes por corrección de errores															0	0
3. Saldo inicial después de ajustes	2,889,344	34	0	25,815	0	87,437	0	0	0	0	0	0	0	0	0	3,002,630
4. Cambios en Patrimonio:																
5. Resultado Integral:																
6. Resultado del Ejercicio							46,492									46,492
7. Otro Resultado Integral								0	0	0	0	0	0	(21)	(21)	(21)
8. Resultado Integral Total								0	0	0	0	0	0	(21)	(21)	3,049,101
9. Cambios en el Patrimonio neto (no incluidos en el Resultado Integral)																
10. Transferencia de Resultado del Ejercicio a Resultados acumulados y reservas				8,302	0	(8,302)	0									0
11. Dividendos en efectivo declarados						0										0
12. Emisión de acciones de Capital (distinto a combinación de negocios)	78,816	0	0	0	0	(78,816)										0
13. Reducción de Capital (distinto a combinación de negocios)	0	0	0	0	0	0										0
14. Incremento (disminución) de Combinaciones de Negocios	0	0	0	0	0	0										0
15. Incremento (disminución) por transacciones de acciones en tesorería	0	0	0	0	0	0										0
16. Incremento (Disminución) por Transferencia y Otros Cambios	0	0	0	0	0	946										946
Total de cambios en el patrimonio	78,816	0	0	8,302	0	(86,172)	0									946
Saldos al 30 de Junio de 2012	2,968,160	34	0	34,117	0	1,265	46,492	0	0	0	0	0	0	(21)	(21)	3,050,047
Saldos al 1ero. de enero de 2013	2,968,160	34	0	34,117	0	92,627	0	0	0	0	0	0	0	0	0	3,094,938
1. Ajustes por Cambios en Políticas Contables	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Ajustes por Corrección de Errores	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. Saldo inicial después de ajustes	2,968,160	34	0	34,117	0	92,627	0	0	0	0	0	0	0	0	0	3,094,938
4. Cambios en Patrimonio:																
5. Resultado Integral:																
6. Resultado del Ejercicio							22,826									22,826
7. Otro Resultado Integral								0	0	0	0	0	0	(27,964)	(27,964)	(27,964)
8. Resultado Integral Total								0	0	0	0	0	0	(27,964)	(27,964)	3,089,800
9. Cambios en el Patrimonio neto (no incluidos en el Resultado Integral)																
10. Transferencia de Resultado del Ejercicio a Resultados acumulados y reservas				9,166	0	(9,166)	0									0
11. Dividendos en efectivo declarados						0										0
12. Emisión de acciones de Capital (distinto a combinación de negocios)	82,494	0	0		0	(82,494)										0
13. Reducción de Capital (distinto a combinación de negocios)	0	0	0	0	0	0										0
14. Incremento (disminución) de Combinaciones de Negocios	0	0	0	0	0	0										0
15. Incremento (disminución) por transacciones de acciones en tesorería	0	0	0	0	0	0										0
16. Incremento (Disminución) por Transferencia y Otros Cambios	0	0	0	0	0	(4,135)										(4,135)
Total de cambios en el patrimonio	82,494	0	0	9,166	0	(95,795)	0									(4,135)
Saldos al 30 de Junio de 2013	3,050,654	34	0	43,283	0	(3,168)	22,826	0	0	0	0	0	0	(27,964)	(27,964)	3,085,665

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CERTIFIED TRANSLATION

CT No. 0584-2013

NOTES TO THE FINANCIAL STATEMENTS AS OF JUNE 30, 2013 AND DECEMBER 31, 2012 OF FONDO MIVIVIENDA S.A.

COLEGIO DE TRADUCTORES DEL PERU
CTP
1996

Josefina Villafán Carrasco
CTP Nº 085

Nº 0072240

Valor 3 Nuevos Soles

NOTES TO THE FINANCIAL STATEMENTS
As of June 30, 2013 and December 31, 2012
In Thousands of Nuevos Soles

1. Identification and economic activity

Fondo MIVIVIENDA S.A. (hereafter "FMV" or "Fondo MIVIVIENDA") is a state-owned company under private law and is governed by Law N°28579 and its by-laws. The Fund falls under the purview of the Peruvian National Fund for the Financing of Business Activities of the State (Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado or "FONAFE" by its acronym in Spanish) under the Ministry of Housing, Construction and Sanitation – "MVCS", by its acronym in Spanish. The aforementioned Law N°28579 provided for the conversion of the former Mortgage Fund for the Promotion of Housing (*Fondo Hipotecario de Promoción de la Vivienda – Fondo MIVIVIENDA*) – into a corporation called Fondo MIVIVIENDA S.A

The Fund's objectives are the promotion and financing for the acquisition, improvement and construction of homes, especially those of social interest, promotion of activities to invest into the home lending market, schedule in the primary and secondary market of mortgage loans, and contributing to the development of the Peruvian capital market. All the Fund's activities are regulated by the Superintendency of Banking, Insurance and Pension Funds Administrators (*Superintendencia de Banca, Seguros y AFP* or "SBS" by its acronym in Spanish), SBS Resolution N°980-2006 Regulations for Fondo MIVIVIENDA S.A.

The legal address of the Fund is Avenida Paseo de la República N°3121, San Isidro, Lima, Peru.

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

(i) MIVIVIENDA Program
(ii) Techo Propio Program – Management of the Household Housing Bonus (Bono Familiar Habitacional, or "BFH" by its acronym Spanish) as commissioned by the Ministry of Housing, Construction and Sanitation – MVCS
(iii) Resources of the Fund, Law N°27677, as commissioned by the Ministry of Economy and Finance (hereafter "MEF" by its acronym in Spanish).

The characteristics of each program are the following:

(i) MIVIVIENDA Program
The Fund, through a Trust Agreement with COFIDE, channels resources to the Peruvian financial system to grant mortgage loans, among its characteristics are the Good Payer Award (*Premio al Buen Pagador* or "PBP" by its acronym in Spanish) and the Credit Risk Coverage (*Cobertura de Riesgo Crediticio* or "CRC" by its acronym in Spanish), see note 2.

This program includes the following products:
- Nuevo Crédito MIVIVIENDA
- Crédito MICONSTRUCCIÓN
- Crédito MIVIVIENDA Estandarizado (*)
- Crédito MIHOGAR (*)
- Crédito MIVIVIENDA Tradicional (*)

Josefina Villafán Carrasco
CTP N° 085

- Crédito Complementario Techo Propio (Complementary financing to the Household Housing Bonus – BFH)
- Servicio de Cobertura de Riesgo Crediticio y Premio al Buen Pagador (fondeo de las Instituciones Financieras Intermediarias) - *Service of Credit Risk Coverage and Good Payer Award (Funding to Intermediary Financial Institutions, hereafter "IFI") (*)*

  (*) As of June 30, 2013, these loans have been discontinued and outstanding receivable balances remain, see note 7. CRC-PBP services and Crédito MIVIVIENDA Estandarizado were discontinued in November 2009, Crédito MIHOGAR was discontinued in August 2009, as well as Crédito MIVIVIENDA Tradicional in May 2006.

(ii) Techo Propio Program – Management of the Household Housing Bonus (BFH)
These loans are granted in three modalities, (i) acquisition of a new home (AVN); (ii) construction on owned lot (CSP); and (iii) house renovations (MV). In all modalities, mortgage loan financing within this program comprises the schedule of up to three components: (i) a subsidiary channeled by the Fund with resources from the government– the aforementioned Household Housing Bonus (BFH); (ii) household savings and; (iii) when necessary, the Complementary Financing to BFH (Techo Propio Program) which must be granted by an IFI.

According to the Third Transitional Provision of Law N°28579, upon ending the year 2005, the Fund was engaged by the Government to manage the BFH and the Techo Propio Program resources, by signing an agreement with the MVCS.

On April 28, 2006, the Fund, MVCS and FONAFE signed the "Agreement on Management of the Household Housing Bonus and the Funds of the Techo Propio Program", under which the Fund is responsible for managing both the BFH and the Techo Propio Program resources, including the promotion, registration, recording and verification of information, the qualification of applications, allocation and transfer of the BFH funds to the developer, seller, builder or the respective technical unit. This agreement establishes that FONAFE shall allocate to the Fund the resources to meet the costs and expenses of managing the Program.

(iii) Fund Law N°27677
Additionally, the Fund was the administrator of the fund created by Law N° 27677, until the publication of Law 29625 dated December 08, 2010, its Regulations, Supreme Decree No. 006-2012 – EF published on January 13, 2012 and letter No. 084-2012/CAH-Law 29625 dated July 20, 2012, which, pursuant to the aforementioned rules provided the transfer of funds, debts, assets and liabilities related to Fund Law 27677, pending to date the transfer of what has been required by such commission, since it does not have sufficient legal capacity to receive the transfer in question. It should be pointed out that Fund Law N° 27677 was incorporated with proceeds from the liquidation of the National Housing Fund (*Fondo Nacional de la Vivienda, or* "FONAVI" by its acronym in Spanish). Said Law provides that these funds shall be used to finance the construction of affordable housing, house renovation and loans for the expansion of single-family houses, and that the Fund should be in charge of the management, collection and channeling of said resources.

Likewise, the FMV constituted the CRC – PBP trusts, both in nuevos soles and in US dollars, to cover the Fund's obligations to provide PBP payments and CRC in an amount equivalent to one third (1/3) of the total registered by each intermediary financial institution that contracts such service. It should be noted that these trusts are governed by SBS Resolution N°980-2006 which approves the "Regulations for Fondo MIVIVIENDA S.A.".

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Under the service contracts with the CRC–PBP trusts, the FMV provides the intermediary financial institutions with the following services:

- Credit Risk Coverage (CRC service), as defined by Article 21° of the CRC and PBP Regulation, is a guarantee the FMV grants to the intermediary financial institution for either up to one third of the unpaid balance of the covered loan or one-third of the loss, whichever the lower. Said amount shall be duly notified by the IFI to the FMV, on terms and conditions provided for in the Regulation.

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

The financial statements as of June 30, 2013 were approved by the Board of Directors on July 15, 2013. The financial statements for the year ended on December 31, 2012 were approved by the Board of Directors' meeting on February 04, 2013 and by the General Shareholders' Meeting held on April 12, 2013.

2. Trust Agreement – Corporación Financiera de Desarrollo (COFIDE)

On March 25, 1999, the Trust Agreement was entered into by and between the Mortgage Fund for the Promotion of Housing (*Fondo Hipotecario de Promoción de la Vivienda – Fondo MIVIVIENDA S.A.*) and Corporación Financiera de Desarrollo S.A. – COFIDE. The objective was to create a legal trust relationship, by which COFIDE receives FMV's resources and acts as an organization enforcing them, in order to channel them to the final beneficiaries through the IFI that wish to use them for the acquisition or improvement of homes, in accordance with the provisions set forth in Article 12º of Supreme Executive Order 001-99-MTC, "Regulation for the Mortgage Fund for the Promotion of Housing – Fondo MIVIVIENDA".

The main COFIDE's obligations include the following:

- Compliance with articles 241º to 274º of the General Law of the Financial and Insurance System and Institutional Law of the Superintendency of Banking and Insurance – Law N° 26702 and its amendments.
- Verify compliance with requirements and conditions of the IFI in accordance with Supreme Executive Order 001-99- MTC.
- Enter into with the IFI having met the requirements and conditions to act as intermediate in the agreement for the channeling of resources.
- Supervise the use of resources in accordance with the provisions set forth in the FMV's regulations and the agreement for the channeling of resources.
- Collect the loans granted to the IFI.
- Engage audits being necessary to be assumed by FMV.
- Periodically forward the reports in relation to the Trust development, as well as recommendations on the exposure of the IFI. (*)
- Establish operating procedures being necessary for the adequate FMV's management.

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- Other deemed necessary to ensure the normal development of the objectives and functions of the trust and of FMV.

(*) On May 18, 2012, Addendum N°01 to the Trust Agreement was signed by which COFIDE's obligations to issue recommendations on the exposure limits of the IFI with FMV became void, since FMV is a corporation supervised by the SBS.

The main FMV's obligations include the following:

- Establish policies for the handling, management and destination of the FMV's resources.
- Approve the IFI eligibility criteria that will receive FMV's resources for use thereof, in financing the acquisition of homes, as well as indebtedness limits of each one of them.
- Establish terms and conditions under which FMV's resources will be made available to the IFI, and the manner of placing them.

