

Popular Valores Puesto de Bolsa, S.A.

**Financial statements
and auditor's report**

December 31, 2013 and 2012

Popular Valores Puesto de Bolsa, S.A.

**Financial statements
and auditor's report**

December 31, 2013 and 2012

Popular Valores Puesto de Bolsa, S.A.

Table of contents

	Schedule	Page
Independent auditor report		1
Balance sheet	A	3
Statement of income	B	5
Statement of changes in shareholders' equity	C	6
Statement of cash flows	D	7
Notes to financial statements		8

Independent auditor report

To the Board of Directors
Popular Valores Puesto de Bolsa, S.A.
and the General Superintendence of Securities

We have audited the accompanying financial statements of Popular Valores Puesto de Bolsa, S.A., which comprise the balance sheet as of December 31, 2013 and 2012 and the income statement, the statement of changes in equity and the statement of cash flows for the one year periods then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements have been prepared by the management of Popular Valores Puesto de Bolsa, S.A. in conformity with directives issued by the National Financial System Oversight Board and the General Superintendence of Securities.

Management's Responsibility for the Financial Statements

The management of Popular Valores Puesto de Bolsa, S.A. is responsible for the preparation and fair presentation of these financial statements in accordance with directives issued by the National Financial System Oversight Board and the General Superintendence of Securities. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements free from material misstatement, whether due to fraud or error.

Auditors responsibility

Our responsibility is to express an opinion on these individual financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and to plan and perform the audits to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the entity's management, as well as evaluating the overall presentation of the financial statements.

Despacho Lara Eduarte, s.c.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Popular Valores Puesto de Bolsa, S.A. as of December 31, 2013 and 2012, and of its financial position and its cash flows for the one year periods then ended, in accordance with directives issued by the National Financial System Oversight Board and the General Superintendence of Securities, as discussed in note 2.

Basis of accounting

Without modifying our opinion, we draw attention to note 2 of the financial statements which describes the basis of accounting. The accompanying financial statements have been prepared by the management of Popular Valores Puesto de Bolsa, S.A., in conformity with directives issued by the National Financial System Oversight Board and the General Superintendence of Securities. As a result, the financial statements could be not suitable for other purposes.

Other matter

The accompanying financial statements expressed in U.S. dollars give effect to the conversion of the Costa Rican colones financial statements not submitted herewith, on the basis described in note 1. This conversion should not be construed as representing that the Costa Rican colones amounts actually represent or have been, or could be, converted into U.S. dollars.

Juan Carlos Lara

San José, Costa Rica
February 5, 2014

Juan Carlos Lara P. N°2052
Pub. R-1153 Nature 9-30-2014
Exempt from legal stamp as
per Art. 8, Law No. 6663.

Lara Eduarte



Schedule A
1 of 2

Popular Valores Puesto de Bolsa, S.A.

Balance sheet

December 31

(In US dollars)

	Notes	2013	2012
Assets			
Cash and due from banks	5	US\$ 5,475,282	5,504,466
Cash		472,814	2,091
Banco Central		4,001,549	3,724,381
Local financial entities		204,969	920,199
Foreign financial entities		68,295	5,583
Other availabilities		727,655	852,212
Investment in securities and deposits		71,999,091	82,961,211
Available-for-sale	6	71,035,732	81,707,284
Accrued interest receivable		963,359	1,253,927
Accounts and fees receivable	7	905,716	1,428,961
Accounts receivables on brokerage operations		17,853	26,636
Accounts receivable from transactions with related parties		23,429	20,542
Deferred income tax and income tax receivable		630,993	1,083,924
Other accounts receivable		233,441	297,859
Investment in other entities	8	85,921	84,712
Premises and equipment, net	9	280,465	331,129
Other assets	10	225,858	489,346
Deferred charges		36,084	320,633
Intangible assets, net		189,774	168,713
Total assets		US\$ 78,972,333	90,799,825

Continues...

Schedule A
2 of 2

... continued

Popular Valores Puesto de Bolsa, S.A.

Balance sheet

December 31

(In US dollars)

	Notes	2013	2012
Liabilities and stockholders' equity			
Liabilities			
Obligations with the public		US\$ 33,460,680	58,886,892
Other obligations with the public	11, 27	33,346,188	58,568,876
Financial charges		114,492	318,016
Obligations with entities		6,060,484	0
Term, related parties	11	6,060,484	0
Other accounts payable and provisions		4,988,618	3,583,394
Due to customers for brokerage transactions	12	3,215,280	2,467,101
Deferred tax	13	20,480	29,132
Provisions	14	262,102	342,879
Sundry accounts payable	13	1,490,756	744,282
Total liabilities		44,509,782	62,470,286
Stockholders' equity			
Capital stock		19,596,010	19,596,010
Capital stock	15	19,596,010	19,596,010
Non-capitalized equity contributions		0	0
Equity adjustments		(1,321,590)	(2,101,865)
Unrealized gain (loss)		(1,321,590)	(2,101,865)
Conversion adjustment		4,021,700	(1,321,194)
Legal reserve	2	1,591,142	1,345,736
Retained earnings		15,718,977	8,946,773
Result of the period		(245,406)	1,864,079
Total stockholders' equity		39,360,833	28,329,539
Total liabilities and stockholders' equity		US\$ 83,870,615	90,799,825
Other memo accounts			
Memo accounts for contingencies and lawsuits	26	16,488	0
Memo accounts on trusts	26 and 32	US\$ 14,467,165	11,850,989
Debtor memo accounts	26	US\$ 30,302,418	29,876,312
Debtor memo accounts, third parties	26 and 31	US\$ 962,424,372	888,914,244
Memo accounts on custody	26	US\$ 110,993,474	146,673,926
Memo accounts, third parties on custody	26	US\$ 886,620,979	904,946,318

See accompanying notes to the financial statements.

Schedule B

Popular Valores Puesto de Bolsa, S.A.

Statement of income

Years ended December 31

(In US dollars)

	Notes	2013	2012
Financial income			
On cash and due from banks	18	US\$ 13,703	13,036
On investment securities and deposits	18	3,842,591	7,003,632
Foreign exchange		273,401	352,556
Gain on securities available-for-sale	19	2,821,595	520,385
Total financial income		6,951,290	7,889,609
Financial expenses			
On obligations with the public	22	1,644,122	4,783,568
Loss in securities available-for-sale	19	59,293	97,989
Total financial expenses		1,703,415	4,881,557
Financial income		5,247,875	3,008,052
Other operating income			
Service fees and commissions	17	7,820,135	4,101,445
Other income, related parties	25	331,030	289,665
Exchange and arbitrage, foreign currency		60,073	134,264
Other		145,722	22,277
Total other operating income		8,356,960	4,547,651
Other operating expenses			
Service fees and commissions		208,354	200,467
Other expenses, related parties	25	85,935	85,808
Exchange and arbitrage, foreign currency		18,380	86,156
Other		143,957	150,215
Total other operating expenses		456,626	522,646
Gross operating income		7,900,334	4,025,005
Administrative expenses			
Personnel	20	5,382,356	3,910,777
Other	21	1,520,819	1,200,549
Total administrative expenses		6,903,175	5,111,326
Net operating income before taxes and statutory allocation of earnings		6,245,034	1,921,731
Statutory allocation of earnings	2b.23	187,351	57,652
Income tax	23	1,149,558	0
Result of the period	US\$	4,908,125	1,864,079

See accompanying notes to the financial statements.

Schedule C

Popular Valores Puesto de Bolsa S. A.
Statement of shareholders' equity
Years ended December 31
(In US dollars)

	Notes	Capital stock	Equity adjustments	Legal reserve	Retained earnings	Conversion adjustment	Total
Balances at December 31, 2011		US\$ 12,647,567	(1,868,934)	1,252,532	16,415,612	(1,501,159)	US\$ 26,945,618
Retained earnings capitalization	15	6,948,443	0	0	(6,948,443)	0	0
Income tax adjustment paid		0	0	0	(427,192)	0	(427,192)
Net income of the year		0	0	0	1,864,079	0	1,864,079
Legal reserve and other statutory allocations	24b.	0	0	93,204	(93,204)	0	0
Conversion adjustment		0	0	0	0	179,965	179,965
Change in fair value of available-for-sale securities, net of income tax		0	(232,931)	0	0	0	(232,931)
Balances at December 31, 2012		19,596,010	(2,101,865)	1,345,736	10,810,852	(1,321,194)	28,329,539
Net income of the year		0	0	0	4,908,125	0	4,908,125
Legal reserve and other statutory allocations		0	0	245,406	(245,406)	0	0
Conversion adjustment		0	0	0	0	5,342,894	5,342,894
Change in fair value of available-for-sale securities, net of income tax		0	780,275	0	0	0	780,275
Balances at December 31, 2013	15	US\$ 19,596,010	(1,321,590)	1,591,142	15,473,571	4,021,700	US\$ 39,360,833

Schedule D

Popular Valores Puesto de Bolsa, S.A.

Statement of cash flows

Years ended December 31

(In US dollars)

	Notes	2013	2012
Operating activities			
Net income	US\$	4,908,125	1,864,079
Items not requiring cash outlays:			
Depreciation and amortization		211,213	198,376
Cash (provided) by used in changes in assets:			
Deposits and investments margins		135,743	506
Loans and cash advances		0	368,956
Accrued interest receivable		306,268	211,922
Other assets		361,776	(87,409)
Cash provided by (used in) changes in liabilities:			
Other accounts payable and provisions		1,353,532	844,422
Accrued interest receivable		(206,587)	31,750
Net cash provided in operating activities		<u>7,070,070</u>	<u>3,432,602</u>
Investing activities			
Decrease on investment securities (except marketable)		20,028,112	15,958,877
Acquisition of premises and equipment		(174,740)	(214,684)
Net cash provide in investing activities		<u>19,853,372</u>	<u>15,744,193</u>
Financial activities			
Other financial obligations		(19,855,938)	(18,354,585)
Payment of charges transfer		0	(427,192)
Net cash (used) in financial activities		<u>(19,855,938)</u>	<u>(18,781,777)</u>
Net increase in cash and cash equivalents during the year		7,067,504	395,018
Conversion adjustment		169,611	52,970
Cash and cash equivalents at the beginning of the year		8,358,377	7,910,389
Cash and cash equivalents at end of year	4 US\$	<u><u>15,595,492</u></u>	<u><u>8,358,377</u></u>

See accompanying notes to the financial statements.

Popular Valores Puesto de Bolsa, S. A.

Notes to financial statements

December 31, 2013 and 2012

(In US dollars)

Note 1. Summary of operations

Popular Valores Puesto de Bolsa, S.A. (Popular Valores, the Company) was organized on October, 1999 under the laws of the Republic of Costa Rica and began operations on May, 2000. Its main activity is securities trading. This entity is regulated by the National Securities Commission (SUGEVAL).

The Company carries transactions in the Costa Rican securities market on its own behalf and for third parties, as well as providing personal portfolio management services. Those transactions are regulated by the Securities Market Regulatory Law, the SUGEVAL, and the Costa Rican National Stock Exchange (BNV).

On January, 1999 the BNV authorized its operations. Before that date it was an integral division of Banco Popular y de Desarrollo Comunal (the Bank).

Popular Valores is a subsidiary 100% owned by the Bank. It is domiciled in San José, Costa Rica in the eighth floor of the Mercedes Tower located on Paseo Colón.