COFIDE's powers are the following:

- Channel and supervise FMV's resources, being able to enter into and sign all public and private documents and acts being necessary to such purpose.
- Demand that the IFI require the establishment of guarantees on the schedule of the beneficiaries.
- Exercise all powers contained in articles 74 and 75 of the Code of Civil Procedure being necessary for the execution of the task entrusted. Consequently, COFIDE may file claims and counterclaims, answer claims and counterclaims, abandon the process or the cause of action, admit the cause of action, conciliate, reach a settlement and submit disputes in the proceeding to arbitration.
- It is placed on record that COFIDE is not responsible for the IFI financial standing.

With respect to the fees arising from the services provided by COFIDE, COFIDE was authorized to deduct from the amount disbursed by the IFI a fee of 0.25 percent once over the amount of each loan, as well as an annual fee of 0.25 percent rebate over the outstanding balances of the loans, which shall be paid by the IFI and shall be preferably collected on the collection dates of installments of the loans granted to the IFI. These accounts are recorded as income by COFIDE.

The duration of this Agreement is 5 years, being automatically renewed if none of the schedules expresses its intention to terminate it.

3. Main accounting principles and practices

The main accounting principles and practices applied in the preparation of the financial statements have been applied uniformly in all the years presented, unless otherwise stated; and are detailed hereinbelow:

(a) Basis of presentation and changes in accounting policies

(i) Basis of presentation:

The accompanying financial statements have been prepared based on the FMV accounting records, which are kept in nominal monetary terms in Nuevos Soles, in accordance with the standards issued by the SBS which affect FMV in force as of March 31, 2013 and as of December 31, 2012 and, in a supplementary way, where there are no standards of the SBS, the International Financial Reporting Standards (IFRS), were made official in Peru through resolutions issued by the Accounting Standards Committee (ASC).

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Certain accounting principles applied by FMV, which are in accordance with the SBS accounting principles differ from the accounting principles of other countries.

The preparation of the financial statements requires the FMV's Management to carry out estimates affecting the figures of assets and liabilities reported; the disclosure of active and passive contingencies on the date of the financial statements, as well as the figures of revenues and expenses reported during the current period. Final results may differ from such estimates. The most significant estimates in relation to the financial statements of FMV correspond to the provision for accounts receivable, the valuation of investments, the valuation of derivative financial instruments and the estimate of the current and deferred income tax, which accounting criteria are described in this note.

The financial statements have been prepared by using uniform accounting principles for the second quarter 2013 and for the 2012 period; taking into account the provisions set forth in item (ii) below.

(ii) Changes in accounting principles:

By SBS Resolution SBS N° 7036-2012 dated September 19, 2012, the SBS amended the Accounting Manual for companies of the financial system, in order to harmonize the accounting principles to IFRS, in force as from January 01, 2013. The main changes that have affected the presentation of the financial statements of FMV are as follows:

1. The incorporation of the IFRS's Conceptual Framework in the preparation of the financial statements, which includes the definitions of Materiality and Relative Importance.
2. The new name of the Form "A" as "Statement of Financial Position" rather than Balance Sheet.
3. Accrued revenues and expenses from the different asset and liability accounts are included in the same general ledger account that is generated.
4. Asset and liability accounts of the hedging derivatives have been separated from the accounts receivable and payable, respectively.
5. The provisions for accounts receivable are presented by decreasing each type of accounts receivable.
6. The presentation of liabilities for collections to accounts payable, that is, taxes payable are no longer presented in "other obligations", being currently present the Value Added Tax payable and the Third Category Income Tax payable in the Current Taxes item and other taxes payable, as accounts payable.
7. The incorporation of the "Comprehensive Income Statement" as Financial Statement, rather than Profit and Loss Statement, the name of the Form "B" of the previous accounting manual. The Comprehensive Income Statement has been divided into two: the first named Form "B-1" as "Income Statement"; and the second named Form "B-2" as "Income Statement and Other Comprehensive Income".
8. Separation of financial income and expenses in the Income Statement, the name Financial Income and Financial Expenses has been replaced by Interest Income and Interest Expenses, these items only showing general ledger accounts related to interest income and expenses. Other financial income and expenses are presented in the "Gains on Financial Transactions (ROF, by its acronym in Spanish)" item

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9. The provisions for accounts receivable are presented on net basis from its reversals of provisions from previous periods.
10. Depreciation and amortization are presented separately from Asset valuation and provisions item.
11. General ledger accounts have been deleted from accrued gains on available-for-sale and held-to-maturity investments, being recorded in this period in analytical accounts of the same investments' accounts. Also, the accounts of other amortizable expenses have been deleted, which balances were transferred to other deferred charges.
12. The reclassification of other income and expenses, replacing accounts of income and expenses by exchange difference of derivative financial products in foreign currency for trading, being recorded in other several financial income and expenses. Likewise, the deletion of accounts of extraordinary income and expenses and income and expenses from previous periods, in order to record income and expenses of this type of items in accounts created to such purpose or in accordance with the already existing accounts of the period.

    The Management considers that the application of amendments to the Accounting Manual only affects the presentation of the Financial Statements but not the FMV's results.

    Likewise, and in accordance with the Accounting Manual for companies of the financial system, the comparative presentation of the quarterly financial statements for the year 2013 (March, June and September) is not enforceable. Balances for the 2012 period presented in the quarterly financial statements result in better estimates of the comparative information.

(iii) Responsibility for information and estimates carried out:
The FMV's management is responsible for the information of the Financial Statements. Some estimates have been used in their preparation to quantify several assets, liabilities, income, expenses and commitments recorded therein, based on the experience and other relevant factors. Final results may differ from such estimates.

These estimates are permanently verified and analyzed. Changes in accounting estimates are prospectively recognized, recording the change effects in the respective profit or loss accounts of the year in which such analyzes are carried out.
Estimates and their most important sources of uncertainties for the preparation of the financial statements of FMV are related to:

- Available-for-sale and held-to-maturity investments
- Provision for accounts receivable
- Other assets
- Provision for several assets
- Useful life assigned to property, furniture and equipment
- Recording of contingent liabilities
- Deferred income tax
- Derivative financial instruments

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(iii) Currency of preparation and presentation:
FMV prepares and presents its Financial Statements in Nuevos Soles (S/.), which is the currency of the main economic environment in which it operates.

(b) Financial instruments
Financial instruments are classified as assets, liabilities or equity, according to the substance of the contractual agreement giving rise to them. Interest, dividends, gains and losses arising from a financial instrument classified as asset or liability, are recorded as income or expenses. Financial instruments are offset when the Fund has the legal right to do so and the Management has the intention of settling them on a net basis, or to liquidate the asset and pay the liability simultaneously. Moreover, see note 3(e) related to criteria for the accounting record of the accounts receivable to the CRC-PBP Trusts.

The financial assets and liabilities presented in the Statement of the Financial Position correspond to the balance available, accounts receivable, other accounts receivable, available-for-sale and held-to-maturity investments, obligations with the public, other accounts payable and other liabilities in general. Furthermore, all derivative products are considered as financial instruments.

The accounting policies on recognition and valuation of these items are described hereinbelow in this note.

(c) Recognition of income and expenses
(c.1) Interest income and expenses
Interest income and expenses are recorded in the income statement of the period when they are accrued, according to the duration of the operations giving rise to them and the established interest rates. As FMV extends credit facilities to the IFI for channeling resources, which loan disbursements are carried out through the COFIDE-Trust, and not as placements to the final borrower according to the Accounting Manual for companies of the Financial System of SBS; which gains thereof are recorded on the accrual basis and suspended interest is not recognized pursuant to the accounting treatment established by SBS.

(c.2) Good Payer Bonus and Award
In accordance with the accounting treatment accepted by SBS for Fondo MIVIVIENDA S.A., the Good Payer Bonus and Award, including interest thereof, are recognized as follows:

(i) The Good Payer Bonus (hereinafter "BBP, by its acronym in Spanish") was created pursuant to Law N° 29033 dated June 7, 2007, as a direct, non-reimbursable aid to the eligible final beneficiaries, for a maximum amount of S/.12,500 as from April 22, 2010 (S/.10,000 before April 22, 2010), which is granted to the persons which have complied with punctually paying six consecutive monthly installments corresponding to the non-concessional schedule of Crédito MIVIVIENDA. To such purposes, FMV divides the total disbursed amount of Crédito MIVIVIENDA plus interests in 2 schedules:

- A six-month schedule named "concessional schedule", corresponding to the amount of the Good Payer Bonus (capital and interest), and
- A monthly schedule named "non-concessional schedule", corresponding to the loan amount less the concessional schedule (capital and interest).

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In these cases, the BBP is received by MVCS (to the extent that MVCS has available funds) at FMV's request and is recorded for financial report and control purposes in the liabilities in the general ledger account "Good Payer Bonus-received",

When disbursing a Crédito MIVIVIENDA through the COFIDE-Trust, the FMV records in the "Accounts receivable, net item (Trust Agreement COFIDE)" the full disbursed amount and generates the 2 mentioned schedules.

Interests of both schedules are recognized on accrual basis, according to the preferential rates agreed with the financial entities with which the agreements were entered into, recognizing such interests as financial income.

Later, MVCS is provided with the list of the BBP beneficiaries, being such bonus of eligible beneficiaries reclassified from the "Good Payer Bonus-received" liability account to the "Good Payer Bonus–assigned" liability account,

(ii) In cases in which the Good Payer Bonus is directly assumed by FMV (when they do not comply with the requirements of Law N°29033 and amendments thereof; for example, when the value of the home to be acquired is higher than 25 tax units (UIT, by its acronym in Spanish) or when the bonus is granted with own resources, among others), it is named "Good Payer Award".

(iii) In both cases the award or bonus is granted for timely payment of six installments of the non-concessional schedule, an amount that varies according to the type of loan granted.

(iv) When the Good Payer Bonus becomes effective, when the final beneficiary has complied with the timely payment of six consecutive monthly installments, FMV accredits the accounts receivable (capital) of the installments of the concessional schedule under the liability account for the "Good Payer Bonus-assigned". Interest corresponding to such installments of the concessional schedule are recognized as FMV's expense and are stated net of the account "Accounts receivable (Trust Agreement COFIDE)" included in the "Financial income" item of the Income Statement.

(v) When the Good Payer Bonus becomes effective (see item (ii), for example, when the BBP is directly assumed by FMV) upon compliance with the conditions by the final beneficiary, FMV records such amount as expense; consequently, accounts receivable (capital) decreased from the installments of the concessional schedule from the "Financial expenses" account, while interests, as in the previous case, are recognized as expenses and are stated net of the account "Accounts receivable" (Trust Agreement COFIDE) included in "Financial income" item of the Income Statement.

(c.3) Commissions for management services of the CRC-PBP Trusts are recognized as income when received.

(c.4) Other income and expenses are recognized in the period in which they accrue.

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(d) Accounts receivable (Trust Agreement– COFIDE) and provision for accounts receivable. Accounts receivable are recorded when funds are disbursed through the Trust -COFIDE in favor of the intermediate financial institutions (IFI) channeling FMV's resources for the loan placement of the MIVIVIENDA products.

In accordance with the Regulation for Fondo MIVIVENDA S.A, enacted by SBS Resolution N° 980-2006 dated August 14, 2006, the provision is estimated based on the criteria established by SBS in the Regulation for Debtor Evaluation and Classification and Provisioning Requirements, Resolution N°11356-2008, according to the following methodology approved by SBS:

- Each account receivable is divided into 2 types of risk, with credit risk coverage (hereinafter "with CRC") and without credit risk coverage (hereinafter "without CRC"):

  (i) With CRC – They are those accounts having mortgage guarantees set up in favor of the IFI, and which have been timely informed and supported to FMV. On average, the CRC amount is 1/3 of the total account receivable by each final borrower during the first 8 years and 1/6 of the outstanding balance of the loan during the subsequent years (except for the Techo Propio Program and Mihogar Project, which have CRC rates, depending on the term of the loans and of the amount granted).

  (ii) Without CRC- They are those accounts receivable that FMV has with the IFI through the COFIDE Trust and that do not have the previously mentioned Credit Risk Coverage, or mortgage guarantees established.

  Once FMV divides accounts receivable by risk category, the provisions are estimated in accordance with the parameters established by SBS, which are:

- With CRC. For the purposes of estimating provisions, the loan is subdivided into two:

  (i) Portion covered with CRC: The provision is determined according to the risk category of the final beneficiary informed in the consolidated credit report (RCC, by its acronym in Spanish) and the outstanding balance of the debt reported by COFIDE, for which purpose, table 1 of SBS Resolution N° 11356-2008 is applied:

Risk category	**Table 1** %
Normal	0.70
With potential problems	5.00
Substandard	25.00
Doubtful	60.00
Loss	100.00

  (ii) Portion not covered with CRC: The provision is determined according to the classification granted by FMV to the IFI, based on the risk categories established by SBS and described in the following paragraph.

  The amount of the provision corresponds to the sum of both concepts.

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- Without CRC. FMV has determined that the type of loan corresponding to the IFI is similar to the corporate and large company loans and as the IFI are under "Normal" and "With Potential Problem (CPP)" categories, a provision has been established as 0.70 percent and 5.00 percent, respectively, in accordance with Table 1 above.

In order for the IFI to determine the risk classification, FMV has established within its internal regulations a table of provisions equivalent to the risk category established by SBS, as follows:

Risk classification by financial entity

Table 1		Table 2	
Risk	**Equivalence**	**Risk**	**Equivalence**
A +	Normal	B-	CPP
A	Normal	C+	CPP
A-	Normal	C	CPP
B +	Normal	C-	CPP
B	Normal	N.C.	CPP

The provisions for accounts receivable are presented reducing the balance thereof in the assets.

(e) Accounts receivable by CRC – PBP Trusts
Includes assets of CRC and PBP trusts, which correspond to assets (available, investments and accrued gains) and FMV's liabilities, but according to the SBS regulation (SBS Resolution N° 980-2006 Regulation for Fondo MIVIVIENDA S.A.) must be recorded as net balance in the "Other accounts receivable, net" item, since FMV acts as trustee and trustor.

Furthermore, the surplus (deficit) of such trusts is stated in the "Financial income" item of the Income Statement as "Assignment of trust income".

CRC-PBP trusts were created in 2007 and were aimed at allowing resources' availability for compliance with FMV's obligations arising from the CRC and PBP service contract, entered into with certain IFI; and allowing said resources to be managed more efficiently.

(f) Other accounts receivable, net
Includes assets received as payment in kind of banks in liquidation, as well as other accounts receivable, which due to the fact that they are in proceedings of liquidation or legal proceedings which do not accrue interest. Any recovery is recorded based on the evidence.

For the determination of the provisions for accounts receivable of these accounts, FMV carries out an appraisal in accordance with SBS Resolution N° 11356-2008.

The provision for the portfolio classification is carried out according to the review performed from time to time by the FMV's Management, classifying it in one of the following categories: normal, with potential problem, substandard, doubtful or loss; depending on the risk of payment default of each debtor. Guarantees received are considered by FMV only if they are filed with the public records office without remarks or annotations.

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The provision of clients classified in the categories of doubtful or loss for more than 36 and 24 months, respectively, is determined without considering the value of guarantees.

The details of the rates by risk category are stated in note 3(d) item (i), corresponding to accounts receivable with CRC.

(g) Foreign currency transactions
In accordance with the SBS regulation, the Nuevo Sol is the functional and presentation currency of FMV. Assets and liabilities in foreign currency are recorded at the exchange rate of the transaction date. Monetary assets and liabilities denominated in foreign currency are converted into Nuevos Soles at the end of each month using the exchange rate –set by SBS, note 4. Gains or losses resulting from adjusting the monetary assets and liabilities in foreign currency at the exchange rates in force as of the date of the Statement of the Financial Position are recorded in the income statement of the period.

The exchange rate difference corresponding to the CRC-PBP Trusts in foreign currency is included as schedule of the "Earnings per interests in trusts" subaccount of "Financial income" item of the Income Statement.

Non-monetary assets and liabilities that are acquired in foreign currency are recorded in nuevos soles at the exchange rate of the date of its acquisition.

(h) Derivative financial instruments
All derivative financial instruments are classified as held for trading, are initially recognized in the Statement of the Financial Position of FMV at its expense and, subsequently, are recorded at fair value. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The notional amount (nominal) of the operation is recorded in memorandum accounts for the notional amount in the committed currency, note 16.

Fair values are estimated based on exchange rates and market interest rates. Gains and losses for changes in fair value of derivatives are recorded in the income statement of the period.

As of June 30, 2013 and December 31, 2012, the Management considers that for management purposes, FMV has economic coverage derivatives; however, these derivatives are recorded according to the SBS regulations, recognizing valuation gains and losses at market value in the income statement of the period. Likewise, as of these dates, FMV does not present embedded derivatives.

(i) Available-for-sale and held-to-maturity investments
The initial record and the subsequent measurement of available-for-sale and held-to-maturity investments are carried out in accordance with SBS Resolution N°7033 -2012 "Guidelines for Classification and Valuation of Investments of Financial System Enterprises".

Classification

(i.1) Available-for-sale investments
Available-for-sale investments are those designated as such since they are kept for an indefinite period of time and may be sold due to cash requirements or interest rate changes, exchange rates or capital price; or do not qualify to be recorded at fair value with effect on the income statement or held-to-maturity.

The estimated market value of available-for-sale investments is mainly determined on the basis of market quotations or, in their absence, on the basis of discounted cash flows using market rates in accordance with the credit quality and the investment maturity term.

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(i.2) Held-to-maturity investments
Investment instruments that are classified within this category must comply with the following requirements:

- They must have been acquired or reclassified with the intention of holding them to maturity, unless the cases in which the sale, assignment or reclassification are allowed by SBS.

- Companies must have the financial standing and the intention of holding investment instruments to maturity.

- They must have risk classifications as required by SBS.

- In order for the companies to classify their investments in this category, they must assess if they have the financial standing for holding investments instruments to maturity whenever they decide to classify an instrument and at the end of each period.

Transaction record date
Transactions of available-for-sale and held-to-maturity investments are recorded using the trade date, in other words, the date on which reciprocal obligations are assumed, which must be completed within the term established by the regulations and market uses in which the operation is carried out.

Initial recognition -
The initial recognition of available-for-sale and held-to-maturity investments is carried out at fair value plus transaction costs that are directly attributable to the acquisition of such investments.

Amortized cost -
Any premium or discount is considered when determining the amortized cost by applying the effective interest rate methodology, recognizing the accrued interest in the "Interest for available-for-sale and held-to-maturity investments" account of "Financial income" item of the profit and loss statement.

Valuation
(i.1) Available-for-sale investments
Valuation is carried out at fair value and unrealized gains and losses in relation to the amortized cost are recognized in equity.

When the instrument is sold or gains or losses previously recognized as part of equity are carried, such gains or losses are transferred to the income statement of the period. Moreover, when the FMV's Management considers that decrease in the market value is permanent or is due to credit impairment, it makes the respective provisions, transferring the estimated loss from equity to the result of the period.

In any of the aforementioned cases, if SBS deems it necessary to make any additional provision for any type of investment, such provision shall be determined by SBS on the basis of each individual security and informed to FMV to be recorded in the result of the period.

(i.2) Held-to-maturity investments
These investments are recorded at their amortized cost and are not updated at fair value.

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Impairments are recorded by negative changes in the credit capacity of the issuer individually, similarly to the treatment of direct placements, directly affecting the result of the period.

When these investments are sold without fulfilling the provisions set forth in the regulation, and similar financial instruments of the same issuer are repurchased, these may not be recorded in this category unless there is an express authorization of SBS.

(j) Property, furniture and equipment
Assets in the property, furniture and equipment item are recorded at acquisition cost less accumulated depreciation.

Depreciation is computed based on the straight-line method and using the following estimated useful lives:

	June 30, 2013	As of December 31, 2012
Premises	10	10
Buildings	25	25
Several equipment	10	10
Computer equipment	4	4
Furniture and fixtures	10	10
Vehicles	5	5

Maintenance and repair expenses are charged to the income statement; any renewal and improvement are solely capitalized when disbursements improve the status of the assets and increase their useful life beyond the originally estimated time. The cost and accumulated depreciation of assets disposed of or sold are eliminated from their respective accounts, and any resulting gain or loss is included in the income statement of the period.

(k) Intangible assets
Intangibles included in the "Other assets" item of the Statement of the Financial Position, comprise developments and acquisitions of computing software licenses used in the FMV own operations. Software licenses acquired by FMV are capitalized on the basis of costs incurred for acquiring or putting in use the specific program. These intangible assets are amortized using the straight-line method following the estimated useful life in a maximum period of 4 years.

Useful life and amortization method are periodically reviewed to ensure that they are consistent accordance with the foreseen pattern of economic benefits of the intangible items.

As of June 30, 2013 and December 31, 2012, FMV does not maintain intangibles with unlimited useful life.

(l) Impairment of long-lived assets
When events or circumstantial economic changes indicate that the value of a long-lived asset might not be recoverable, the FMV's management reviews the value of its property, furniture and equipment and intangible assets to verify if there is no permanent impairment in value. When the book value exceeds its recoverable amount, the entity recognizes an impairment loss in the profit and loss statement for the property, furniture and equipment and intangibles held at cost items. The recoverable amount is the higher of its net selling price and its value in use. Net selling price is the amount obtainable from

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the asset sale in a free market while value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its subsequent disposal at the end of its useful life. The Management considers that there is no impairment evidence in the value of such assets as to June 30, 2013 and December 31, 2012.

(m) Assets received as payment

Assets received as payment, repossessed and recovered assets are initially recorded at the lower of the value determined by the court, arbitrator, recovery value, estimated market value and the value of the unpaid amount of debt; recognizing in turn a provision equivalent to 20 percent of the value upon repossession or recovery of the asset, being able to keep to such purpose the provision that was recorded by the related credit.

Additional provisions are recorded based on the following criteria:

- Personal property. A uniform monthly provision shall be recorded as from the first month of repossession or recovery, for a period of twelve months until completing one hundred percent of the net value upon repossession or recovery.

- Real estate. Uniform monthly provisions shall be recorded on the net book value as from the twelfth month. In addition, SBS Resolution N°1535-2005 allows the granting of an extension of six months, in which case, uniform monthly provisions shall be recorded on the net book value as from the eighteenth month. In both cases, provisions shall be recorded until completing one hundred percent of the net book value over a term of three and a half years, counted as from the date on which monthly provisions started to be recorded.

The annual updating of valuations of such goods determined by an independent expert implies, if necessary, the recording of provisions for impairment.

(n) Income tax and employees' profit sharing

Current income tax and employees' profit sharing

Current income tax and employees' profit sharing payable are determined based on the taxable income determined for tax purposes.

Deferred income tax

Deferred income tax is computed and reflects the effects of temporary differences derived from balances of assets and liabilities for accounting purposes and those determined for tax purposes. Deferred assets and liabilities are measured by using tax rates expected to apply to the taxable income in the years in which these differences are recovered or disappear. The measurement of deferred assets and liabilities reflects tax consequences arising from the way in which FMV expects to recover or settle the value of its assets and liabilities, on the date of the Statement of Financial Position.

Deferred assets and liabilities are recognized without considering the estimated time when the temporary differences will disappear. Deferred assets are recognized when there are likely to be sufficient future tax benefits for the deferred asset to be applied. On the date of the Statement of the Financial Position, the FMV's Management evaluates the unrecognized assets and the balance of those that have been recognized; recognizing a deferred asset that was previously unrecognized when it is likely that future tax benefits allow it to be recovered or reducing a deferred asset when it is unlikely that sufficient future tax benefits will be available to use schedule or all of the deferred asset that has been recognized in the accounts.

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According to the accounting principles, FMV calculates its deferred income tax based on the tax rate applicable to its undistributed profits; recognizing any additional tax on distribution of dividends on the date the liability is recognized.

(o) Provisions
Provisions are only recognized when FMV has a present obligation (either legal or implicit) as a result of past events, it is likely that resources will be required to settle the obligation and it is possible to reliably estimate its amount. Provisions are reviewed and adjust in each period to reflect the best estimate as of the date of the Statement of the Financial Position. When the effect of the time value of money is material, the amount of provision is the present value provisions of the expenses expected to be incurred to settle it.

(p) Deferred income
Deferred income is mainly originated by the difference between the book value and the market value of the financial instruments assigned for the establishment of CRC-PBP Trusts in domestic and foreign currency when transferred (2007).

In accordance with the provisions set forth in SBS Resolution N°0084-2000 in relation to the Rules for the Trust Accounting Treatment and Trust Fees, in which case the rights generated in favor of the trustor by virtue of the trust are higher than the goods transferred to the trust, a deferred profit shall be recognized, which accrues according to the amortization, realization and/or maturity of such rights.

(q) Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements, unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements, and they are disclosed when its degree of contingency is probable.

(r) Cash and cash equivalents
Cash presented in the cash flow statement is composed of the available balance, excluding the available balance included in trusts, see note 8(b).

s) Subsequent events
Subsequent events at the closing of the period providing additional information on the financial -position of the Company on the date of the statement of financial position (adjustment events) are included in the financial statements. Important subsequent events that are different from adjustment events are exposed in the notes to the financial statements.