Note 2. Preparation basis and significant accounting policies

a. Basis of financial statements preparation

The financial statements have been prepared in accordance with the legal provisions, rules and directives issued by the National Financial System Oversight Board (CONASSIF) and the SUGEVAL, which differ in some aspects from International Financial Reporting Standards (IFRS).

To standardized IFRS implementation, the CONASSIF issued Accounting Standards for Entities Regulated by SUGEF, SUGEVAL, SUPEN and non-financial issuers.

The CONASSIF has established which accounting policies must be applied when the standards include alternative treatments.

The main differences between IFRS and applicable regulations are the following:

IAS 1: Financial Statements Presentation

The CONASSIF has established the partial adoption of IFRS. This situation departs from IAS 1, which requires compliance of all standards and their interpretations if IFRS are adopted.

Revised IAS 1 requires recognition on a fifth financial statement or in a statement of comprehensive income, of movements related to equity accounts (other comprehensive income) as available-for-sale investments valuation and surplus. Actual statements do not include these changes.

IAS 7: Cash flow statements

The CONASSIF requires the indirect method for preparing the statement of cash flows, without the option of electing the direct method, which is also allowed by IFRS.

IAS 16: Premises and equipment

For 2009 the new accounts manual does not include price index for revaluation of assets as it was previously allowed. Revaluations must be performed by independent appraisals at least every five years. As a consequence revalued assets may not keep fair value as required by IFRS 16.

The SUGEF allows state owned commercial banks to capitalize revaluation surplus generated by revalued assets. This practice defers from IFRS. In case of impairment of revalued assets the effect should be included in the income statement instead of decreasing revaluation surplus as required by IAS 36.

IAS 16 requires depreciation of idle assets. SUGEF standards require idle assets depreciation to cease.

IAS 17: Leases

Leases are required by the CONASSIF to be recognized at the present value of the future payments discounted at the implicit interest rate of the operation.

IAS 17 requires recognition of the lower of the present value of the future payments or its market value.

IAS 18: Revenue

The CONASSIF requires loan commissions to be deferred in the portion they exceed the expenses to generate those commissions.

The standard requires deferral of loan commission fees during the term of the loan.

The deferral must be done thru effective interest rate.

IAS 37: Provisions, contingent assets and liabilities

IAS 37 requires recognizing provisions at future payments present value. The new accounts manual requires the recognition of the present obligation.

IAS No. 38: Intangible assets

Automatic applications should be amortized systematically by the straight-line method during the term which produces economic benefits; such term could not exceed 5 years. Similar proceeding applies to purchase goodwill.

IAS 37 allows different methods to distribute an asset amortizable amount during useful life. Useful life of automatic applications could be longer than 5 years as stated by Conassif standards. On the other hand, IFRS do not require annual goodwill amortization, only evaluating impairment.

IAS No. 39: Financial instruments, recognition and measurement

The CONASSIF requires al securities to be classified as available-for-sale.

The SUGEF and SUGEVAL allow classifying other investments as for negotiation when there is express intention of negotiation with 90 days term since acquisition. SUPEN only allows available-for-sale classification. Derivatives should be classified as for negotiation except the ones with financial guarantee agreements or hedges and for hedges that should be valid under IAS 39. According to IAS 39 derivatives can exceed a period of time of ninety days because it refers to its disposals in the near future and does not indicate a definitive term.

IAS 39 requires classifying financial instruments according to the intention they are held for which allows other classifications as held-to-maturity.

b. Accounting policies

The main accounting policies are described below:

b.1 Currency and exchange regulations

The accounting records are kept in Costa Rican colones (¢), the legal tender of the country.

Transactions in foreign currency during the year are converted at the foreign exchange rate ruling at the date of the transaction and pending balances are adjusted to the exchange rate of the date; exchange differences are recognized as operations results.

b.2 Allowances

Regulations issued by the CONASSIF and SUGEVAL require to record allowances and assumptions that should affect registered amounts of some assets and liabilities as well as contingent assets and liabilities at the date of the financial statements, and income and expenses of the period. Actual figures could differ from those estimates.

b.3 Cash and cash equivalents

Operating activities on the statement of cash flow are presented by the indirect method. Availabilities, demand and time deposits and investment securities with due dates up to 60 days are considered cash equivalents.

b.4 Investment in securities

Non-derivatives financial instruments

Classification:

Current regulations require recognizing investments in securities as available-for-sale and for negotiation which are valued at market according to a price vector issued by specialized entities. As an exception and for all currencies if there is no possibility of such methodologies quoting, the price will be 100% of purchase price (level 1).

In case of exception and for all currency, if there is no quotation, the methodology according to Financial Instruments Valuation Regulations and directive SGV-166, Instructions for Risk Management, article 8 by SUGEVAL apply.

Measurement:

The fair value of securities for negotiation is recognized in the income statement.

Available-for-sale securities valuation at market is recognized in equity.

Repurchases are not valued at market neither securities with up to 180 days maturity.

Accounts receivable and payable are recognized at the amortized cost which approximates or equals fair value.

Regular way purchase and sale of financial assets are registered by the settlement date method, which is that date in which assets are delivered or received.

Recognition:

Financial instruments are registered initially at cost including the transaction costs. For financial assets the cost is the fair value of the delivered counterpart. The transaction costs are those related to the purchase of the investments.

Derecognition:

Financial assets are derecognized when the entity loses control on the contractual rights of the assets. This happens when the rights are executed, expire or are transferred to third parties.

Financial liabilities are derecognized when the contracts have been paid, cancelled or have expired.

Derivative financial instruments:

Derivatives are initially recognized at cost; after initial recognition they are fair value recognized. Fair value treatment depends of the following categories: fair value hedge, cash flows hedge and implicit derivatives. Popular Valores does not have derivative financial instruments.

b.5 Premiums and discounts amortization

The amortization of premiums and discounts on investments is registered by the effective yield method.

b.6 Accounts receivable

Accounts receivable are recognized at amortized cost.

b.7 Prepaid expenses

Prepaid expenses are carried at cost and amortized by the straight-line-method.

b.8 Premises and equipment

Furniture, equipment and leasehold improvements are carried at cost; gains and losses from sale of assets are recognized in the corresponding period. Maintenance, repairs and minor renewals are charged to operations when incurred.

b.9 Depreciation and amortization

Depreciation and amortization of premises, furniture and equipment are calculated by the straight-line method over the estimated useful live of assets, for both financial and tax purposes. Leasehold improvements and software are amortized in three-years.

Depreciation rates are based on the following estimated useful lives:

	Useful life in years
EDP and communication equipment	5
Office furniture and equipment	10
Vehicles	10

b.10 Impairment of assets

The IFRS' require the review of asset's recoverable amount when there is indication of impairment. An impairment loss is recognized whenever the carrying amount of assets exceeds the recoverable amount. Such loss should be registered as expenses if assets are carried at cost and as a decrease of the revaluation surplus accounts if the assets are revalued.

The recoverable amount of assets is the greater of their net selling price and value in use. It is calculated bringing to present value estimated future cash flows and disbursements expected from the continued use of assets and from disposal at the end of useful life. The recoverable amount can be estimated taking into consideration the cash generating unit, which is the smallest group whose continuous use generates cash revenue independent from revenue from other assets.

b.11 Investments in share capital

Investments in share capital correspond to share capital in the Costa Rican National Stock Exchange (BNV) which is required by law to operate as brokerage firm. That stock is recorded at cost rather than realizable value, as shares were withdrawn from public offer and may only be traded among brokerage firms through the Costa Rican National Stock Exchange. As of December 31, 2013 and 2012 the firm owns 14,952,195 common shares of ¢10 par value each (see note 8).

b.12 Social benefits

(i) Severance payment

Costa Rican labor legislation requires severance pay to employees dismissed without just cause, death or retirement equivalent to twenty salary days for each continuous work year up to eight years. Popular Valores contributes 5,33% of earned salaries to an Employees Association as advance of such contingency, and 3% is transferred to pension plans chosen by employees (see note 14).

(ii) Statutory Christmas bonus

Christmas bonus payment equivalent to one twelfth of the yearly salary is paid annually in December, even in the case of employee dismissal. The Company recognizes a provision for such purpose.

(iii) Vacation

The Company grants annual vacation paid after 50 working weeks, according to the following:

- a) From fifty weeks to a year plus 50 weeks: 15 working days.
- b) From two years plus 50 weeks on, 18 working days.

The Company recognizes a provision for such purpose.

b.13 Legal reserve

According to Costa Rican legislation the Company must register an equity reserve equivalent to 5% of net profits of each year until it reaches 20% of the capital stock.

b.14 Exchange rate differential

Exchange rate differential is calculated according to foreign currency standings at the closing of each month, and recognition of resulting income and expenses are made separately.

b.15 Income and expenses determination

In general, the accrual accounting principle is used to recognize income and expenses.

b.16 Leases

Finance lease: monthly quota includes financial charges and amortization. Financial charges are recognized in results. Lease assets are depreciated during the lease agreement term.

Operative lease: payments are agreed and recognized as expenses by the straight-line method during lease agreement term.

b.17 Deferred taxes

Popular Valores calculates regular income tax on book profits excluding certain differences with taxable profits. Deferred income taxes are determined by the liabilities method for all differences between the taxable base of assets and liabilities and the amounts to be used for financial purposes. Deferred income tax is determined by all temporary taxable differences and temporary deductible differences, as long as there is the possibility that the assets and liabilities may be cashed.

b.18 Money market transactions

This mechanism allows obtaining or providing liquidity through the BNV. When funding is obtained the corresponding liability is recorded, and when an investment is made the corresponding asset is recorded.

b.19 Term transactions

Their objective is to guarantee appropriate term and return. The buyer of term transactions must leave a margin for the performance bond, which is set on the day following the negotiation; if the price varies, an annotation is made on the margin.

b.20 Repurchase transactions

Their objective is to provide temporary liquidity without having to render the financial instrument. The instrument is kept as collateral at Central de Valores, S.A. (CEVAL, safekeeping depository), it is sold at actual price and a term repurchase is agreed upon.

Repurchases are classified as assets or liabilities. As assets they represent an investment providing liquidity to the counterpart and as liabilities, liquidity is being sought, so the corresponding funds are received, and liabilities are duly recorded.

b.21 Legal tender

The legal tender for the Republic of Costa Rica is the colon (¢1,00). As of December 31, 2013 and 2012 the exchange rates of US dollars stood at ¢495,01 and ¢502,07 per US\$1,00 respectively.

b.22 Fiscal period

Popular Valores' fiscal period runs from January 1 through December 31 of each year.

b.23 Annual profits appropriation

According to article 46 of Law 8488, National Emergencies and Risk Prevention (NEC) requires a contribution equivalent to 3% on gains and budgetary surplus of the year of all public institutions.

b.24 Currency conversion

The financial statements as of December 31, 2012 expressed in U.S. dollars give effect to the conversion of the financial statements expressed in Costa Rican colones applying the exchange rate of ¢502,07 to assets and ¢514,32 to liabilities, except equity which was converted at historical exchange rates and income and expenses at the average exchange rates of the year, only for the reader's convenience.

These conversions should not be construed as representing that the Costa Rican colones amounts actually represent, or have been, or could be, converted into U.S. dollars.

Note 3. Assets and liabilities in US dollars

As of December 31, monetary assets and liabilities denominated in US dollars are as follows:

		2013	2012
Assets			
Cash	US\$	3,600,956	1,981,671
Deposits and investment margins		709,271	587,304
Marketable securities		9,786,038	7,204,330
Due from customers for brokerage transactions		12,108	22,207
Interests and fees receivable		107,096	34,843
Other		80,197	77,244
		<u>14,295,666</u>	<u>9,907,599</u>
Liabilities			
		2013	2012
Obligations under repurchase agreements		11,332,054	8,280,895
Due from customers for brokerage transactions		2,837,220	1,232,388
Interests and fees receivable		20,966	20,815
Other		75,390	246,559
		<u>14,265,630</u>	<u>9,780,657</u>
Net position	US\$	<u>30,036</u>	<u>126,942</u>

As of December 31, 2013 and 2012 there is €51,561 in checking accounts.

Note 4. Cash equivalents reconciliation

Following is the reconciliation of the balance of cash and bank accounts and the marketable securities account of the balance sheet with cash and cash equivalents of the cash flow statement:

		2013	2012
Cash	US\$	4,747,628	4,652,255
Marketable securities		<u>71,999,091</u>	<u>82,961,212</u>
Total financial position statement		76,746,719	87,613,467
Marketable securities up to 60 days due		<u>(61,151,227)</u>	<u>(79,255,090)</u>
Cash and cash equivalents in the cash flow statement	US\$	<u>15,595,492</u>	<u>8,358,377</u>

Note 5. Cash and cash equivalents

As of December 31 the balance of this account is as follows:

		2013	2012
Cash on hand	US\$	2,827	2,091
Cash in transit		469,986	0
Checking accounts in colones		1,143,843	2,668,492
Checking accounts in US dollars		3,060,110	1,913,260
Checking accounts in euros		70,861	68,411
Risk Management Fund		727,655	852,212
	US\$	<u>5,475,282</u>	<u>5,504,466</u>

The Risk Management Fund corresponds to cash contributed by brokerage firms to the Compensation Risk Management Fund System according to CONASSIF Directive 282-02. As of December 31, 2012 and 2011 Popular Valores has contributed to US\$727,655 and US\$852,212 respectively.

Note 6. Investment securities

As of December 31, Popular Valores classifies investment securities as available-for-sale as follows:

		Fair value	
		2013	2012
Monetary Stabilization Bonds in colones, issued by BCCR, maturing between 2014 and 2019 for 2013 (2012: between 2013 and 2019) , and bearing interest rates ranging between 9.00% and 10.00% per annum (2012: between 8.12% and 10.00% per annum).	US\$	6,857,532	15,535,691
Monetary Stabilization Bonds variable rate in colones, issued by the BCCR, maturing between 2016 and 2022 bearing interest rates between 6.50% and 6.60% (2012: 9.50% and 10.75%) per annum.		8,261,420	8,194,882
Time deposits in colones issued by Banco Popular y de Desarrollo Comunal bearing interest rates between 6.41%. and 10.30% maturity between 2013 and 2014 (2012: between 9.75%. and 11.50% en el 2012 and maturity between 2012 and 2015).		6,927,288	1,599,706
Base rate securities in colones issued by the Government of Costa Rica, maturing between 2014 and 2022 (2012: 2013 and 2022) bearing interest rates between 8.48% and 14.13% (2012: 7.80% and 13.26%)		16,621,269	33,245,903

Basic rate securities in colones issued by the Government of Costa Rica, maturing between 2014 and 2029 (2012: 2013 and 2015) bearing interest rates between 6.55% and 6.60% (2012: 9.50% and 10.25%).	2,352,932	3,472,836
Time deposit in US dollars issued BCCR, maturing between 2013 and 2012, bearing interest rates of 8.91% .	0	80,089
Foreign debt in US dollars issued by the Government of Costa Rica, maturing between 2014 and 2020 bearing interest rates of 6.55% and 10% .	201,835	0
Foreign debt in US dollars issued by the Government of Costa Rica, maturing on 2016 and 2025 (2012: 2027) bearing interest rates of 4.50 % and 9.00% (2012: 6.50%).	1,701,964	1,171,398
Foreign debt in colones and US dollars issued by Instituto Costarricense de Electricidad, maturing between 2014 and 2027 (2012: 2013 and 2027), with interest rates of 6.45% for 2013 and 7.04% for 2012.	1,864,730	4,024,298
Repurchase investments in the National Stock Exchange with underlying maturities on 2014 (2012: 2013), and bearing interest rates of 6.50% (2012: 5.75%)	6,291,455	3,478,943
Bonds issued by Banco Popular y de Desarrollo Comunal, in colones and US dollars, maturing in 2023 (2012: 2013) bearing interest rates of 6.60% (2012: 4.35%).	3,188,704	83,305
Mortgage participation Bonds issued by Housing Mutuals maturing between 2014 and 2018 (2012: 2013) bearing interest rates between 6.20% and 9.80% (2012: 10.00% and 12.00%).	3,483,405	600,824
Bonds investments issued by Banco Promerica, S.A., maturing on 2015, with interests rates of 10.76%.	0	380,805
Real Estate Fund investments managed by Popular Fondos bearing interest rates of 4.82% (2012: 4.39%).	964,646	1,910,630
Zeta Real Estate Fund investments managed by Popular Fondos bearing interest rates of 6.10%	1,481,909	0

Real Estate Fund investments managed by Vista Sociedad de Fondos de Inversión bearing interest rates of 5.45% for 2012.	0	463,935
Real Estate Fund investments managed by Banco de Costa Rica Sociedad de Fondos de Inversión bearing interest rates of 5.60% for 2013 and 2012.	407,839	407,839
Investment on Development units of the government, maturing between 2016 and 2026 for 2013 and 2012, and bearing interest rates of 6.68% for 2013 and 2012.	8,207,364	7,858,746
Investments securities and deposits issued by Banco Crédito Agrícola de Cartago maturing on 2014, bearing interests rates between 6.41% and 10.05%.	1,701,550	0
Garabito trust bonds maturing between 2015 and 2019 with interest rates between 9.19% and 8.14%.	1,253,089	1,517,904
Time deposits in colones issued by Banco de Costa Rica maturing on 2014 and bearing interests rates of 6.72%.	529,716	49,501
Time deposits in colones issued by Banco Nacional de Costa Rica maturing on 2014 and bearing interests rates of 12.20%.	564,960	539,062
Fair value valuation losses	(1,827,875)	(2,909,013)
	US\$ 71,035,732	81,707,284

Repurchase agreements

As of December 31, 2013 and 2012 investment securities under repurchase agreements for US\$38,894,778 and US\$65,370,151 respectively secure obligations under repurchase agreements for US\$ 33,346,188 and US\$58,568,876 respectively.

Note 7. Accounts and fees receivable

As of December 31 accounts receivable are as follows:

		2013	2012
Customers for brokerage transactions ⁽¹⁾	US\$	17,853	26,636
Related parties (note 25)		23,429	20,542
International custody		9,279	31,628
Deferred income tax ⁽²⁾		630,993	998,918
Income tax receivable		0	85,006
National Stock Exchange ⁽³⁾		224,162	254,531
Other accounts receivable		0	11,700
	US\$	905,716	1,428,961

(1)Accounts due from customers for brokerage transactions correspond to balances for customer transactions that were outstanding at the reporting date.

(2)As of December 31 deferred income tax is detailed as follows:

		2013	2012
Valuation loss on marketable securities	US\$	1,857,696	2,986,849
Provisions		<u>245,614</u>	<u>342,879</u>
Total		2,103,310	3,329,728
Tax rate		30%	30%
Deferred income tax receivable	US\$	<u><u>630,993</u></u>	<u><u>998,918</u></u>

(3)As of December 31, 2013 correspond to maturities payable to the Stock Exchange (BNV, S.A.) and SUGEVAL fee, both liquidated in January 2014.

Note 8. Investment in other entities

As of December 31 correspond to common capital shares of the National Stock Exchange which represent less 25% of capital stock of such company. Popular Valores does not have any participation in management; shares are recognized at the acquisition cost US\$55,618 (see note 2.b.11)

Additionally, holds acquired capital shares on the National Stock Exchange as collateral in order to operate in international markets. These shares are denominated as non-standardized physical securities in custody by CEVAL for US\$30,302.

Note 9. Premises and equipment

As of December 31 furniture and equipment are as follows:

As of December 31, 2013

		Furniture and equipment	EDP Equipment	Vehicles	Leased equipment	Total
Original cost						
Balances at December 31, 2012	US\$	306,415	753,457	77,559	144,156	1,281,587
Additions		7,283	52,843	0	0	60,126
Withdrawals		0	0	0	0	0
Conversion adjustment		<u>4,423</u>	<u>11,123</u>	<u>1,106</u>	<u>2,056</u>	<u>18,708</u>
Balances at December 31, 2013		318,121	817,423	78,665	146,212	1,360,421
Accumulated depreciation						
Balances at December 31, 2012		213,903	672,688	21,470	42,397	950,458
Expense of the year		23,618	42,404	7,811	41,288	115,121
Withdrawals		0	0	0	0	0
Conversion adjustment		<u>3,220</u>	<u>9,896</u>	<u>362</u>	<u>899</u>	<u>14,377</u>
Balances at December 31, 2013		<u>240,741</u>	<u>724,988</u>	<u>29,643</u>	<u>84,584</u>	<u>1,079,956</u>
Net balance	US\$	<u><u>77,380</u></u>	<u><u>92,435</u></u>	<u><u>49,022</u></u>	<u><u>61,628</u></u>	<u><u>280,465</u></u>

As of December 31, 2012						
		Furniture and equipment	EDP Equipment	Vehicles	Leased equipment	Total
Original cost						
Balances at December 31, 2011	US\$	254,517	727,979	77,056	145,870	1,205,422
Additions		50,072	20,655	0	53,292	124,019
Withdrawals		0	0	0	(55,951)	(55,951)
Conversion adjustment		1,826	4,823	503	945	8,097
Balances at December 31, 2012		306,415	753,457	77,559	144,156	1,281,587
Accumulated depreciation						
Balances at December 31, 2011		198,072	623,453	13,625	58,193	893,343
Expense of the year		14,490	45,015	7,731	39,827	107,063
Withdrawals		0	0	0	(55,951)	(55,951)
Conversion adjustment		1,341	4,220	114	328	6,003
Balances at December 31, 2012		213,903	672,688	21,470	42,397	950,458
Net balance	US\$	<u>92,512</u>	<u>80,769</u>	<u>56,089</u>	<u>101,759</u>	<u>331,129</u>

Note 10. Other assets

As of December 31 other assets are as follows:

		2013	2012
Deferred charges			
Insurances	US\$	14,516	16,576
Other taxes		18,532	19,736
Income tax advance payments		0	284,320
Other prepaid expenses		3,036	0
Intangible assets			
Software		763,535	639,141
Accumulated amortization		(609,083)	(505,102)
Guarantee deposits		35,322	34,675
	US\$	<u>225,858</u>	<u>489,346</u>

Note 11. Obligations with the public

a. Repurchase agreement obligations

Repurchase agreements obligations correspond to sale and purchase agreements of future investments in securities. Note 27 disclose the composition of these obligations by term and currency represented at their purchase term value.

b. Obligations under finance credit line related parties

As of December 31, 2013, Popular Valores used \$6,060,484 of the line of credit available with Banco Popular, which was approved by credit committee, in session #11, Article 2, on July 18, 2013, and will be used for working capital, at a rate of 6.50%, due on 2014.