4. Foreign currency transactions and foreign exchange risk exposure

Following is the detail of assets and liabilities of FMV in foreign currency, stated in thousands of US dollars:

	As of June 30, 2013 US$ (000)	As of December 31, 2012 US$ (000)
Assets		
Cash and due from banks	198,966	3,712
Trading and held-to-maturity investments	28,518	0
Accounts receivable (Trust Agreement – COFIDE)	155,088	163,612
Other accounts receivable	263	265

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Other assets	4	216
	382,839	167,805
Liabilities		
Accounts payable	433	413
Borrowings and financial obligations	500,756	84,548
Provisions	3,216	237
Other liabilities	215	470
	504,620	85,668
Net sale position in derivatives - Forwards	(90,000)	(72,500)
Asset position, net	(31,781)	9,637

During the year 2013, FMV has recorded foreign exchange loss (sic) in the amount of S/.20,431 thousand while foreign exchange loss was S/.13,881 thousand as of December 31, 2012, which is presented in the "Gains on financial transactions (ROF)" of the Income Statement. Likewise, a loss on hedging derivative transactions was recorded in the amount of S/.2'128 thousand during the 2013 period (gains in the amount of S/.18'852 thousand during the 2012 period), and gains in the year 2013 in respect of gains on trading transactions (ROF) in the amount of S/.609 thousand, which are also stated in the "Gains on financial transactions (ROF)" of the Income Statement.

5. Cash and due from banks

Cash and due from banks as of June 30 and December 31, 2012 is detailed hereinbelow:

	June 2013	December 2012
	S/. (000)	S/. (000)
Peruvian Central Reserve Bank (a)	3,091	2
Demand and savings account (b)	329,044	194,767
Time deposits (c)	323,162	145,000
Accrued deposits on cash and due from banks	311	709
Other available funds	388	0
Total cash and due from banks	**655,995**	**340,477**

(a) These accounts in nuevos soles and US dollars are mainly used for transactions carried out with COFIDE by virtue of the Trust Agreement signed.

(b) Corresponds to accounts in Nuevos Soles and US dollars generating interest at market rates and are unrestricted.

(c) Corresponds to time deposits in domestic banks in nuevos soles, unrestricted and generating interest at market rates.

6. Available-for-sale and held-to-maturity investments, net

(a) The composition of this item is presented hereinbelow:

	June 2013	Unrealized result		
	Amortized Cost	Profits	Losses	Book value (*)
	S/. (000)	S/. (000)	S/. (000)	S/. (000)
Trading, available-for-sale investments				
Peruvian sovereign bonds (b)	171,540	0	(23,816)	147,724
Corporate bonds (c)	77,567		(4,128)	73,439
Negotiable Certificates of Deposit (d)	24,477		(21)	24,456
	273,584	0	(27,965)	245,619
Plus				
Accrued gains on available-for-sale investments				2,435
Available-for-sale investments		**Sub-Total**		**248,054**
Held-to-maturity investments				
Deposit Certificates of Financial Entities	6,233			6,233
Short-term papers (e)	5,138			5,138
	11,371	0	0	11,371
Plus				
Accrued gains from held-to-maturity investments				121
Held-to-maturity investments		**Sub-total**		**11,492**
Total				259,546

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	December 2012	Unrealized result		
	Amortized Cost S/. (000)	Profits S/. (000)	Losses S/. (000)	Book value (*) S/. (000)
Trading, available-for-sale investments				
Peruvian sovereign bonds(b)				-
Corporate bonds (c)				-
Negotiable Certificates of Deposit (d)	-	-	-	-
	-	-	-	-
Plus				
Accrued gains on available-for-sale investments				-
Available-for-sale investments		**Sub-Total**		-
Held-to-maturity investments				
Certificates of the Peruvian Central Reserve Bank				
Short-term papers (e)	-			-
Plus				
Accrued gains from held-to-maturity investments				-
Held-to-maturity investments		**Sub-total**		-
Total				-

(*) The book value corresponds to fair value of available-for-sale investments and amortized cost of held-to-maturity investments, as established by IAS 39.

(b) The Peruvian Sovereign Bonds are denominated in nuevos soles and as of June 30, 2013, are composed by bonds, maturing between August 12, 2020 and February 12, 2042 and accrue an annual interest rate between 5.20 and 8.20 annual percent as of June 30, 2013.

(c) As of June 30, 2013, it corresponds to a leasing bond with AA risk rating issued by Banco Financiero which fair value approximately amounts to S/. 25,004 thousand, such bond is denominated in US dollars with a face value of US$ 9,066 thousand, maturing on May 30, 2018 and accrued at an interest rate of 4.8437 annual percent and to ordinary bonds with BB+ risk rating issued by Cementos Pacasmayo S.A.A., which fair value approximately amounts to S/. 21,311 thousand, such bond is denominated in US dollars with a face value of US$ 8,000 thousand, maturing on February 8, 2023, and accrued at an interest rate of 4.625 annual percent and with BBB- risk rating issued by Transmantaro, which fair value approximately amounts to S/. 27,816 thousand, such bond is denominated in US dollars with a face value of US$ 11,000 thousand, maturing on May 7, 2023, and accrued at an interest rate of 4.50 annual percent.

FMV has recognized to date an interest income in the amount of S/.688 thousand, included in the "Interest on trading, available-for-sale investments" of the Income Statement.

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As of June 30, 2013, such financial entities and/or local companies are under the risk rating range granted by the main risk rating agencies of the country authorized by SBS:

Risk rating	June 2013 S/. (000)	December 2012 S/. (000)
AAA	149,174	0
AA	25,004	0
BB+	21,311	0
BBB-	28,816	0
CP-1+	24,749	0
CP-2	11,492	0
Total	**259,546**	**0**

The estimated fair value of the corporate bond as of June 30, 2013 is as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
Cementos Pacasmayo S.A.A.	21,311	
Transmantaro	27,816	
Banco Financiero del Perú	25,004	
Total:	74,131	0

(d) As of June 30, 2013, it corresponds to Certificates of the Peruvian Central Reserve Bank (CDN-BCRP), denominated in nuevos soles, maturing between July 2013 and February 2014, which earned an annual effective interest rate between 3.6502 and 3.81 percent. During 2013, FMV has recognized to date an interest income of S/.1,235 thousand, included in the "Interest on trading, available-for-sale investments" of the Income Statement,

(e) The balance of available-for-sale and held-to-maturity investments as of June 30, 2013 is shown hereinbelow, which has been classified according to their maturity dates:

	June 2013 S/. (000)	December 2012 S/. (000)
Up to 1 month	9,988	
From 1 to 3 months	10,183	
From 3 months to 1 year	16,069	
From 1 to 5 years	25,005	
From 5 to 10 years	87,778	
From 10 to 30 years	110,523	
Total:	**259,546**	**0**

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(f) As of June 30, 2013, the FMV's Management has estimated the market value of the available-for-sale investments based on the available market prices or, in their absence, discounting expected cash flows at an interest rate reflecting the risk rating of the security.

The FMV's Management has determined that unrealized losses as of June 30, 2013 are not the result of credit impairment of the users but they are mainly due to variations in the free risk rates that were incorporated to its valuations. Consequently, there is no impairment of available-for-sale investments in accordance with accounting standards which must be recorded on the date of each balance sheet.

7. Hedging Derivatives

(a) The following table shows the fair value of the derivative financial instruments, recorded as assets or liabilities, along with their notional amounts (nominal). The notional amount is the face amount of the derivative underlying asset and is the basis on which changes in the value of derivatives are measured. The notional amounts state the volume of outstanding transactions at the end of the year and are not an indicator of the market risk or of the credit risk, note 22.

Trading derivatives	2013 Fair value			2012 Fair value		
	Assets S/. (000)	Liabilities S/. (000)	Notional amount S/. (000)	Assets S/. (000)	Liabilities S/. (000)	Notional amount S/. (000)
Financial derivatives (b)	445	(314)	250,380	0	0	0

Hedging derivatives	2012 Fair value			2012		
	Assets S/. (000)	Liabilities S/. (000)	Notional amount S/. (000)	Assets S/. (000)	Liabilities S/. (000)	Notional amount S/. (000)
Financial derivatives (b)	0	0	0	5,753	0	184,875

(b) The financial derivatives correspond to "forward" contracts in trading foreign currency, which shall expire in July 2013 showing as of June 30, 2013 a net loss of S/. 2,128 thousand while the hedging derivatives as of June 30, 2013 registering a profit of S/. 609 thousand (in the second quarter of 2012, profits on hedging derivatives for forward contracts amounted to S/. 6,762 thousand, and were recorded in the "Gains on Financial Transactions" item of the Income Statement), see note 22.

8. Accounts Receivable for Sale of Goods and Services and Trust (Net)

In thousands of Nuevos Soles	June 2013 S/. (000)	December 2012 S/. (000)
Trust Agreement COFIDE	3,735,810	3,144,929
CRC PBP Trust in Soles	31,309	31,396
CRC PBP Trust in Dollars	33,298	35,907
	3,800,417	**3,212,232**

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8a. Accounts receivable, net (Trust Agreement – COFIDE)

This item is composed as follows:

	2013 S/. (000)	2012 S/. (000)
Nuevo Crédito MIVIVIENDA	2,979,775	2,398,983
Crédito MIVIVIENDA Tradicional	477,724	475,378
Crédito MIHOGAR	147,767	152,523
Crédito Complementario Techo Propio	134,039	130,550
Crédito MIVIVIENDA Estandarizado	16,536	17,820
Crédito Mi Construcción	18,668	5,752
	3,774,509	3,181,006
Plus (less)		
Accrued gains from accounts receivable	13,942	11,775
Provision for doubtful accounts receivable (f)	(52,641)	(47,852)
Total	3,735,810	3,144,929

As of June 30, 2013 and December 31, 2012, the number of transactions in force is 70,933 and 66,106, respectively. There is no significant credit risk due to the type of credit transactions carried out by FMV.

All these resources have been channeled through COFIDE by virtue of the legal relationship of the Trust Agreement that FMV has with it. COFIDE receives FMV resources for channeling the same through intermediate financial institutions, named IFI, which desire to use them for the granting of credits for the purchase of homes, pursuant to the provisions set forth in Article 12° of Supreme Executive Order N° 001-99-MTC.

(b) Accounts receivable according to the characteristics of the credits promoted by FMV are composed as follows:

	As of June 31, 2013		
Products	**With credit risk coverage** S/. (000)	**Without credit risk coverage** S/. (000)	**Total** S/. (000)
Nuevo Crédito MIVIVIENDA	572	2,979,203	2,979,775
Crédito MIVIVIENDA Tradicional	5,031	472,693	477,724
Crédito Proyecto MIHOGAR	454	147,313	147,767
Programa Techo Propio	221	133,818	134,039
Crédito MIVIVIENDA Estandarizado		16,536	16,536
MICONSTRUCCION		18,668	18,668
	6,278	3,768,231	3,774,509

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As of December 31, 2012

Products	With credit risk coverage	Without credit risk coverage	Total
	S/.	S/.	S/.
Nuevo Crédito MIVIVIENDA	437	2,398,545	2,398,983
Crédito MIVIVIENDA Tradicional	5,114	470,264	475,378
Crédito Proyecto MIHOGAR	401	152,123	152,523
Programa Techo Propio	32	130,518	130,550
Crédito MIVIVIENDA Estandarizado	-	17,820	17,820
MICONSTRUCCION	-	5,752	5,752
	5,984	3,175,022	3,181,006

(c) Accounts receivable are classified by risk according to the SBS regulation in force as of 2013 and 2012. As stated in note 3(d), the provision for accounts receivable is determined based on the final borrower and IFI classification. The classification of accounts receivable according to final borrowers based on the consolidated credit report (RCC by its acronym in Spanish):

Risk category	As of June 30, 2013 Total S/. (000)	%	As of December 31, 2012 Total S/. (000)	%
Normal	3,581,389	94.88	3,031,890	95.29
With potential problem	56,877	1.51	43,200	1.36
Substandard	40,261	1.07	31,259	0.99
Doubtful	44,280	1.17	35,360	1.12
Loss	51,702	1.37	39,297	1.24
Total	3,774,509	100.00	3,181,006	100.00

Following is the classification of accounts receivable from IFI which grants MIVIVIENDA credits:

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Risk category	As of June 30, 2013 Total S/. (000)	%	As of December 31, 2012 Total S/. (000)	%
Normal	3,473,231	92.02	2,981,355	93.72
With potential problem	301,278	7.98	199,651	6.28
Total	3,774,509	100.00	3,181,006	100.00

(d) Interest rates applied to the products' account correspond to fixed rates that were established for promoting the granting of each type of credit:

	2013 %	2012 %
Nuevo Crédito MIVIVIENDA	6.60	6.60
Crédito MIVIVIENDA Tradicional	7.75	7.75
Crédito MIHOGAR	7.60	7.60
Crédito Complementario Techo Propio	6.00	6.00
Crédito MIVIVIENDA Estandarizado	6.90 and 7.30	6.90 and 7.30
Crédito MI CONSTRUCCION	7.50 and 9.00	7.50 and 9.00

(e) Following is the portfolio of accounts receivable as of June 30, 2013 and December 31, 2012 which is classified according to maturity dates:

	2013 S/. (000)	2012 S/. (000)
To become due		
Up to 1 month	17,858	12,385
From 1 to 3 months	54,071	28,427
From 3 months to 1 year	171,354	119,751
From 1 to 3 years	741,846	344,277
From 3 years to more	2,789,380	2,676,166
	3,774,509	3,181,006

(f) The movement of the provision for doubtful accounts receivable, which is determined according the classification and percentages indicated in note 3 (d), is shown below:

	2013 S/. (000)	2012 S/. (000)
Balance at the beginning of the year	47,852	34,222
Plus (less)		
Provision recognized as expense of the period	17,353	22,137
Reversals, note 21(a)	(5,707)	(7,587)
Exchange difference	832	(920)
Reclassification of provisions	(7,689)	
Balance at the end of the period	52,641	47,852

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The Management considers that the provision for accounts receivable recorded as of June 30, 2013 and as of December 31, 2012, is in accordance with the standards established by SBS for Fondo MIVIVIENDA S.A. in force at such dates.