Note 12. Accounts payable to customers from brokerage transactions

Accounts due to customers from brokerage transactions correspond to funds received from third parties for the purchase of securities through the BNV. As of December 31, 2013 and 2012 the balance amounts to US\$3,215,280 and US\$2,467,101 respectively.

Note 13. Other payables

As of December 31 other payable are as follows:

		2013	2012
Related parties (note 25)	US\$	24,697	19,152
Checks pending delivery		30,125	200,088
Income tax payable (note 23)		941,720	0
Annual profits appropriation NEC		188,687	57,840
Other (payroll deductions, taxes and social charges)		<u>305,527</u>	<u>467,202</u>
	US\$	<u>1,490,756</u>	<u>744,282</u>

As of December 31, deferred income tax is detailed as follows:

		2013	2012
Valuation gain of negotiable securities, net	US\$	68,268	97,107
Tax rate		<u>30%</u>	<u>30%</u>
Deferred tax	US\$	<u>20,480</u>	<u>29,132</u>

Note 14. Provisions

As of December 31 provisions are as follows:

		2013	2012
Severance benefits ⁽¹⁾	US\$	79,187	200,865
Development units tax provision withheld ⁽²⁾		166,427	142,014
SUGEVAL administrative process		<u>16,488</u>	<u>0</u>
	US\$	<u>262,102</u>	<u>342,879</u>

⁽¹⁾ For the one year periods ended December 31, provisions are reconciled as follows:

Balance at December 31, 2011	US\$	196,947
Provision increase		12,075
Settlements paid		(9,453)
Conversion adjustment		<u>1,295</u>
Balance at December 31, 2012		<u>200,864</u>
Provision increase		14,112
Settlements paid		(5,647)
Adjustment required by management PVSA-766-2013 ^(a)		(132,125)
Conversion adjustment		<u>1,984</u>
Balance at December 31, 2013	US\$	<u>79,188</u>

a) For the period 2013, the provision for severance was adjusted based on a self-assessment, considering in this item only the provision required for workers who are not in the association or cooperative that manages severance (PVSA-766-2013). The increase of provision corresponds to a monthly record of the workers dismissal who are not associated with an entity to administer unemployment. With respect to other workers, balances are transferred to the Solidarity Association or Cooperative.

(2) The entity recognizes taxes payable for Development Units according to Tax Authorities requirements in relation to income tax withheld of each investment security.

Note 15. Capital stock

As of December 31, 2013 and 2012 capital stock consist of 9,400,000,000 common registered shares, subscribed and paid for ¢1,00 par value each for a total of US\$19,596,010

On February 2012, there was a capital increased from profits capitalization for US\$7,020 since National Stock Exchange approval through writing communication G/045/2011 dated February 16, 2012. Such increasing was approved by the Board of Directors through sesión agreement 397 celebrated on December 5, 2011 and by the Board of Directors of the National Bank through agreement No. 742 celebrated on December 13, 2011. With this movement, capital stock amounts to US\$19,596,010 as stated in fifth clause.

Minimum operating capital of stock exchange members amount to US\$357,043 which has been fulfilled by Popular Valores as well as other requirements by current standards.

Main objective of the capital stock is fulfilling capital requirement standards, as well as capital surplus for the purchase of securities to handle a profitable management between yields and risk.

Note 16. Gross income

For the one-year periods ended on December 31, gross income consists of:

		2013	2012
Interest in checking accounts	US\$	13,703	13,036
Interest in investment securities		3,842,591	7,003,632
Foreign exchange income		2,163,244	3,773,683
Exchange and arbitrage		60,073	134,264
Gain on securities trading		2,821,595	520,385
Brokerage commissions		7,820,135	4,101,445
Portfolio management services		331,030	289,665
Other		145,722	22,277
	US\$	<u>17,198,093</u>	<u>15,858,387</u>

Note 17. Fees for brokerage transactions

For the one-year periods ended on December 31 fees from brokerage transactions include:

		2013	2012
Operation fees, fix rate-variable	US\$	5,677,855	2,285,325
Term operations and repos		278,057	297,548
Auction and primary market		938,763	855,796
Fix rate, foreign variable		464,894	173,930
Brokerage		233,152	138,919
Balances financing		19,854	121,975
Portfolio management		207,560	227,952
	US\$	<u>7,820,135</u>	<u>4,101,445</u>

Note 18. Interest on investments

For the one year periods ended on December 31 interest on investments is as follows:

		2013	2012
On investment securities	US\$	3,842,591	7,003,632
On checking accounts		13,703	13,036
	US\$	<u>3,856,294</u>	<u>7,016,668</u>

Note 19. Gains on marketable securities

Gains and losses derived from available-for-sale investments include:

		2013	2012
Gain from available	US\$	2,821,595	520,385
Loss from available		<u>(59,293)</u>	<u>(97,989)</u>
	US\$	<u>2,762,302</u>	<u>422,396</u>

Net gain on trading instruments classified by type is as follows:

		2013	2012
Fixed and variable income operations, BNV	US\$	<u>2,762,302</u>	<u>422,396</u>
	US\$	<u>2,762,302</u>	<u>422,396</u>

Note 20. Salaries and employee benefits

For the one year periods ended on December 31 salaries and employee benefits are as follows:

		2013	2012
Wages and salaries	US\$	3,770,098	2,717,654
Statutory Christmas bonus		319,992	226,215
Severance benefits and vacation		72,615	20,002
Social security benefits		880,879	631,733
Other		<u>338,772</u>	<u>315,173</u>
	US\$	<u>5,382,356</u>	<u>3,910,777</u>

Note 21. General and administrative expenses

For the one year periods ended on December 31 general and administrative expenses are as follows:

		2013	2012
Rentals	US\$	261,927	301,351
Advertising and promotional materials		61,436	42,373
Assets depreciation and amortization		216,843	196,357
Supplies		35,063	23,368
Contributions to SUGEVAL		63,288	174,481
Utilities		80,956	67,747
Insurances		58,055	57,846
Repairs		36,190	49,579
Taxes		57,202	72,813
Legal services		34,830	42,106
SUGEVAL legal process provision		22,648	90,131
Penalties and interest by charges transfer (note 24b)		199,514	0
Arbitration award (note 24e)		222,645	0
Other		<u>170,222</u>	<u>82,397</u>
	US\$	<u>1,520,819</u>	<u>1,200,549</u>

Note 22. Financial expenses

For the one year periods ended on December 31 financial expenses include:

		2013	2012
Repurchase operations	US\$	1,621,755	4,780,956
Financial leasing		<u>22,367</u>	<u>2,612</u>
	US\$	<u>1,644,122</u>	<u>4,783,568</u>

Note 23. Income tax

Pursuant to the Costa Rican Income Tax Law, Popular Valores must file income tax returns for the twelve months ending December 31 of each year.

As of December 31, 2013 and 2012 the difference between the income tax and the amount computed by applying the income tax rate on pretax income is as follows:

		2013	2012
Expected tax on pretax income	US\$	6,245,035	1,921,732
<u>Less tax effect on non-taxable income:</u>			
Interest income withheld at source on investment securities		(3,791,072)	(6,570,945)
<u>Plus tax effect on non-deductible expenses:</u>			
Administrative expenses		603,815	450,972
Repos interests		357,493	1,980,996
Foreign exchange		<u>416,589</u>	<u>1,417,549</u>
Tax base		3,831,860	(799,696)
Tax rate		<u>30%</u>	<u>30%</u>
Income tax		1,149,558	0
Less: income tax advancements		(214,506)	0
Conversion adjustment		<u>555,704</u>	<u>0</u>
Income tax payable (note 3)	US\$	<u>1,490,756</u>	<u>0</u>

Income tax returns filed for the years ended December 31, 2009, 2010, 2011, 2012 and 2013 are open to review by Tax Authorities.

As of December 31, 2012 and 2011 the unrealized loss on fair value recognition of available-for-sale investment securities gave rise to a deferred tax asset US\$630,993 and US\$998,918 and a deferred tax liability for US\$20,480 and US\$29,132 respectively.

Note 24. Contingent liabilities

- a) Severance benefits – There is a contingent liability for payment of employee benefits depending length of service and according to provisions set forth in the Labor Code, which could be paid to employees on dismissals without just cause, or due to death or retirement.

On October 30, 2013, Popular Valores received from Caja Costarricense de Seguro Social to debit transfer, corresponding to complaints by former brokers agents originated in the following documents: study request S-1236-02489-2010 of December 10, 2010 and study request S-1236-01870-2012 of July 26, 2010, for “not inclusion” at the time they rendered their professional services as commission agent.

According to debit transfers there are alleged breaches to the obligations with Caja Costarricense de Seguro Social, with Popular Valores had a ten days term, after receipt of the document to file legal claims and provide relevant rebuttal evidence. The total amount of both debits amounts to US\$275,065.

Popular Valores met the submission of a discharge in term and as of December 31, 2013, no provision was made in this regard. Given that according to the legal standard, at this moment is not realistic to assume a loss that involves having to make a payment. It is an administrative process without a legal decision confirming an employment relationship, that would lead to a payment obligation to the social security.

On February 10, 2014, management received inspection report 1236-02468 - 2013- via faxed on February 3, 2014, on the case of one of the former broker agents (study S-1236-02489-2010), confirming labor-management relation with this former agent. Then proceeding with the preparation of the additional payroll, for US\$164,588.00 for employer-employee corresponding to the health schemes and old-age disability and death, and US\$43,010 for the worker Protection Law, plus interest and surcharges that apply on payment. CCSS indicates in the report that against the resolution, annulment and appealing resources may be filed brought; therefore, Popular Valores presented appeals in this regard. The criteria issued by the Legal Department does not change the position, referred to in the preceding paragraph.

- b) Fiscal – Tax Authorities may review last income tax returns. Consequently, Popular Valores has a contingency for any additional tax from income tax law interpretations different from those applied by Popular Valores; however, management considers that future adjustments are not probable.

Through resolution TFA No.383-2012 dated August 21, 2012 Tax authorities partially revoked resolution No.289-2012 related to imposed penalty (25% of additional tax), confirming the rest.

On November 1, 2012 Tax Authorities notified liquidating resolution SFGCN-AL-134-12 approved on October 22, 2012. Such resolution confirmed additional income tax amounts for 2006 and 2007 including interests.

On November 28, 2012 the company cancelled under claim (US\$434,698).

With respect to interests, an appeal was submitted requesting the exemption application. On June 6, 2013, resolution No.193/2013 of the Tax Court was notified, which overrules the appeal and confirms the settlement resolution SFGCN-AL-134-12. On July 11, 2013, the post proceeded to cancel the interest charged under protest; however the process continued with a lawsuit before the Trial Court, focused on the arithmetical error committed by the Tax Authorities in the calculation of taxes for the periods analyzed. According to the document filed in September 2011 before the Tax Court, it would reduce the amount of principal collected.

- c) Repos – Popular Valores is jointly responsible for exposed amount at securities liquidation when amount is lower than payable to purchaser. According to repos directives all operations are adequately coursed.
- d) Labor lawsuits: As of December 31, 2013, Popular Valores faces several labor lawsuits.

In labor cases, it should be noted that in late November 2013, the Labor Court issued first instance judgment (No.1110-2013), in regard to the ordinary labor process brought by two former Post Agents, which partially declares in place labor demand, condemning Popular Valores to pay one of them only the labor ends for the period from February 7, 2012 and May 6, 2003, (approximately 15 months). Because it is a judgment at first instance, has not been canceled as appropriate, but proceeded in December to register a provision for the appropriate amount, by which the date of registration was US\$16,488.

- e) Contentious process: As of December 31, 2012 Popular Valores faced a lawsuit for due process violation of principles. Regarding this arbitration process, file CCA-08-AR-05-03-12 which remained at the end of 2012 and concerning a proceeding brought by an investor claiming breach commission contract by Popular Valores, this process was completed by arbitration. It was rendered by the Arbitration Court and issued in the city of San Jose at nine hours on April 26, two thousand thirteen; whose, Therefore, the obligation to pay is generated by the claimant (Popular Valores Puesto de Bolsa, S.A.) on account of property damage in the sum of US\$54,768.58 plus interest received until actual payment of the obligation. To pay both costs of the process and turn the Arbitration

Court the sum of US\$11,210 for arbitrators fees, administrative expenses and transcripts. The obligations derived were canceled on July 29, 2013, to the account specified by the Third Civil Court and on August 1, 2013, the special legal representative of the claimant issues note to the Court being satisfied with the amount deposited. However, Popular Valores settled the arbitration process and the decision appealed for annulment by the Court.

Note 25. Balances and transactions with related parties

As of December 31, balances and transactions with related parties include:

Assets		2013	2012
Cash in checking account with the Bank	US\$	172,119	569,356
Investment securities with the Bank		9,516,641	3,566,401
Accounts receivable, SAFI		<u>23,255</u>	<u>20,537</u>
		<u>9,712,015</u>	<u>3,586,938</u>
Liabilities			
Due to customers for brokerage transactions with the Bank		24,522	19,152
Credit line for working capital BPDC		<u>6,017,571</u>	<u>0</u>
		<u>6,042,093</u>	<u>19,152</u>
Income			
Interest earned on checking accounts with the Bank		5,414	5,768
Interest earned on brokerage fees with related Parties ⁽¹⁾		1,727,173	452,216
Interests on financial instruments		493,131	204,952
Income on administrative services from the SAFI		<u>331,030</u>	<u>289,665</u>
		<u>2,556,748</u>	<u>952,601</u>
Expenses			
Secretariat, legal and human resources expenses		85,935	85,808
Key personnel compensation:			
Short-term benefits to management personnel and the Internal Auditor		668,387	498,238
Short-term benefits to the Board of Directors		<u>136,762</u>	<u>138,187</u>
	US\$	<u>891,084</u>	<u>722,233</u>

⁽¹⁾ As of December 31, 2013 and 2012 related parties' purchase and sale transactions amount to US\$2,617,494,016 and US\$5,183,413,708.

Popular Valores carries out purchase and sale of securities. These transactions are performed using mechanisms of the Costa Rican National Stock Exchange, (BNV) for this type of operation as stipulated in the regulations. The transactions generated profits or losses among market participants including Puesto de Bolsa.

⁽²⁾ As of December 31, 2013 Popular Valores has fees agreements for brokerage operations with Banco Popular, these agreements are the following:

From Banco Popular y de Desarrollo Comunal:

Human resources management agreement: signed on December 18, 2012. Provides personnel hiring, training advising, design and talent management advising, job, salaries and compensations management support and occupational health.

Legal advisory agreement: signed on October 39, 2012, provides legal advisory services from the Bank's Legal Department.

Board of directors' secretariat services: signed on July 5, 2013. Provides services to the Board of Directors and Committees meetings attention (minutes' transcription, meetings record coordination and custody, minutes and resolution, among others).

Microsoft licenses supply agreement: signed on December 23, 2010.

Marketing management agreement: signed on December 23, 2010. Provides access to advertising, promotion and operative material.

To Popular Sociedad de Fondos de Inversión:

Telephone and carrier service agreement: signed on October 31, 2007.

Technology services agreement: signed on October 31, 2007. Provides technological services such as: RACSA linking, data base management, technical support, computing security, licenses, communication lines, platforms and others.

To Banco Popular y de Desarrollo Comunal:

Corporate adendum to provide custodial services for systems and management of securities between Banco Popular and Popular Valores for information technologies. Signed on March 2011, includes IT service to the Bank custodial system.

Note 26. Memoranda accounts

Memoranda accounts are summarized as follows:

		2013	2012
		US\$	
Memoranda accounts		2,004,824,895	1,982,261,791
Memoranda accounts own account		1,103,720,264	1,065,464,483
83300000	Individual portfolio management by Stock Exchange	962,424,372	888,914,245
83301000	Active portfolio	481,212,186	444,457,123
83301100	Active portfolio in colones	401,687,921	360,779,017
83301101	Managed portfolio- adquired investments	395,033,349	358,606,806
83301102	Managed portfolio-interest receivable	6,606,998	1,726,034
83301103	Checking accounts	47,575	446,177
83301200	Active portfolio in foreign currency	79,524,265	83,678,106
83301201	Managed portfolio- adquired investments	78,840,692	83,507,099
83301202	Managed portfolio-interest receivable	638,400	13,852
83301203	Checking accounts	45,173	157,155
83302000	Customers portfolio	481,212,186	444,457,122
83302100	Customers portfolio in colones	401,687,921	360,779,017
83302101	Signed agreements with customers	401,687,921	360,779,017
83302102	Financial charges payable		
83302200	Customers portfolio in US dollars	79,524,265	83,678,105
83302201	Signed agreements with customers	79,524,265	83,678,105
83302202	Financial charges payable		
81905000	Credit lines or overdrafts pending usage	30,302,418	29,876,312
81905000	Credit lines or overdrafts pending usage	30,302,418	29,876,312
81905100	Credit lines or overdrafts pending usage-colones	30,302,418	29,876,312
81905101	Local financial entities	0	0
81905115	Related parties	30,302,418	29,876,312
81905200	Credit lines or overdrafts pending usage-foreign currency	0	0
81905201	Local financial entities	0	0
81905215	Related parties	0	0
Total memoranda accounts by own account		110,993,474	146,673,926
85200000	Marketable securities in custody	25,936,246	13,473,687
85201000	Fair value custody-availabilities	17,595,643	5,795,333
85201100	Fair value custody-availabilities in colones	12,671,942	4,309,986
85201101	Centralized securities deposit (CEVAL) - local - MH and BCCR	213,632	511,383
85201102	Centralized securities deposit (CEVAL) - local and others	11,566,232	2,394,626
85201105	Checking notation system- MH and BCCR	886,952	1,399,108
85201106	Checking notation system- others	0	0
85201110	Custody vaults - other	5,126	4,869
85201200	Fair value custody-availabilities in foreign currency	3,278,554	958,351
85201201	Centralized securities deposits (CEVAL) - local - MH and BCCR	0	80,000
85201202	Centralized securities deposit (CEVAL) - local and others	2,014,000	539,000
85201203	Centralized securities deposits (CEVAL) - international - MH and BCCR	196,000	122,000
85201204	Centralized securities deposits (CEVAL) - international - other	946,000	65,000
85201205	Checking notation system - MH and BCCR	100,000	127,000
85201206	Checking notation system- others	0	0
85201210	Custody vaults - international	22,554	25,351
85201300	Fair value custody - availabilities-colones	1,645,147	526,996
85201301	Checking notation system - MH and BCCR	3,059	2,910
85201305	Checking notation system - MH and BCCR	1,642,087	524,086
85202000	Coupons custody-availability	0	0
85202100	Coupons custody-availability, colones	0	0
85202101	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85202200	Coupons custody-availability, foreign currency	0	0
85202201	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85202202	Securities deposit (CEVAL) - local and others	0	0
85202210	Custody vaults - other	0	0
85203000	Shares value custody-availability	332,361	327,687
85203100	Shares value custody-availability- colones	332,361	327,687
85203102	Securities deposit (CEVAL) local-others	332,361	327,687
85203106	Checking notation system- others	0	0
85203110	Custody vaults - others	0	0
85203108	Foreign custody vaults - others	0	0
85204000	Participations purchase value custody-availabilities	2,812,481	2,419,394
85204100	Participations purchase value custody-availabilities-colones	0	0
85204102	Securities deposit (CEVAL) - local - other	0	0
85204106	Checking notation system - other	0	0
85204110	Custody vaults - other	0	0
85204100	Participations purchase value custody-availabilities-colones	0	0
85204102	Securities deposit (CEVAL) - local - other	0	0
85204106	Checking notation system - other	0	0
85204200	Participations purchase value custody-availabilities-colones	2,812,481	2,419,394
85204202	Securities deposit (CEVAL) - local - others	2,812,481	2,419,394
85204206	Checking notation system - others	0	0
85205000	Fair value custody- pledge	5,195,762	4,931,273
85205100	Fair value custody-pledge, colones	5,195,762	4,931,273

		2013	2012
85205101	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85205102	Securities deposit (CEVAL) - local - others	0	0
85205105	Checking notation system - MH and BCCR	4,304,762	4,040,273
85205106	Checking notation system - others	0	0
85205109	Custody vaults - MH and BCCR	0	0
85205110	Custody vaults - other	0	0
85205200	Fair value custody - pledge- dollars	891,000	891,000
85205202	Securities deposit (CEVAL) - local - MH and BCCR	891,000	0
85205205	Checking notation system - MH and BCCR	0	891,000
		0	0
85209100	Fair value pending delivery	0	0
85209101	Fair value pending delivery-colones	0	0
85209201	Fair value pending delivery-US dollars	0	0
85300000	Negotiable securities guarantee (trust guarantee)	7,250,359	3,900,152
85301000	Fair value guarantee	7,250,359	3,900,152
85301100	Fair value guarantee-colones	7,250,359	3,386,182
85301101	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85301102	Securities deposit (CEVAL)-local-other	7,108,947	886,331
85301103	Securities deposit (CEVAL) - international - MH and BCCR	0	0
85301104	Securities deposit (CEVAL) - international - others	0	0
85301105	Checking notation system - MH and BCCR	141,411	2,499,851
85301106	Checking notation system - others	0	0
85301110	Custody vaults - other	0	0
85301200	Received as guarantee-fair value-foreign currency	0	58,000
85301201	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85301202	Securities deposit (CEVAL)-local-other	0	58,000
85301203	Securities deposits (CEVAL) - international-MH and BCCR	0	0
85301204	Securities deposit (CEVAL) - international-others	0	0
85301205	Checking notation system- MH and BCCR	0	0
85301206	Checking notation system - other	0	0
85301300	Fair value received as guarantee- development units	0	232,230
85301305	Checking notation system- MH and BCCR	0	232,230
85304200	Received as guarantee, participations purchase value-foreign currency	0	223,740
85304202	Securities deposit (CEVAL)-local-other	0	223,740
85304210	Custody vaults - other		
85400000	Guarantee marketable securities (guarantee trust)	37,984,026	66,734,194
85401000	Given as guarantee, fair value	37,984,026	66,734,194
85401100	Given as guarantee, fair value-colones	28,957,152	57,174,696
85401101	Securities deposit (CEVAL) - local - MH and BCCR	1,204,016	4,881,291
85401102	Securities deposit (CEVAL) - local- other	2,518,293	3,244,567
85401103	Securities deposits (CEVAL) - international-MH and BCCR	0	0
85401105	Checking notation system- MH and BCCR	25,234,844	49,048,838
85401109	Custody vaults- MH and BCCR	0	0
85401110	Custody vaults - other	0	0
85401200	Given as guarantee, fair value-foreign currency	2,736,000	2,203,000
85401201	Securities deposit (CEVAL) - local - MH and BCCR	238,000	238,000
85401202	Securities deposit (CEVAL)-local-other	1,220,000	1,365,000
85401203	Securities deposits (CEVAL) - international-MH and BCCR	0	0
85401205	Checking notation system- MH and BCCR	1,278,000	600,000
85401210	Custody vaults - other	0	0
85401300	Given as guarantee, fair value-Development Units	6,290,874	7,021,968
85401301	Securities deposit (CEVAL) - local - MH and BCCR	0	0
85401305	Checking notation system- MH and BCCR	6,290,874	7,021,968
85404200	Given as guarantee, fair value-acquisition cost shares	0	334,530
85404202	Securities deposit (CEVAL) - local - MH and BCCR	0	334,530
85404203	Securities deposit (CEVAL) - local - other	0	0
85601000	Negotiable securities pending receipt	0	0
85601101	Fair value pending receipt-colones	0	0
85601201	Fair value pending receipt-US dollars	0	0
85701000	Agreements pending liquidation	0	0
85701100	Cash agreements confirmed purchases pending liquidation	0	0
85701101	Cash purchases pending liquidation-colones	0	0
85701201	Cash sales pending liquidation-US dollars	0	0
85702100	Cash agreements confirmed sales pending liquidation	0	0
85702101	Cash sales pending liquidation-colones	0	0
85702201	Cash sales pending liquidation-US dollars	0	0
85800000	Future agreements pending liquidation	39,822,843	62,565,893
85801000	Future purchases	33,521,852	59,102,173
85801100	Future purchases-colones	22,157,536	50,783,886
85801101	Tripartite repurchase operations	22,157,536	50,783,886
85801102	Term operations	0	0
85801103	Liquidity market operations	0	0
85801104	Repurchase operations	0	0