(g) On August 20, 2012, FMV received a prepayment of 36 installments of accounts receivable from a banking institution; FMV maintaining the credit risk coverage over such installments. The sum received from the bank amounted to S/.188,037 thousand, corresponding to the fair value of the 36 installments as of August 20, 2012.

As established by SBS, this transaction was recorded as a sale; therefore, FMV determined that the paid up capital which decreased from accounts receivable for this transaction amounted to S/.179,549 thousand. FMV decreased its accounts receivable in this amount. Consequently, FMV recorded a gain on sales of approximately S/.8,488 thousand, as established by SBS, which was recognized as a deferred income in the "Provisions and other liabilities" item and shall accrue in the profit and loss statement on a linear basis during 36 months. As of June 30, 2013, the deferred income of this transaction amounts to S/.5,894 thousand.

Furthermore, as stated by SBS, FMV has recorded a provision for the credit risk coverage applicable to credits related to this transaction on one third of the outstanding capital.

8b. Accounts receivable, net (Trust Agreement – CRC PBP)

CRC and PBP Trust	**June 2013 S/. (000)**	**December 2012 S/. (000)**
CRC PBP Trust in Soles	31,309	31,396
CRC PBP Trust in Dollars	33,298	35,907
Total CRC PBP Trust	**64,607**	**67,303**

(a) As of June 30, 2013, it comprises balances of the total net assets from liabilities of Trusts under administration (total equity and surplus (deficit) net): CRC and PBP in domestic currency in the amount of S/. 31,309 thousand and CRC and PBP in foreign currency in the amount of S/.33,298 thousand (S/.31,396 thousand and S/.35,907 thousand, respectively, as of December 31, 2012).

By agreements entered into in June 2007 by Fondo MIVIVIENDA S.A., in its capacity as trustee and trustor simultaneously, both Trusts in effect were established for allowing the availability of resources for the fulfillment of obligations assumed by FMV arising from the CRC and PBP service agreements (credit risk coverage - CRC and the payment of the good payer award - PBP) entered into with certain financial entities - EF, as well as for allowing that such resources are administered more efficiently, in compliance to such purpose with the provisions set forth in the Regulations and Manual of CRC and PBP policies and processes; as well as the Manual of investment policies and procedures forming schedule of the exhibits of the agreement.

These trusts are recorded in an account in accordance with the provisions set forth by SBS Resolution N°980-2006 "Regulation for Fondo MIVIVIENDA S.A."; in other words, in a single account in the balance sheet (see note 3 (e)) and a separate accounting is kept for control purposes showing the following balances as of June 30, 2013 and December 31, 2012:

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CRC and PBP Trust	**June 2013**	**December 2012**
Nuevos Soles	**S/. (000)**	**S/. (000)**
Statement of Financial Position		
Assets		
Cash and due from banks	11,163	3,338
Available-for-sale financial investments, net (*)	15,355	23,323
Held-to-maturity financial investments (**)	4,791	4,734
Accounts receivable	0	0
Total assets	**31,309**	**31,396**
Non-current liabilities		
Accounts payable	0	0
Total liabilities	0	0
Equity and net surplus		
Contributions from commission collection (net)	1,909	1,708
Adjustments to equity	-781	427
Retained earnings	30,181	29,262
Total equity and net surplus	**31,309**	**31,396**
Total liabilities, equity and net surplus	**31,309**	**31,396**

(*) Decrease of available-for-sale investments as of June 30, 2013 is explained by the maintenance of sovereign bonds only with the denomination of SB12SEP2023, SB12AGO26 and SB12FEB37 acquired in May 2013, in an amount of approximately S/.5,000 thousand, (face value) thereby maintaining sovereign bonds with a market value of S/. 5,335 thousand and corporate bonds with a market value of S/. 10,020 thousand. As of December 31, 2012, available-for-sale investments were composed of corporate bonds with a market value of S/. 23,323 thousand.

(**) Increase of held-to-maturity investments is explained by accrued interests and the best valuation at amortized cost of held-to-maturity bonds, which amounts are S/. 23 thousand and –S/. 744 thousand, respectively. As of December 31, 2012, the CRC and PBP Trust in Nuevos Soles showed a balance on accrued interests and valuation at amortized cost in the amount of S/. 24 thousand and -S/. 804 thousand, respectively.

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	2013 January – June S/. (000)	2012 January – June S/. (000)
CRC and PBP Trust		
Nuevos Soles		
Income statement		
Income		
Interest income	908	6,000
Valuation of investments, net	60	0
Other financial income	51	2,397
Total income	**1,019**	**8,397**
Expenses		
Valuation of investments, net	0	(716)
Management fee	(95)	(826)
Tax on financial transactions	(2)	(23)
Miscellaneous expenses for financial services	(3)	(8)
Other financial expenses	0	(125)
Total expenses	**(100)**	**(1,698)**
Net surplus	**919**	**6,699**

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CRC and PBP Trust	**June 2013**	**December 2012**
US dollars	**S/. (000)**	**S/. (000)**
Statement of Financial Position		
Assets		
Cash and due from banks	1,292	9,883
Available-for-sale financial investments, net (*)	23,762	5,691
Held-to-maturity financial investments (**)	9,798	19,710
Derivative financial instruments, net	0	616
Accounts receivable	0	6
Total assets	**34,853**	**35,907**
Non-current liabilities		
Derivative financial instruments, net	1,555	0
Accounts payable	0	0
Total liabilities	**1,555**	**0**
Equity and net surplus		
Initial equity	21,013	21,013
Collection surplus, net	6,150	5,969
Unrealized results on investments	-2,388	540
Retained earnings	8,523	8,385
Total equity and net surplus	**33,298**	**35,907**
Total liabilities, equity and net surplus	**34,853**	**35,907**

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CRC and PBP Trust US dollars	2013 January – June S/. (000)	2012 January – June S/. (000)
Income statement		
Income		
Interest income	537	1,470
Valuation of investments, net (***)	1,098	0
Foreign currency derivatives (net)	0	990
Exchange difference, net	97	0
Other operating income	154	0
Total Income	**1,886**	**2,460**
Expenses		
Exchange difference, net	0	(419)
Net foreign currency derivatives	(1,632)	0
Valuation of investments, net (***)	0	(544)
Management fee	(108)	(238)
Tax on financial transactions	(5)	(2)
Miscellaneous expenses for financial services	(3)	(3)
Other financial expenses	0	0
Total expenses	(1,748)	(1,206)
Net surplus	**138**	**1,254**

(*) Available-for-sale investments as of June 30, 2013 have increased due to the acquisition of sovereign bonds with the denomination of SB12AGO20, SB12SEP23, SB12AGO26, SB12AGO31 and SB12FEB37 acquired in May 2013, in an amount of approximately S/. 16,320 thousand (face value) with a market value of S/. 18,465 thousand and corporate bonds in dollars of US$ 1,761 (face value) with a market value of S/. 5,787 thousand. As of December 31, 2012, a corporate bond issued by Red de Energía Perú, maturing in June 2016, in an amount of approximately US$1,761 thousand (face value) with a market value of S/. 5,045 thousand, was maintained.

(**) Decrease of held-to-maturity investments is mainly explained by the payment of S/. 9,912 thousand with a face value in held-to-maturity investments in bonds in soles. As of December 31, 2012, the CRC and PBP Trust in US dollars maintains certificates of deposits from Peruvian Central Reserve Bank in an amount of S/. 19,710 thousand.

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(***) It mainly corresponds to the gain on exchange difference in investments in the amount of S/. 1,047 thousand and to the gain on valuation in the amount of S/. 50 thousand (loss from exchange difference in investments in the amount of S/.151 thousand and loss from valuation of investments in the amount of S/.393 thousand as of June 30, 2012).

9. Other accounts receivable, net

(a) The item is composed as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
Accounts receivable from Banks in liquidation (a)	108,030	109,238
Accounts receivable from Ex-CONEMINSA portfolio (b)	15,123	15,501
Recoveries from COFIDE-pending distribution (c)	2,431	1,443
Accounts receivable from outstanding investments	0	0
Other accounts receivable	542	443
	126,126	126,626
Less – Provision for accounts receivable (f)		
Banks in liquidation (a)	(108,031)	(109,238)
Ex-CONEMINSA portfolio (b)	(13,742)	(13,890)
Other accounts receivable	(463)	(282)
	(122,235)	(123,411)
Total	**3,891**	**3,215**

(a) It corresponds to accounts receivable generated by time deposits, certificates of deposit, among others, which maintained the prior Fondo MIVIVIENDA in certain financial institutions that then started a process of liquidation.

Balances and provision thereof as of June 30, 2013 and December 2012 are as follows:

In thousands of Nuevos Soles	June 2013 S/. (000)	December 2012 S/. (000)
Capital		
Banco Nuevo Mundo , in liquidation (i)	57,524	59,164
Banco República, in liquidation (i)	39,993	39,993
Banco Banex, in liquidation – payment in kind	8,369	8,037
Banco República, in liquidation – payment in kind (i)	2,144	2,044
	108,030	109,238
Less: Provision for doubtful accounts		
Banco Nuevo Mundo , in liquidation (i)	-57,524	-59,164
Banco República, in liquidation (i)	-39,993	-39,993
Banco Banex, in liquidation – payment in kind	-8,369	-8,037
Banco República, in liquidation – payment in kind (i)	-2,144	-2,044
	-108,030	-109,238
Net	0	0

(i) During the liquidation process, carried out under the supervision and intervention of the Superintendency of Banking, Insurance and AFP (SBS), FMV is receiving personal property, real estate and credit collection as part of the payment of these debts.

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The FMV's Management provided for the 100 percent of the portfolio of Banco Nuevo Mundo, Banco República and Banco Banex, all of them in process of liquidation, and recognizes recoveries received based on its execution. During 2013, FMV has received from Banco Nuevo Mundo in liquidation cash in the amount of S/. 1'640,267 thousand, respectively, as part of recoveries from outstanding accounts receivable fully provided.

The FMV's Management considers that the provision for accounts receivable as of June 30, 2013 and December 2012 sufficiently covers the collectability risk of other accounts receivable.

(b) It corresponds to accounts receivable from portfolio of mortgage credits granted by Compañía de Negociaciones Mobiliarias e Inmobiliarias S.A.- CONEMINSA, which was received by FMV in the framework of the Payment in Kind Agreement dated December 30, 2003 for their management and recovery.

(c) As of June 30 2013 and December 2012, it corresponds to the net effect of adjustments and rebates of monthly conciliations between COFIDE balances, which are regularized in the next months.

(f) The movement of the provision for other accounts receivable, which is determined according to the criteria indicated in note 3(f), is shown below:

	June 2013 S/. (000)	**December 2012** S/. (000)
Balance at the beginning of the period	123,411	133,747
Plus (less)		
Provision of the period	260	317
Write-offs	0	0
Reversals,	(1,436)	(10,654)
Balance at the end of the period	**122,234**	**123,411**

The Management believes that the provision for other doubtful accounts recorded as of June 30, 2013 and December 31, 2012, is in accordance with the standards established by SBS in force on such dates.