		2013	2012
85801200	Future purchases-foreign currency	11,364,316	8,318,287
85801201	Tripartite repurchase operations	11,364,316	8,318,287
85801202	Term operations	0	0
85801203	Liquidity market operations	0	0
85801204	Repurchase operations	0	0
85802000	Future sales	6,300,991	3,463,720
85802100	Future sales-colones	6,300,991	3,243,723
85802101	Tripartite repurchase operations	6,300,991	822,001
85802102	Term operations	0	0
85802103	Liquidity market operations	0	2,421,722
85802104	Repurchase operations	0	0
85802200	Future sales-foreign currency	0	219,997
85802201	Tripartite repurchase operations	0	219,997
85802202	Term operations	0	0
85802203	Liquidity market operations	0	0
85802204	Repurchase operations	0	0
87000000	Memoranda accounts-third parties	886,620,979	904,946,318
87100000	Memoranda accounts-third parties by custody activity	3,260,847	2,514,423
87100000	Cash and accounts receivable by custody activity	3,260,847	2,514,423
87101000	Cash by custody activity	3,215,280	2,467,100
87101100	Cash by custody activity-colones	378,060	1,234,713
87101101	Available cash	378,060	1,234,713
87101102	In-transit cash	0	0
87101103	Cash pending delivery - bnv	0	0
87101104	Investment funds available cash	0	0
87101105	Investment funds pending change checks	0	0
87101200	Custody activity cash-foreign currency	2,837,220	1,232,387
87101201	Available cash	2,837,220	1,232,387
87101202	In-transit cash	0	0
87101203	Cash pending delivery - bnv	0	0
87101204	Investment funds available cash	0	0
87101205	Investment funds pending change checks	0	0
87102000	Customers accounts receivable	17,853	26,636
87102100	Customers accounts receivable-colones	5,745	4,429
87102101	Customers accounts receivable	5,745	4,429
87102200	Customers accounts receivable-foreign currency	12,108	22,207
87102201	Customers accounts receivable	12,108	22,207
87103102	Margins contribution	27,715	20,687
87200000	Marketable securities in custody	431,641,352	414,246,301
87201000	Fair value custody-availabilities	413,743,847	394,872,277
87201100	Fair value custody-availabilities in colones	336,856,182	322,268,695
87201101	Centralized securities deposit (CEVAL) - local - MH and BCCR	12,540,838	14,373,374
87201102	Centralized securities deposit (CEVAL) - local - others	76,929,332	84,457,155
87201104	Centralized securities deposits (CEVAL)-international- MH and BCCR	0	0
87201105	Checking notation system- MH and BCCR	247,386,012	223,039,815
87201106	Checking notation system - other	0	0
87201109	Custody vaults - MH and BCCR	0	0
87201110	Custody vaults - other	0	398,351
87201200	Fair value custody - availabilities-foreign currency	69,037,205	61,772,623
87201201	Centralized securities deposit (CEVAL) - local - MH and BCCR	219,000	719,000
87201202	Centralized securities deposit (CEVAL) - local - others	29,530,205	17,043,623
87201203	Centralized securities deposits (CEVAL) - international - MH and BCCR	13,366,000	25,925,000
87201204	Centralized securities deposits (CEVAL) - international - other	10,500,000	2,534,000
87201205	Checking notation system- MH and BCCR	15,422,000	15,346,000
87201209	Custody vaults - MH and BCCR	0	0
87201210	Foreign custody-others	0	205,000
87201300	Fair value custody - Availabilities-Development units	7,850,460	10,830,959
87201301	Centralized securities deposit (CEVAL) - local - MH and BCCR	785,064	703,886
87201305	Checking notation system - MH and BCCR	7,065,396	10,124,275
87201310	Custody vaults - other	0	2,798
87202000	Coupons custody-availability	1,937	5,368
87202100	Coupons custody-availability, colones	1,937	5,368
87202101	Securities deposit (CEVAL) - local - MH and BCCR	1,937	5,368
87202102	Securities deposit (CEVAL) - local - other	0	0
87202110	Custody vaults - other	0	0
87202200	Coupons custody-availability, foreign currency	0	0
87202201	Securities deposit (CEVAL) - local - MH and BCCR	0	0
87202210	Custody vaults - other	0	0
87203000	Shares value custody-availability	1,902,024	4,702,838
87203100	Shares value custody-availability, colones	593,475	2,234,241
87203102	Securities deposit (CEVAL)-local-other	593,475	2,234,241
87203106	Checking notation system - other	0	0
87203108	Foreign custody-others	0	0
87203110	Custody vaults - other	0	0
87203200	Shares value custody-availability, foreign currency	1,308,549	2,468,597
87203202	Securities deposit (CEVAL)-local-other	232,119	1,297,816

	2013	2012
87203204 Securities deposit (CEVAL) - international - other	874,341	925,691
87203206 Checking notation system - other	0	0
87203208 Foreign custody-others	202,089	245,090
87203210 Custody vaults - other	0	0
87204000 Market value custody participation - availabilities	15,868,294	14,480,584
87204100 Market value custody participation - availabilities-colones	377,002	361,205
87204102 Securities deposit (CEVAL) - local - other	377,002	361,205
87204106 Checking notation system - other	0	0
87204110 Custody vaults - other	0	0
87204200 Market value custody participation - availabilities-foreign currency	15,491,292	14,119,379
87204202 Securities deposit (CEVAL)-local-other	15,491,292	14,119,379
87204204 Securities deposit (CEVAL) - international-others	0	0
87204210 Custody vaults - other	0	0
87205000 Fair value custody- pledge	125,250	185,234
87205100 Fair value custody-pledge, colones	125,250	185,234
87205101 Securities deposit (CEVAL) - local - MH and BCCR	4,040	3,984
87205102 Securities deposit (CEVAL) - local - MH and BCCR	121,210	115,522
87205105 Checking notation system - MH and BCCR	0	65,728
87205106 Checking notation system - other	0	0
87205109 Custody vaults - MH and BCCR	0	0
87205110 Custody vaults - other	0	0
87205200 Fair value custody- pledge, foreign currency	0	0
87205201 Securities deposit (CEVAL) - local - MH and BCCR	0	0
87205202 Securities deposit (CEVAL)-local-other	0	0
87205210 Custody vaults - other	0	0
87207000 Shares purchase value custody - pledge	0	0
87207100 Shares purchase value custody-pledge-colones	0	0
87207102 Securities deposit (CEVAL)-local-other	0	0
87207104 Securities deposit (CEVAL) - international-others	0	0
87207114 Foreign securities deposit- pending delivery against payment- other	0	0
87207200 Shares purchase value custody-pledge-foreign currency	0	0
87207202 Securities deposit (CEVAL)-local-other	0	0
87207204 Securities deposit (CEVAL) - international-others	0	0
87207206 Checking notation system - other	0	0
87208200 Shares purchase value custody-pledge-foreign currency	0	0
87208202 Securities deposit (CEVAL)-local-other	0	0
87208204 Securities deposit (CEVAL) - international-others	0	0
87209000 Fair value pending delivery	0	0
87209101 Fair value pending delivery-colones	0	0
87209201 Fair value pending delivery-US dollars	0	0
87300000 Guarantee marketable securities (guarantee trust)	141,761,204	156,157,557
87301000 Fair value guarantee	140,829,891	156,072,102
87301100 Fair value guarantee-colones	126,330,741	137,527,536
87301101 Securities deposit (CEVAL) - local - MH and BCCR	1,076,746	5,279,642
87301102 Securities deposit (CEVAL)-local-other	26,390,538	27,365,706
87301105 Checking notation system- MH and BCCR	98,863,457	104,882,188
87301106 Checking notation system - other	0	0
87301110 Custody vaults - other	0	0
87301200 Fair value guarantees-foreign currency	10,889,000	12,803,000
87301201 Securities deposit (CEVAL) - local - MH and BCCR	6,505,000	4,346,000
87301202 Securities deposit (CEVAL)-local-other	0	0
87301203 Securities deposits (CEVAL) - international-MH and BCCR	0	0
87301204 Securities deposit (CEVAL) - international-others	1,584,000	1,735,000
87301205 Checking notation system- MH and BCCR	2,800,000	6,722,000
87301206 Checking notation system - other	0	0
87301210 Custody vaults - other	0	0
87301300 Fair value received as guarantee- development units	3,610,150	5,741,566
87301305 Checking notation system- MH and BCCR	3,610,150	5,741,566
87302000 Coupons received as guarantee	0	0
87302100 Coupons received as guarantee, foreign currency	0	0
87302101 Securities deposit (CEVAL) - local - MH and BCCR	0	0
87302105 Checking notation system- MH and BCCR	0	0
87304000 Market value guarantee participations	931,313	85,455
87304200 Market value guarantee participations-foreign currency	931,313	85,455
87304202 Securities deposit (CEVAL) - local - MH and BCCR	931,313	85,455
87400000 Guarantee marketable securities (guarantee trust)	92,603,418	104,448,367
87401000 Given as guarantee, fair value	92,603,418	104,448,367
87401100 Given as guarantee, fair value-colones	73,731,238	83,566,833
87401101 Securities deposit (CEVAL) - local - MH and BCCR	40,403	1,095,465
87401102 Securities deposit (CEVAL) - local- other	29,718,592	22,933,057
87401103 Securities deposits (CEVAL) - international-MH and BCCR	0	0
87401104 Securities deposit (CEVAL) - international-others	0	0
87401105 Checking notation system- MH and BCCR	43,972,243	59,538,311
87401106 Checking notation system - other	0	0
87401110 Custody vaults - other	0	0
87401200 Given as guarantee, fair value-foreign currency	15,906,000	18,298,000

		2013	2012
87401201	Securities deposit (CEVAL) - local - MH and BCCR	0	0
87401202	Securities deposit (CEVAL)-local-other	7,023,000	5,355,000
87401203	Securities deposits (CEVAL) - international-MH and BCCR	1,264,000	2,414,000
87401204	Securities deposit (CEVAL) - international-others	535,000	0
87401205	Checking notation system- MH and BCCR	7,084,000	10,529,000
87401206	Checking notation system - other	0	0
87401209	Custody vaults - MH and BCCR	0	0
87401300	Given as guarantee, fair value-Development Units	1,440,167	467,598
87401301	Securities deposit (CEVAL) - local - MH and BCCR	0	0
87401302	Securities deposit (CEVAL) - local - other	0	0
87401305	Checking notation system- MH and BCCR	1,440,167	467,598
87404200	Given as guarantee participations purchase value-foreign currency	1,526,013	2,115,936
87404202	Securities deposit (CEVAL) - local - other	1,526,013	2,115,936
87404204	Securities deposit (CEVAL) - international-others	0	0
87404206	Checking notation system - other	0	0
87600000	Negotiable securities pending receipt	0	0
87601101	Fair value pending receipt-colones	0	0
87601201	Fair value pending receipt-US dollars	0	0
87700000	Agreements pending liquidation	0	0
87701101	Purchasers pending liquidation-colones	0	0
87701201	Purchasers pending liquidation-US dollars	0	0
87702101	Sales pending liquidation-colones	0	0
87702201	Sales pending liquidation-US dollars	0	0
87800000	Future agreements pending liquidation	217,354,157	227,579,669
87801000	Future purchases	83,697,382	88,987,259
87801100	Future purchases-colones	69,788,807	67,920,619
87801101	Tripartite repurchase operations	69,788,807	67,760,066
87801102	Term operations	0	0
87801103	Liquidity market operations	0	160,553
87801104	Repurchase operations	0	0
87801105	Financial forwards	0	0
87801106	Options	0	0
87801200	Future purchases-foreign currency	13,908,575	21,066,640
87801201	Tripartite repurchase operations	13,908,575	21,066,640
87801202	Term operations	0	0
87801203	Liquidity market operations	0	0
87801204	Repurchase operations	0	0
87801205	Financial forwards	0	0
87801206	Options	0	0
87802000	Future sales	133,656,775	138,592,410
87802100	Future sales-colones	123,078,821	123,831,910
87802101	Tripartite repurchase operations	118,252,826	123,161,241
87802102	Term operations	0	0
87802103	Liquidity market operations	4,825,996	670,669
87802104	Repurchase operations	0	0
87802105	Financial forwards	0	0
87802106	Options	0	0
87802200	Future sales-foreign currency	10,577,954	14,760,500
87802201	Tripartite repurchase operations	10,577,954	14,760,500
87802202	Term operations	0	0
87802203	Liquidity market operations	0	0
87802204	Repurchase operations	0	0
87802205	Financial forwards	0	0
87802206	Options	0	0
61700000	Memo accounts for contingencies and lawsuits	16,488	0
61703000	Lawsuits and complaints pending	16,488	0
61703100	Lawsuits and complaints in colones	16,488	0
61703103	Labor lawsuits and complaints	16,488	0
71000000	Trust accounts	14,467,165	11,850,990
71000000	Trust assets	14,467,165	11,850,990
71100000	Availabilities	4,899	197,513
71108100	Accounts and fees receivable associated to availabilities	0	44,941
71108200	Accounts and fees receivable associated to availabilities	4,899	152,572
71200000	Investment securities	14,384,496	11,563,834
71202100	Available-for-sale investment securities, colones	8,840,571	7,454,152
71202200	Available-for-sale investment securities, dollars	5,543,925	4,109,682
71800000	Other assets	77,770	89,643
71801100	Prepaid expenses-colones	77,770	89,643
72000000	Trust liabilities	(107,657)	(23,884)
72400000	Accounts payable and provisions	(7,306)	(23,884)
72404100	Accounts receivable, brokerage services	0	(13,310)
72404200	Accounts payable, brokerage services	(7,306)	(10,574)
72406000	Income tax	(100,350)	0
72406100	Income tax payable	(100,350)	0

		2013	2012
73000000	Stockholders' equity	(13,294,977)	(10,884,651)
73100000	Trustor contributions	384,653	1,843,619
73101100	Cash contributions-colones	2,205,087	1,843,619
73101200	Cash contributions in US dollars	(1,820,434)	0
73200000	Equity adjustments	141,891	58,676
73201100	Adjustment to assets value, colones	120,587	64,868
73201200	Adjustment to assets value, dollars	21,304	(6,192)
73500000	Retained earnings	(13,821,521)	(12,786,946)
73501100	Retained earnings	(13,821,521)	(12,786,946)
73600000	Result of the period	0	0
73601100	Net income of the period, colones	0	0
74000000	Trust expenses	325,639	611,061
74100000	Financial expenses	325,639	611,061
74101100	Financial expenses on obligations with the public	98,139	49,982
74101200	Financial expenses on obligations with the public	4,953	70,152
74107100	Foreign exchange and development units loss	117,056	489,096
74402100	Administrative expenses, external services	105,491	1,831
75000000	Trust income	(1,390,169)	(1,553,515)
75100000	Financial income	(1,390,169)	(1,553,515)
75102100	Financial income on investment securities-colones	(1,131,344)	(747,154)
75102200	Financial income on investment securities-US dollars	(159,340)	(501,156)
75107100	Foreign exchange and development units income	(99,485)	(305,205)

Note 27. Repurchase and term operations

Popular Valores enters into agreements to buy and sell securities at future dates (repurchases and term operations). Granted securities are in custody at the (CEVAL).

Those agreements refer to securities that one party sell and the other party buy on an agreed upon date and at a given price. The difference between the contractual value and the face value of the securities represents an additional guaranty for the operation, and corresponds to a portion of the security held in custody.

As of December 31, term buyer and seller positions in repurchase operations are as follows:

	Buyer		Seller	
Third parties	2013	2012	2013	2012
Colones	69,788,807	67,920,619	123,078,821	123,831,910
US dollars	<u>13,908,575</u>	<u>21,066,640</u>	<u>10,577,954</u>	<u>14,760,500</u>
	<u>83,697,382</u>	<u>88,987,259</u>	<u>133,656,775</u>	<u>138,592,410</u>
Own account				
Colones	22,000,646	50,618,542	6,256,376	3,233,162
US dollars	<u>11,283,849</u>	<u>8,291,204</u>	<u>0</u>	<u>219,280</u>
	<u>33,284,495</u>	<u>58,909,746</u>	<u>6,256,376</u>	<u>3,452,442</u>
Total	<u>116,389,243</u>	<u>147,607,276</u>	<u>138,966,771</u>	<u>141,593,617</u>

The structure of term buyer and seller positions in repurchase operations as of December 31 is as follows:

2013

	Buyer		Seller	
Third parties	Colones	US dollars	Colones	US dollars
Up to 30 days	68,662,038	13,759,918	120,523,434	10,439,752
31-60 days	1,126,769	148,657	2,555,387	138,202
61-90 days	0	0	0	0
Over 90 days	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>69,788,807</u>	<u>13,908,575</u>	<u>123,078,821</u>	<u>10,577,954</u>
Own account				
Up to 30 days	20,728,918	11,333,255	6,300,991	0
1-60 days	1,428,618	31,060	0	0
61-90 days	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>22,157,536</u>	<u>11,364,315</u>	<u>6,300,991</u>	<u>0</u>
Total	<u>91,946,343</u>	<u>25,272,890</u>	<u>129,379,812</u>	<u>10,577,954</u>

2012

	Buyer		Seller	
	Colones	US dollars	Colones	US dollars
Third parties				
Up to 30 days	64,251,625	21,066,640	116,630,749	14,760,500
31-60 days	3,668,994	0	7,201,162	0
61-90 days	0	0	0	0
Over 90 days	0	0	0	0
	<u>67,920,619</u>	<u>21,066,640</u>	<u>123,831,911</u>	<u>14,760,500</u>
Own account				
Up to 30 days	48,353,109	7,854,952	3,243,723	219,997
1-60 days	2,430,777	463,335	0	0
61-90 days	0	0	0	0
	<u>50,783,886</u>	<u>8,318,287</u>	<u>3,243,723</u>	<u>219,997</u>
Total	<u>118,704,505</u>	<u>29,384,927</u>	<u>127,075,634</u>	<u>14,980,497</u>

Securities granting repurchase operations are held in custody in CEVAL.

As of December 31 Popular Valores has margin calls as shown in the following chart:

2013

Date	Operation	Document	Maturity	Balance
11/12/2013	1131261364	NCR 2940	16/01/2014	US\$ 27,715
20/12/2012	1131263007	NCR 2940	27/01/2014	18,589
Total				<u>US\$ 46,304</u>
20/12/2012	1121261685	NCR 2940	17/01/2014	18,384
Total				<u>US\$ 18,384</u>

2012

11/22/2012	1121146907	NCR 3611	01/04/2013	US\$ 7,065
12/24/2012	1121255436	NCR 3117	01/10/2013	43,595
12/24/2012	1121258722	NCR 3117	01/17/2013	10,156
12/24/2012	1121261704	NCR 3117	01/24/2013	34,267
12/10/2012	1121256566	NCR 1221	01/04/2013	18,589
12/10/2012	1121256741	NCR 1221	01/04/2013	13,607
11/22/2012	1121147687	NCR 3611	01/14/2013	31,191
11/22/2012	1121149983	NCR 3611	02/08/2013	36,646
12/17/2012	1121259957	NCR 2185	01/23/2013	4,123
12/17/2012	1121259492	NCR 2185	01/25/2013	18,304
12/17/2012	1121149634	NCR 2185	01/21/2013	27,455
12/24/2012	1121149981	NCR 3117	02/08/2013	19,047
Total				<u>US\$ 264,045</u>
22/11/2012	1121148328	NCR 3611	25/01/2013	US\$ 9,908
20/12/2012	1121151991	NCR 3611	25/01/2013	3,492
20/12/2012	1121259142	NCR 3611	22/01/2013	7,883
20/12/2012	1121261962	NCR 3611	24/01/2013	9,312
Dólares				<u>US\$ 30,595</u>

Note 28. Assets and liabilities maturity (days)