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

(a) The movement of the item as of June 30, 2013 and December 31, 2012 is shown below:

	Lands	Buildings	Premises	Furniture and appliances	Computing equipment	Several equipment	Vehicles	June 2013 Total	December 2012 Total
	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)
Cost									
Balance as of January 1	103	36	68	727	1,935	957	647	4,473	4,887
Additions					45	35		80	113
Withdrawals and other adjustments				(0)	(40)	(25)		(65)	(527)
Others				(0)				(0)	(0)
Balance as of June 30	103	36	68	727	1,940	967	647	4,488	4,473
Accumulated depreciation									
Balance as of January 1	-	5	43	586	1,594	554	335	3,117	3,052
Depreciation of the year		1	3	25	105	45	65	244	527
Withdrawals and other adjustments				(0)	(40)	(24)		(64)	(462)
Balance as of June 30	-	6	46	611	1,659	575	400	3,296	3,117
Net book value	**103**	**30**	**22**	**116**	**281**	**392**	**247**	**1,191**	**1,356**

(b) The financial entities established in Peru are prohibited from pledging its fixed assets.

(c) The FMV's Management considers that there is no evidence of impairment of fixed assets kept by FMV as of June 30, 2013 and December 31, 2012. As of June 30, 2013, FMV maintain depreciated assets in the amount of S/.1'454 thousand (S/.1,329 thousand as of December 31, 2012); however, some assets are still in use.

(d) FMV has insurance coverage on its main assets in accordance with the policies established by the Management. In this regard, as of June 30, 2013 and December 31, 2012, FMV has taken out an insurance policy against all risk, which covers the value of FMV net assets. According to the FMV's Management, its insurance policies are consistent with the industry practice.

11. Intangible assets

The item is composed as follows:

	Software S/. (000)	Licenses S/. (000)	June 2013 Total S/. (000)	December 2012 Total S/. (000)
Balance as of January 1	2,053	1,481	3,534	3,482
Additions	282	-	282	53
Withdrawals and other adjustments	-	-	-	-
Others	-	-	-	-
Balance as of June 30	2,335	1,481	3,816	3,535
Accumulated depreciation				
Balance as of January 1	1,930	1,279	3,209	3,059
Depreciation of the year	35	49	84	150
Withdrawals and other adjustments	-	-	-	-
Balance as of June 30	1,965	1,328	3,293	3,209
Net book value	**370**	**153**	**523**	**326**

The intangible assets item is composed of software and licenses for use of computing equipment, which total cost as of June 30, 2013 is approximately S/. 3'816 thousand and its accumulated amortization is approximately S/. 3'293 thousand (cost of approximately S/.3'535 thousand and accumulated amortization of approximately S/.3'209 thousand as of December 31, 2012). Such intangible assets are amortized based on the straight-line method in accordance with their useful lives estimated by the Management, note 3(k).

12. Other assets

This item is composed as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
Repossessed assets, net	550	673
Others (a)	1,131	2,235
Total	1,681	2,908

(a) By Executive Management Resolution N°046-2009/DE-FONAFE, the "ITC corporate management plan for the companies under the scope of FONAFE" was approved, which defines the implementation of the shared service center of Information Technologies and Communications of FONAFE. As of June 30, 2013, this balance is mainly composed of the advance payment of such service and monthly accrual, the balance amounts to S/.866 thousand.

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13. Debts and Financial Obligations

This item is composed as follows:

Thousands of Nuevos Soles	June 2013 S/. (000)	December 2012 S/. (000)
- Debts and obligations with companies and financial entities of the country (a)	0	215,597

- Securities (b)	1,393,102	0
Total	**1,393,102**	**215,597**

(a) On February 15, 2012, FMV received a financing from Banco de la Nación in the amount of US$100,000 thousand (which is equivalent to approximately S/.268,500 thousand on the transaction date) at an annual effective interest rate of 2.31 percent maturing on February 15, 2015.
As of December 31, 2012, FMV maintained an outstanding capital of US$83,805 thousand (which is equivalent to approximately S/. 213,704 thousand) and interests in the amount of US$742 (which is equivalent to approximately S/.1,893 thousand). Such loan was paid on February 1, 2013.

(b) On January 24, 2013, FMV issued bonds under Rule 144 or regulation S of the Securities Act in the international market.
The issuance had a face amount of US$500,000 thousand which maturity term is 10 years; it was placed below its face value at a price of 99.15 percent, at a coupon rate of 3.50 percent with semi-annual interest payment and amortization at maturity.
Furthermore, as of June 30, 2013, FMV has incurred issuance costs in the amount of US$ 4,192 thousand; transaction costs in the amount of US$ 2,393 thousand and accrued interests of US$ 7,251 thousand, resulting in a net total of US$ 500,756 thousand equivalent to S/.1'393,102 thousand.

14. Other accounts payable

(a) These items are composed as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
Other accounts payable		
FONAVI contributions **(b)**	142,600	132,811
Good Payer Award (capital) assigned to COFIDE **(c)**	82,225	77,728
Family Housing Bond to be transferred to technical entities (d)	3,207	10,540
Employees' profit sharing payable	1,731	7,400
Good Payer Award (capital) received from MVCS (e)	8	6,638
Savings of the eligible family group to be transferred to technical entities (f)	6,818	3,808
Accounts payable to suppliers	1,407	781
Resources to be transferred by means of letters of guarantee enforced	1,229	950
Vacations and payment of fringe benefits payable	1,299	720
Taxes withheld (i)	205	243
Others	42	92
Total	**240,772**	**241,710**
Provisions and other liabilities		
Deferred income from BCP flow advance, (g)	5,894	7,934
Deferred income (g)	839	1,440
Provisions for contingencies (h)	1,600	1,272
Provisions for credit risk coverage of BCP flow advance	9,004	738
Transactions in process	24	9
Total	**17,362**	**11,392**

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(b) The item balances as of June 30, 2013 and December 31, 2012 are as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
FONAVI collection pursuant to Law N° 26969 (i)	104,129	125,539
FONAVI contributions to be transferred to MEF (i)	284	6,989
Return of uncollected FONAVI checks (ii)	38,188	284
Total	**142,600**	**132,811**

(i) It mainly corresponds to balances assigned to FMV as a result of collections received from the National Superintendency of Tax Administration – SUNAT, in respect of FONAVI contributions made by taxpayers by virtue of Law N°26969 in the amount of approximately S/. 104,129 thousand as of June 30, 2013 (S/. 125,539 thousand as of December 31, 2013). Moreover, it includes an amount of S/.38,188 thousand as of June 30, 2013 (S/.6,989 thousand as of December 31, 2012), in respect of outstanding FONAVI contributions to be transferred to the Ministry of Economy and Finance in the collections received by the National Superintendency of Tax Administration - SUNAT, in respect of FONAVI contributions made by taxpayers having tax stability by virtue of Law N° 27071.

The balance movement by Law N° 26969 is shown below:

	June 2013 S/. (000)	March 2012 S/. (000)
Balance at the beginning of the period	125,539	96,754
Plus (less)		
Collections of the year	10,936	30,017
Contributions to be transferred to MEF	-1,147	0
Return of FONAVI contributions	-31,199	-1,232
Balance at the end of the period	**104,129**	**125,539**

(ii) It corresponds to checks drawn from 1999 to 2012 pending collection on the part of the beneficiary. These checks were issued in respect of return of FONAVI contributions in accordance with communications by the National Superintendency of Tax Administration – SUNAT, in charge of collecting these resources.

(c) It corresponds to funds disbursed to COFIDE to be allocated to the credits authorized to IFIS (by crédito Proyecto Mihogar and nuevos créditos MIVIVIENDA), prior verification of compliance with the requirements established in the pertinent regulations. Then, COFIDE reports six-month installments which have been applied to the final beneficiary for the timely payment of its installments according to the program schedule.

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	June 2013	December 2012
Balance at the beginning of the period	S/. (000)	S/. (000)
Plus (less)	77,728	64,143
BBP allocation to trust accounts receivable	5,710	17,770
Adjustment to the BBP allocation of previous periods	900	-900
Adjustment to the BBP application of previous periods	20	201
Application of BBP installments of Crédito Mi Hogar	-667	-1,271
Application of BBP installments of Crédito MIVIVIENDA	-1,466	-2,215
Final balance	**80,225**	**77,728**

(d) It corresponds to accounts receivable from the portfolio of mortgage credits granted by Compañía de Negociaciones Mobiliarias e Inmobiliarias S.A.- CONEMINSA, which was received by FMV in the framework of the Payment in Kind Agreement dated December 30, 2003 for management and recovery thereof.

(e) It corresponds to the balance of cash funds received from the Ministry of Housing, Construction and Sanitation, not yet allocated to the beneficiaries applying for FMV's products. FMV allocates these resources through COFIDE when disbursements to IFIS are authorized for the credits approved.

The balance movement is shown below:

	June 2013 S/. (000)	December 2012 S/. (000)
Balance at the beginning of the period	6,638	9,932
Plus (less)		
Regularization of previous periods	(20)	
Ressources received by MVCS during the year	0	13,576
BBP disbursement to COFIDE for credit allocation	(6,610)	(16,870)
Balance at the end of the period	8	6,638

(f) It corresponds to balances payable to technical entities by eligible family groups which had access to the Techo Propio Program, for the total amount of savings deposited by the family group in FMV accounts and the savings of the Police Housing Fund "FOVIPOL" as of June 30, 2013 and December 31, 2012.

(g) As of June 30, 2013 and December 31, 2012, it mainly corresponds to S/. 839 thousand and S/. 1,440 thousand respectively, for the difference between the book value and the market value of the financial instruments (bonds) assigned for the establishment of CRC and PBP trusts in effect in domestic currency and foreign currency when transferred (year 2007), recognized as deferred gain until the maturity or realization of such financial instruments as stated by SBS. During the years 2013 and 2012, FMV did not recognize income as of June 2013 the amount of S/. 693 thousand and as of December 2012 income was not recognized.

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Moreover, an increase of S/.7,934 thousand corresponding to the flow advance transaction of the BCP agreement is observed.

(h) It corresponds to provisions recorded by legal proceedings related to claims and probable labor disputes. According to the Management and its legal advisors, the provisions recorded for hedging the risk of loss for such contingencies as of June 30, 2013 and December 31, 2012, are sufficient.

(i) The balance of the item as of June 30, 2013 is as follows:

	June 2013 S/. (000)	December 2012 S/. (000)
ESSALUD	46	47
ESSALUD Vida	0	0
Private Pension Fund Management Companies	75	77
Taxes withheld – Fourth category income	9	12
Taxes withheld – Fifth category income	74	105
Taxes withheld – Non-domiciled income	1	0
Withholdings payable to ONP	1	1
	205	**243**

(j) As of June 30, 2013, a main increase of S/. 31,073 thousand is observed for the investment acquisition commitments, which were traded in the month and will be paid the next month.

15. Net Equity

(a) Share capital
As of June 30, 2013 and December 31, 2012, the FMV's share capital up to both dates is represented by 3,050,653,965 common stock fully subscribed and paid, whose face value is of S/.1.00 per share. Its shareholder is the National Fund for the Financing of the Public Sector Companies – FONAFE (according to its Spanish acronym).

(b) Legal reserve
Pursuant the current legal regulations, the FMV shall have a legal reserve no less than 35 percent of its paid capital. This reserve is formed though an annual transference of no less than 10 percent of its net profit and can be used only to cover the accrued losses.

(c) Adjustment to the Equity
The unrealized results, which include the unrealized profit (loss), created by the valuation of the FMV's available-for-sale investments, are detailed next:

Unrealized results	**June 2013 S/. (000)**	**December 2012 S/. (000)**
CRC and PBP trusts	(3,168)	967
Fondo MIVIVIENDA S.A., note 6 (a)	(27,964)	0
Total	**(31,132)**	**319,166**

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(d) Effective Equity
In June 2008, through Legislative Decree No. 1028, the Law of Banking, Insurance and Private Pension Funds was modified, establishing that the effective equity must be equal or over 10 percent of the total risk-weighted contingent assets and credits corresponding to the sum of: (i) the request of the market risk-weighted effective equity multiplied by 10, (ii) the request of the operational risk-weighted effective equity multiplied by 10, and (iii) the credit risk-weighted contingent assets and credits. Such calculation shall include any exposure or asset in domestic or foreign currency. This ratio was gradually implemented until the month of July 2011, according to the percentages and dates established in Legislative Decree No. 1028. The minimum requirement for 2013 and 2012 is of 10 and 10 percent, respectively. Legislative Decree No. 1028 also distinguishes since the 2009 fiscal year, between basic equity (Level 1) and complementary equity (Level 2), according to the established definitions and limits. The FMV's Management considers that these modifications are being applied and do not have a significant impact on their transactions.

As of June 30, 2013 and December 31, 2012, pursuant to Legislative Decree No. 1028, the FMV maintains the following amounts in relation to the risk-weighted contingent assets and credits and the effective equity (basic and complementary), expressed in Nuevos Soles:

	June 2013 S/. (000)	**December 2012** S/. (000)
Total risk-weighted assets and credits	3,949,278	3,239,913
Total net equity	3,062,839	3,002,311
Basic effective equity (Level 1)	3,062,839	3,002,311
Complementary effective equity (Level 2)	-	-
Aggregate capital ratio on the effective equity (%)	72.06	88.35

Furthermore, during 2009, the SBS (Superintendence of Banks, Insurance Companies and Private Pension Funds) issued Resolutions SBS N° 2115-2009, N° 6328-2009, N° 14354-2009, Regulations for the Requirement of Effective Equity by Operational Risk, Mark Risk and Credit Risk, respectively, and modifications; which became effective on July 2009, with the exception of the Credit Risk Resolution, which had an adjustment period until June 30, 2010. These resolutions mainly establish the methodologies to be used by the financial entities to calculate weighted assets and credits for each type of risk. As of June 30, 2013 and December 31, 2012, the FMV has been complying with the requirements of such resolutions.

On July 20, 2011, the SBS issued Resolution N° 8425-2011, which establishes that in order to determine the level of additional effective equity, the financial institutions are required to have a process to evaluate its effective equity adequacy in relation to its risk profile, which shall follow the methodology described in such resolution. The requirement of additional effective equity shall be equal to the sum of the effective equity requirements calculated for each one of the following components: economic cycle, concentration risk, market concentration risk, interest rate risk and other risks. The financial entities will have a period of five years since July 2012 to adapt the total of its effective equity to the requested level.

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16. Tax Situation

(a) The FMV is subject to the Peruvian tax regime. The income tax rate as of June 30, 2013 and December 31, 2012 is 30 percent on the taxable profit after calculating the workers' profit sharing, which, pursuant the current regulations, are calculated with a rate of 5% on the taxable income.

(b) Starting from the 2011 fiscal year, due to the modification introduced by Law No. 29645 to the Income Tax Law, the interests coming from loans awarded directly or through financial providers or intermediates by international organisms or foreign government agencies, is also included as one of the circumstances exempted of Income Tax. Also, in relation to the exemption of the interests by development credits, these shall be understood as the debt transactions destined to finance projects or programs for the development of the country in public infrastructure works and provision of public services, as well as those destined to finance the loans to microbusinesses, pursuant Resolution SBS No. 11356-2008 or the regulation replacing it.

(c) It was established that starting from the August 2012 tax period, the taxpayers shall take the highest sum resulting from the comparison of the ratio system - System a) and System b) - to be applied to the net income obtained in the month, pursuant to Article No. 85 of the Homologized Text of the Income Tax Law (amended by Article 3 of Legislative Decree No. 1120) and Article 54 of the Income Tax Law Regulation (amended by Supreme Decree No. 155-2012-EF). The amendment to this article brings the reduction of the percentage from 2% to 1.5% from the percentage system; the decrease of the percentage of this payment on account system can favor, one way or another, the taxpayers covered under this system when starting activities or obtaining a tax loss from previous fiscal years.

(d) By means of the amendments introduced to subsection ll) of Article 37 of the Income Tax Law, the limits to the training expenditures are eliminated and the application of general criteria is modified. Furthermore, by means of the amendment executed by Legislative Decree No. 1120, the 5% of the total deducted expenses of the fiscal year introduced for the training expenses by means of Law No. 29498, human capital investment promotion law, is eliminated.

(e) The amendments to vehicle expenses made to the Income Tax Law with Legislative Decree No. 1120 are related to the new types of vehicles in the calculation of the limit of vehicles whose expenses are deductible for the companies. Two new rules will be valid as from 2013: i) the limit shall include, besides of cars, the vehicles of the B1.3 and B1.4 categories, in other words, 4x2 and 4x4 trucks; ii) independently of their category, the expenses corresponding to the vehicles destined to direction, representation and management activities, whose price exceeds the amount to be established by the Income Tax Law Regulation, shall not be deductible.

(f) The purpose of the payment receipt is to certify the execution of a transaction (property transference, commodatum or the provision of a service) and works as a compliance support of the formal obligations imposed by the tax legislator; it was agreed to amend Article No. 20 "Gross Income" of the Income Tax Law, in relation to the support of the Property Transfer, by means of Legislative Decree No. 1112, indicating that: The claimable cost supported with payment receipts issued by taxpayers that at the date of issue are non-domiciled for tax purposes, according to the publication made by the Tax Administration shall not be deductible, except if the taxpayer has corrected such situation by December 31 of the fiscal year in which the payment receipt was issued.
The obligation to support the claimable cost with payment receipts shall not be applicable in the following cases:
(i) when the transferor receives second category income for the transfer of the property;
(ii) when according to the Payment Receipts Regulation their issuance is not mandatory; or,
(iii) when, pursuant to the Article 37 of this Income Tax Law, the support of the expense with other documents is allowed, in which case the cost can be supported with such documents.

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(g) The Tax Authority has the power to review and, if applicable, to correct the income tax calculated by the FMV within the four years after the year of the presentation of the corresponding tax return. The income and general sales tax returns from 2008 to 2012 are subject to inspection by the Tax Authority Due to the possible interpretations of the current legal regulations by the Tax Authority, it is not possible to establish to date if the reviews to be carried out will result or not in liabilities for the FMV, therefore any important tax or surcharge resulting from the possible tax reviews would be applied to the results of the fiscal year in which it is finally established.

(h) As of June 30, 2013, the FMV has an income tax credit of S/. 6,979 thousand (an income tax payable of S/. 9,572 thousand as of December 31, 2012), which is included in the "Current Tax" item of the Statement of Financial Position.

- In relation to the Income Tax as of December 31, 2012:

  It does not consider the payment on account of the month of December 2012 until its payment in full, which was executed on January 14, 2013. This credit is included in the 2012 Annual Income Tax Assessment, which was paid on March 26, 2013, according to the SUNAT schedule.

- In relation to the Income Tax as of June 30, 2013:

  What is shown is the Provision of the Income Tax as of June 2013, deducting the payments on accounts effectively paid before the end of the month, including payments by ITAN, as shown in the following chart:

	June 2013
	S/. (000)
Provision of the Income Tax as of March 2013	9,869
Payment on account: from January to May 2013	(12,066)
Payment of ITAN: from April to May 2013	(4,782)
Credit for Income Tax as of June 2013	(6,979)

17. Deferred Income Tax

(a) The details of the components originating the deferred income tax as of June 30, 2013 and as of December 31, 2012:

Deferred Asset	**June 2013 S/. (000)**	**December 2012 S/. (000)**
Generic provision for Doubtful Collection Account	5,683	3,513
Deferred Income due to Anticipated Cash Flows of the BCP	1,768	2,380
Others	1,534	1,621
	8,985	7,514
Deferred Liability		
Other minors	(2,189)	(304)
	(2,189)	(304)
Net Deferred Asset	6,796	7,210

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18. Interest Income

This item is composed as follows:

Thousands of Nuevos Soles	June 2013 S/. (000)	June 2012 S/. (000)
Cash and due from banks (a)	8,986	4,816
Available-for-sale investments (b)	4,801	245
Held-to-maturity investments	118	5,043
Accounts receivable (d)	100,225	83,117
Other financial income	812	1,076
Total	**114,942**	**94,297**

a) It corresponds to the interests generated by the interest bearing bank accounts and the accrued interests of the time deposits.
b) It corresponds to the available-for-sale investments, which are mainly formed by sovereign bonds interests and certificates of deposits.
c) It corresponds to the held-to-maturity investments, which are mainly formed by the interests of short-term bills and certificates of deposits.
d) It corresponds to the interests generated by the accounts receivable from the financial entities, which are placed through the COFIDE trust; it also corresponds to the statement of results of the CRC-PBP Trusts.

19. Interest Expenses

This item is composed as follows:

Thousands of Nuevos Soles	June 2013 S/. (000)	June 2012 S/. (000)
Debts and obligations of the Peruvian financial system		
Debts and obligations of the Peruvian financial system (a)	443	2,299
Outstanding securities and obligations (b)	19,963	-
	20,406	2,299
Accounts payable interests	147	-
Accounts payable result	-	-
Other financial expenses (c)	18,613	15,724
Total interest expenses	**39,166**	**18,023**

(a) It corresponds to the accrued interests generated by loans of the Banco de la Nación.
(b) It corresponds to the accrued interests generated by the Issuance of Bonds, which were issued in 2013.
(c) This item shows the Good Payer Award, granted through the COFIDE Trust.

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20. Financial Service Income

They mainly correspond to the commissions earned for the trust management service, especially from the CRC-PBP Trust management, for which the FMV receives from the IFIS a monthly commission equivalent to 0.05 percent of the net equity of CRC and PBP at the end of each month, charged against CRC and PBP.

	June 2013 S/. (000)	June 2012 S/. (000)
Trust Income and Trust Commission	251	4,069
Miscellaneous income	3,306	281
Total	**3,557**	**4,350**

21. Financial Service Expenses

	June 2013 S/. (000)	June 2012 S/. (000)
Miscellaneous expenses	(49)	(35)
Total	(49)	(35)

22. Gains on Financial Transactions (ROF)

	June 2013 S/. (000)	June 2012 S/. (000)
Available-for-sale investments	-	(52)
Trading derivatives	609	-
Results of Coverage Transactions (a)	(2,128)	6,762
Profit – Loss in Exchange Rate	(20,431)	(3,532)
Others	2,509	536
Total	(19,441)	(3,714)

(a) It corresponds to the loss generated by our coverage forwards, which as of June 30, 2013 provides a loss of S/.2,128 and as of June 30, 2012, a profit of S/.6,762, due to the increased exchange rate in June 2013.

23. Administrative Expenses

(a) This item is composed as follows:

	June 2013 S/. (000)	June 2012 S/. (000)
Personnel and board of directors expenses (b)	7,090	7,993
Services received from third parties (c)	9,116	7,424
Duties and taxes	120	193
Total	**16,326**	**15,610**

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(b) The composition of the "personnel and board of directors" account expenses is presented below:

	March 13 S/. (000)	March 12 S/. (000)
Compensations	3,530.50	3,496,64
Workers' profit sharing	1,730.03	2,792.75
Bonus	578.12	567.91
Severance payment	339.57	333.51
Social security and welfare	321.79	322.20
Vacations	300.18	288.34
Training	34.17	24.28
Others	255.90	167.48
	7,090	7,993

Pursuant to the current legal provisions, the FMV distributes 5 percent of the taxable base as workers' profit sharing.

(c) The detail of the "services received from third parties" account is presented below:

	June 2013 S/. (000)	June 2012 S/. (000)
Consultancy services	3,340	2,778
Advertising	1,765	1,080
Lease of goods and real estate	945	689
ITC project expenses	546	0
Surveillance and protection	248	354
Repair and maintenance	358	374
Mobility	165	143
Communications	231	161
Insurances	162	116
Travel expenses	131	100
Courier service	145	89
Cleaning services	83	61
Office supplies	90	60
Public services	85	87
Telemarketing service	28	32
Other expenses	794	1,299
	9,116	**7,424**

24. Valuation of Assets and Provisions

The detail of this item is presented below:

	June 2013 S/. (000)	June 2012 S/. (000)
Provisions for Uncollectibility of Accounts Receivable		
COFIDE Trust Provision	17,353	9,801
EXCONEMINSA Portfolio Provision	104	272
Provision of Former CMAC Paita – COFIDE Trust	100	0
Provision of Invoice Receivable	56	57
Reversal of Provision – COFIDE	(5,703)	(3,404)
Reversal of Provision – EXConeminsa	(253)	(133)
Reversal of Provision – Banco Banex	(2)	(326)
Reversal of Provision – IFIS in Liquidation	(1,640)	(8)
Reversal of Provision – Other Accounts Receivable	-	(14)
	10,015	**6,246**
Provisions for Lawsuits	447	40
Other Provisions	124	178

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25. Other income, net

The detail of this item is presented below:

Other Income	**June 2013 S/. (000)**	**June 2012 S/. (000)**
Other minor income	316	41
Income for miscellaneous accounts receivable	204	142
	520	183
Other expenses		
Other minor expenses	(13)	(178)
	(13)	(178)
Total other income, net	**507**	**6**

26. Risk Assessment

FMV's activities are mainly related to the loan volumes of its resources through the country's financial institutions for the acquisition of houses by individuals. The financial institutions are evaluated and are assigned to long-term credit lines; also, it participates in construction and housing promotion activities, and it manages resources received from the State and its own (such as the Household Housing Bonus), mainly investing these funds in fixed income investments with investment grade, for the purpose of ensuring some return in time and the liquidity necessary to comply with its liabilities and credit activities.

In this sense, the FMV is exposed to different risks, such as credit, liquidity, interest rate, exchange rate, investment, operational, among others, which are managed by the Risk Office through an identification, measurement, control, report and continuous monitoring process, subject to the risk limits, tolerances and controls established by the Board of Directors. This risk management process is critical for the sustainability of the Institution and its profitability, therefore, each collaborator (Directors included) within FMV is responsible for the risk exposures related to its activities and responsibilities.

Market Risks

The FMV is exposed to market risks, which are the risks the fair value or the future cash flows of a financial instrument negatively fluctuate due to changes in the market prices. The market risks arise from the balance sheet items subject to the interest rates risk and exchange rate risk. This last risk is maintained when the FMV no longer executes loans in a foreign currency (for example, in US Dollars), as it still has a remaining balance of loans granted in such currency in the traditional MIVIVIENDA product.

The FMV applies the "Value at Risk - VaR" methodology to calculate the maximum expected loss that could be generated in the items subject to the interest rate risk and exchange rate risk. The FMV's Board of Directors establishes the value at risk limits that are acceptable, which are monitored by the Risk Office on a daily basis.

The FMV establishes the policies and procedures for the control of market and liquidity risks, as well as the limits for specific credit, investment and hedging transactions with derivatives in order to improve its profitability / risk balance process.

Liquidity Risks

The FMV is exposed to liquidity risk, derived from the opportunity to have available resources for loans placement, payment of payroll, taxes, suppliers and settlement of hedging derivatives, and service of obligations due to amounts owed and other liabilities that could be taken, even though if such risks are minimal. The FMV does not have cash resources to comply with all these needs; the FMV's experience shows that a minimum level of reinvestment of the held-to-maturity funds can be predicted with a high level of accuracy. The FMV established limits on the minimum amount of available funds to cover the payment

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of obligations necessary to cover the liquidity requirement levels, and monitors, on a daily basis, the liquidity requirements based on these limits and the cash flow prepared by the Treasury area.

The procedure of settling and controlling the maturity mismatches and of the interest rates of the assets and liability is essential for the administration of the FMV's management. It is not usual for the financial institutions to be completely settled, due to the uncertain terms and several types of transactions they execute. An uncovered item in the terms can potentially increase the profitability, but also increases the loss risk.

FMV's liquidity ratio is an operative indicator since the average of the loan volume being channeled to the country's financial institutions through the Development Finance Corporation is considered as obligations. As of June 30, 2013 and 2012, the FMV has liabilities or financial obligations; however, the liquidity ratio control is implemented under the capacity considerations for meeting the loan placement demands, in particular, besides of the payments of payroll, suppliers, taxes and settlements of hedging derivatives.

An analysis of FMV's relevant assets and liabilities grouped according to their contractual maturity is included in the notes to the financial statements.

Cash flow and fair value risks by interest rates
The cash flow risk by interest rates is the risk that the cash flows of a financial interest fluctuate due to the changes in the market interest rates. The fair value risk by interest rates is the risk that the value of a financial instrument fluctuates due to the changes in the market interest rates.

The risk control and monitoring due to investment portfolio's interest rates in fixed income maintained by the FMV is executed through the calculation of the value at risk VaR and making sure that the value at risk does not exceed the established internal limit, a limit established as percentage of the effective equity of the FMV. Also, the Risk Office monitors that the "Stop Loss" and "Take Profit" indicators of the fixed income instruments being settled are complied with. These instruments are valuated daily and informed to FMV's competent areas.

The Risk Office measures the sensitivity of FMV balance sheet with the risk of the interest rates through the regulatory annexes required monthly by the SBS, such as the calculation of gaps and analysis of sensitivity in case of changes to the interest rates. The distribution of the balance sheet accounts to execute the annexes is carried out under distribution assumptions according to maturity deadlines; these assumptions are part of an internal methodology approved by the Risk Committee of the FMV. Moreover, the FMV has internal limits for the equity value at risk, which looks to enclose the risk of the balance sheet interest rates.

The FMV has items that are subjected to, due to the fluctuations in the levels of the market interest rates, on its financial situation and cash flow. The interest margins can increase as a result of such changes, but at the same time they can decrease or generate losses in case of unexpected or adverse movements. The FMV establishes limits on the mismatch level to the changes to the interest rates to be assumed, which are monitored monthly by the Risk Office through the regulatory annexes reported to the SBS. It is worth mentioning that at the closing of the first quarter of 2013, the FMV maintains liability operations or financial debts for the international issuance of bonds executed in January 2013.

It is also worth mentioning that the FMV manages the MVCS (Ministry of Housing, Construction and Sanitation) resources destined to the subsidies for the families that apply for a house of the Techo Propio program. The accounts receivable and other accounts payable are subject to the risk arising from the fluctuations in the interest rates. The relevant maturity characteristics and contractual interest rates of the main financial instruments are indicated in the corresponding notes to the financial statements.

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Exchange risk rate
The FMV is exposed to the effects of the fluctuations in the changes to the foreign currency prevailing in its financial position and cash flows. The FMV sets limits for the exposure levels per currency and the total of the daily transactions, which are daily monitored by the Risk Office.

The active operations of the current products and liabilities (sic) (the latter according to the market situation and availability) are preferably executed in domestic currency. FMV's exchange rate risk mainly comes from the international issuance of the bonds that are greater than the balances of the credit assets in US Dollars of credit placements of the traditional MIVIVIENDA product; a product that is no longer placed but there remain balances receivable according to their original schedules. With the purpose of mitigating the exposure to the exchange rate risk, the FMV executes transactions of hedging derivatives for the balance sheet exchange rate risk management. The Risk Office daily valuates and monitors the derivative operations.

FMV's assets and liabilities in a foreign currency as of June 30, 2013 and 2012 are presented in note 4.

Operational risk
FMV's operational risk is created by the recognized management aspects related to people, processes and procedures, information technology and external aspects.

The operational risk is managed by each one of the Managements and/or Offices of the institution, in coordination with the Risk Office, which supports them in application of the operational risk methodologies used; establishing a qualitative and quantitative valuation of its risks and controls. Also, the Risk Committee is periodically informed of the main risks and their mitigation. A loss database per Operational Risk is designed and in operation for the organized registration and analysis of incidents of the entity.

Finally, the FMV manages the Information Security Management System, for which there are policies and the permanently updated Information Security Plan; it also has a Business Continuity Management System, executing every year Business Continuity Plan Tests, so it allows us to guarantee the operation of our alternative computer center and for the Institution not to interrupt (beyond a sensible amount of time) its activities due to some disaster.

Credit risk
The FMV channels its resources for loans destined to housing through COFIDE, with the placement of credit lines to financial institutions; which are evaluated by the Commercial Department and are reviewed by the Risk Office and exposed before the Risk Committee for their approval.

The individual exposure and by unique risk for each financial institution, which includes loan placements and investments, is established through sub-limits per product; in order to properly control the credit risk exposure, which is monitored and reviewed from time to time.

The credit lines granted by the FMV are managed through the analysis of certain criteria, mainly related to the liquidity, solvency, quality of assets, profitability and ability to pay of the institutions, among others.

Likewise, the Risk Offices carries out a follow-up of indicators and the permanent financial and economic situation of the financial institutions, in order to monitor its performance and take sensible measures in case of deterioration. Additionally, credit portfolio revision visits are performed every year to such IFI with the purpose of securing the proper creation of finalist credits, carried out with the FMV's resources.

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FMV's management has estimated that as of June 30, 2013, the maximum amount of credit risk to which the FMV is exposed, represents the book value of the bank deposits that accrue interests, the accounts receivable (COFIDE Trust Agreement) and other monetary assets.

27. Contingencies

The FMV has the following contentious proceedings as of June 30, 2013:

(a) Several labor proceedings related to its operations in relation to lawsuits by way of the payment of profits and refund of fringe benefits, registering a provision of S/. 469 thousand as of June 30, 2013 (S/. 230 thousand as of June 30, 2012).

(b) Several constitutional processes (relief action) related to the restitution of labor rights to former FMV workers. Also, proceedings due to discrimination in the right of participation in processes of awarding and contracting, payment of the registration of technical entities due to committed infractions.

(c) Administrative contentious proceeding by Consorcio DHMONT & CG & M S.A.C. through the contesting of the administrative resolution, in which the plaintiff requests the decree of annulment of FMV's letter in which the refund of the letter of guarantee that worked as guarantee and requirement to file its appeal in the public bidding (Collique) called by FMV, in which such company participated, was denied. The demanded amount amounts to S/. 4,870 thousand; The Judge ordered the refund of US$ 250 thousand, which is equivalent to S/. 681 thousand (US$ 245 thousand) as of June 30, 2013.

In the opinion of the Management and its legal advisors, these processes shall not result in significant additional liabilities to those recorded in the attached financial statements.

28. Fair Value

The fair value or estimated market value is the sum for which an asset could be exchanged or a liability agreed between the knowledgeable and willing parties, under the assumption that the entity is an on-going business.

When a financial instrument is traded in an active and liquid market, its price stipulated in the market in a real transaction provides the best evidence of its fair value. When there is no price stipulated in the market or it may not be an indication of the instrument's fair value, in order to determine such fair value, the market value of another similar instrument, the analysis of deducted flows or other applicable techniques, which are significantly affected by the assumptions used, can be used. Although the Management has used its best judgment in the estimation of the fair values of its financial instruments, any technique to execute such estimate entails certain inherent fragility level. As a result, the fair value cannot be an indicator of the net realizable value or the settlement of such instruments.

A significant portion of the FMV's assets and liabilities corresponds to short-term financial instruments, with maturity deadlines of less than a year; therefore it is considered that the fair values of such financial instruments are equivalent to their corresponding book value at the end of the fiscal year, with exception of those for which there is an active market.

The methodologies and assumptions used depend on the risk terms and characteristics of the different financial instruments as shown below:

- The available funds represent cash and short-term deposits which do not represent significant credit risks; therefore, it is considered that their book value is equivalent to their estimated market value.

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- The available-for-sale investments are recorded to their estimated market values; therefore, their book value is equal to such value.

- The held-to-maturity investments have a current nature as their deadline is in August 2013; therefore, it is estimated that their book value does not differ significantly from their estimated fair value.

- The accounts receivable have a long-term nature and generate an interest rate according to the range of products that the Fondo MIVIVIENDA has, through which the credit lines with the IFIS are channeled. The Management considers that the market value of the accounts receivable is similar to their respective book value.

- The obligations with the public; this ledger account has been reclassified to accounts payable since June 01, 2013 according to the communications of the SBS. The market value is similar to its respective book value; this is due mainly to its current nature as this account mostly includes the payable income tax.

- The market value of debts and financial obligations is similar to their respective book value due to its current nature as they were paid during the second quarter of the next year.

- The other accounts payable and other liabilities do not create interests. As a result, it is estimated that their book values differ significantly from their respective market values.

- The FMV registers the operations with derivative financial instruments at their estimated market value; therefore, there are no differences with their book value.

Based on the aforementioned analysis, the FMV's Management estimates that as of June 30, and December 2012, the estimated market values of the FMV's financial instruments do not differ significantly from their book values.

29. Later Events

There is no knowledge of important events that happened between the closing date of these financial statements and the date of this report, which could affect them significantly. Even the FMV received the Resolution of Determination for the closing of the inspection of 2010 Income Tax by the Tax Administration, whose debt determination amount by such inspection process was zero.

I, the undersigned Certified Translator, Member of the Peruvian Association of Professional Licensed Translators (CTP), do hereby certify that this Certified Translation, consisting of 48 pages, is a true and correct translation into English of the original document in Spanish enclosed herewith, which has been produced before me.
This certification shall be considered an acknowledgment of the accuracy of the translation but not of the authenticity or contents of the document in source language attached hereto.
Signed in Lima, this 14th day of August, 2013

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