		Up to 30	31 to 60	61 to 90	91 to 180	181 to 365	Over 365	Total
As of December 31, 2013								
Availabilities	US\$	5,475,282	0	0	0	0	0	US\$ 5,475,282
Investments		8,345,358	2,502,506	3,083,567	4,017,090	2,483,329	51,567,241	71,999,091
		<u>13,820,640</u>	<u>2,502,506</u>	<u>3,083,567</u>	<u>4,017,090</u>	<u>2,483,329</u>	<u>51,567,241</u>	<u>77,474,373</u>
Obligations with the public		33,346,188	0	0	0	0	0	33,346,188
Obligations, related parties		6,060,484	0	0	0	0	0	6,060,484
Charges payable		114,492	0	0	0	0	0	114,492
		<u>39,521,164</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,521,164</u>
Difference	US\$	<u>(25,700,524)</u>	<u>2,502,506</u>	<u>3,083,567</u>	<u>4,017,090</u>	<u>2,483,329</u>	<u>51,567,241</u>	US\$ <u>37,953,209</u>
		Up to 30	31 to 60	61 to 90	91 to 180	181 to 365	Over 365	Total
As of December 31, 2012								
Availabilities	US\$	5,504,466	0	0	0	0	0	US\$ 5,504,466
Investments		3,457,656	248,466	1,329,994	918,218	6,613,743	70,393,134	82,961,211
		<u>8,962,122</u>	<u>248,466</u>	<u>1,329,994</u>	<u>918,218</u>	<u>6,613,743</u>	<u>70,393,134</u>	<u>88,465,677</u>
Obligations with the public		55,721,043	2,847,833	0	0	0	0	58,568,876
Charges payable		318,016	0	0	0	0	0	318,016
	US\$	<u>56,039,059</u>	<u>2,847,833</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	US\$ <u>58,886,892</u>
Difference	US\$	<u>(47,076,937)</u>	<u>(2,599,367)</u>	<u>1,329,994</u>	<u>918,218</u>	<u>6,613,743</u>	<u>70,393,134</u>	US\$ <u>29,578,785</u>

Note 29. Exposure and control of liquidity and market risk

The events observed in last decade increase the need of developing a risk management culture as one of main goals for companies, promoting an integral risk model searching which includes monitoring process for every control that grants proper functioning.

Popular Valores, considering best practices and local and international standards, especially Risk Management Regulations approved by the National Financial System Oversight Board published in La Gaceta No. 41 of February 27, 2009 managed risk seeking a healthy functioning as following:

a) Liquidity risk

Liquidity risk originates when liquid resources are used to attend short-term obligations with third parties. It has two components: 1) market liquidity, which refers to depth lacking or an instrument that involves costs to liquidate assets or to revert positions before maturity, and 2) cash flow risk, which rises from unexpected pressures on cash flows derived from payments and obligations with third parties.

Stock exchange liquidity risk corresponds to managed portfolios' potential loss derived from forced sales of assets with unusual discounts to face obligations or the fact that a position could not be timely attended, purchased or covered through the establishment of an equivalent inverse position.

Popular Valores has a liquidity contingency plan to face unfavorable stock market situations, as follows:

- Free guarantees from Money Market (ML or MEDI).
- Free guarantees from Liquidity Market (MIL) through SINPE-BCCR.
- Line of credit and a bank overdraft from Banco Popular y de Desarrollo Comunal for US\$;Error! Vínculo no válido.Ability to enable level 5 of BPDC liquidity contingency plan, designed for attention of liquidity contingencies.

Sources of liquidity have not a predetermined order, it would depend on conditions, cost and usage need.

Mitigation action:

Throughout 2012, actions were taken to reduce the total balance of purchases at the settlement to give clearance levels and enable the Administration to take action, to unforeseen changes in the economy or illiquid situations in the secondary market. The above was possible through the review and reducing of the related limits on open operations and restricted resources in the money market, combined with control establishment that allow close monitoring of the

broker agent position and client on a daily basis, allowing as of December 2012, a purchase open balance of US\$149,491,929. These shares were maintained and strengthened during 2013, resulting in a purchase open balance as at the end of December of US\$117,169,350. It is noteworthy that throughout 2013, taking resources in local currency in the money market was a daily average of US\$7,070,564.

Additionally, at the end of December 2013 on the evidence of a lower level of liquidity for repurchase transactions with underlying private issuers, we proceeded to partially use the credit line with Banco Popular.

The amount disbursed was US\$6,060,483.63, same that was used to finance part of its own portfolio as to serve as counterpart to clients of Popular Valores with repurchase transactions with underlying private issuers, achieving satisfaction of a need and exercising stage five from Contingent Liquidity Plan BPDC (Domestic and Foreign Currency). The obligations payment was agreed for the first days of January 2014.

b) Market risk

Market risk represents possible losses as a consequence of adverse changes in prices, interest rates, foreign currency, and investment securities, shares and assets value.

i. Price risk

Since April 2010, to determine market risk, Popular Valores used the methodology communicated by Securities Superintendence through SGV-A-166 written communication. Such note requires calculation of Value at Risk with a confidence level of 95% and a horizon of 21 working days. During first year, size of historic prices series are 273 and since April 2011 the size of historic prices amounts 521 observations.

For VaR calculation, Popular Valores does not include liquidity market neither active repos. Besides, depending on portfolio composition, volatility increases, mainly if some securities lack of a determine observations amount.

Factores/Año	Diciembre 2013		Diciembre 2012	
	Moneda origen	%	Moneda origen	%
Cartera en colones	26,698,045.44	100.00%	32,894,960.51	100.00
Total cartera évalorada	23,578,991.91	88.32%	32,482,258.55	98.75%
Cartera en dólares	9,792.27	100.00%	7,204.87	100.00%
Total cartera US\$ valorada	9,792.27	100.00%	6,984.87	96.95%
Cartera en UDES	4,440.19	100.00%	4,172.27	100.00%
Total cartera UDES valorada	4,440.19	100.00%	4,172.27	100.00%
Cartera total colonizada	35,154,748.30	100.00%	39,799,258.91	100.00%
Cartera total valorada	32,035,694.77	91.13%	39,276,103.22	98.69%
Valor en riesgo	188,780.98	0.59%	490,140.97	1.25%

In the above table, as of December 31, 2013, risk value (VaR) slightly increased 0.03 p.p. compared to the end of December 2012, although the total valued portfolio in 2013 is lower by US\$33,799,317 colones, which allows inferring that volatility of instruments that make up the portfolio in that year is much higher than the one observed in 2012. It is noteworthy that this methodology does not discriminate price movement directionality, which sometimes will be in favor for the valuation of instruments and obtaining capital gains as it was in first months of 2013.

Popular Valores stockholder has a comparative advantage in relation to other stock exchanges; as a result, price and foreign exchange not produce losses necessarily.

ii. Interest rate risk

It is the risk for the financial condition to be adversely affected by interest rates volatility. Interest rate risk is divided into two risk subtypes: price risk and reinvestment risk.

The business area, specifically section *Traders*, maintains a constant monitoring of the market behavior and its effect on interest rates, considering several scenarios to estimate the effect and measure their impact in terms of results and equity, providing also the possibility of a local effect of events that occur in international markets.

Effective interest rate

As of December 31, 2013 securities with variable rates amount to US\$10,614,352 approximately 14.94% of total portfolio. Additionally, any cash and cash equivalents surplus is invested on short-term securities. Maturity dates of financial instruments are detailed in note 6

Following chart details effective interest rate from financial obligations as of December 31:

2013	Note	Annual effective interest rate	Total	Up to 6 months	Over 6 months
Cash and cash equivalents					
Colones	5	1.50%	1,146,671	1,146,671	0
US dollars	5	1.00%	3,600,956	3,600,956	0
Investment securities					
Colones	6	13.26%	62,105,957	15,674,594	46,431,363
US dollars	6	6.50%	9,893,134	2,273,927	7,619,207

2012	Note	Annual effective interest rate	Total	Up to 6 months	Over 6 months
Cash and cash equivalents					
Colones	5	1.50%	2,935,491	2,935,491	0
US dollars	5	1.00%	2,568,975	2,568,975	0
Investment securities					
Colones	6	13.26%	75,722,039	5,503,283	70,218,756
US dollars	6	6.50%	7,239,173	451,051	6,788,122

iii. Foreign currency risk

Popular Valores incurs foreign currency risk when the value of its assets and liabilities denominated in US dollars is affected by exchange rate variations.

It incurs in foreign currency risk mainly on cash, investments, accounts receivable, and accounts payable denominated in US dollars.

In respect of assets and liabilities held in US dollars, Popular Valores' tries to ensure that the net exposure is kept to an acceptable level, by maintaining an active position in US dollars that enables it to cover liabilities in US dollars (see note 3).

In 2013, the exchange rate stood close to the floor of the band, presenting a less volatile behavior than the occurred in 2012, where the difference between the highest and lowest exchange rate was ¢15.96, while in 2013 this difference was ¢10.23.

In addition, it should be mentioned that the average exchange rate in 2012 was ¢ 497.47/US\$ and a spread of ¢4.80, while in 2013 the average exchange rate was ¢493.99/US\$ and a ¢1.41 spread.

The behavior described in local currency against foreign currency (US\$ dollar), has led management take measures and to keep net foreign currency position by periodically define action strategies with respect to this issue, minimizing foreign currency risk. In the appropriate cases, taking advantage of opportunities to profit from buying and selling.

Business and management departments keep constant monitoring on market evolution, considering liquidity of acquired positions and equity impact for strategies designing, implementing strategies to allowed the Company to avoid significant losses in 2013.

c) Credit risk

Credit risk is the possibility to incur losses product of debtors insolvency, payment delay and contractual conditions breach or loan portfolio impairment; in the case of the stock market, it is the security issuer. Credit risk, is directly associated to insolvency; however, any operation that should unfulfilled maturing contractual conditions should be considered as potential credit risk. Credit risk should be present or potential; the first one is related to capital payments unfulfillment, interests and assets delivery or receipts. On the other hand, potential risk measures future probable losses that may affect a portfolio as the counterpart unfulfillment during the contract's life.

Credit risk is the risk that the counterpart of a financial instrument fail to settle an obligation fully and on time. Exposure to credit risk is monitored on an ongoing basis, taking into consideration borrower payment behavior. Accounts receivable are subject to evaluations of the ability to pay, credit history, and references. Popular Valores does not require collaterals in respect of financial assets.

Popular Valores participates in repurchase agreements, which may result in exposure to credit risk in the event that the counterpart to the transaction is unable to meet its contractual obligations. Nonetheless, repurchase operations are backed by securities that guaranty the counterpart, by the Costa Rican National Stock Exchange, and by the brokerage firm participating in the transaction. Accordingly, credit risk associated with repurchase operations is low.

Popular Valores financial instruments are concentrated as follows:

2013

Trade securities, investments securities available-for-sale and securities sold under repurchase		
Securities of the Government of Costa Rica and the Central Bank of Costa Rica	43,095,395	60.67%
Securities of public financial entities	6,163,292	8.68%
Securities of private financial entities	21,777,045	30.65%
	71,035,732	100.00%

2012

Trade securities, investments securities available-for-sale and securities sold under repurchase		
Securities of the Government of Costa Rica and the Central Bank of Costa Rica	66,793,480	81.75%
Securities of public financial entities	8,475,488	10.37%
Securities of private financial entities	6,438,317	7.88%
	81,707,285	100.00%

Internal policies allow 100% concentration on state guarantee instruments, following is a detailed of instruments out of this category:

Emisor	Instrumento	ISIN	Valor de Mercado	Relación a Capital Base CB: 15842496310.245	Concentración
BCRSF	inm2\$	CRBCRSFL0029	199,320,611.00	1.26%	
BPDC	bpt6v	CRBPDC0B6954	1,059,990,000.00	6.69%	
BPDC	cdp	00BPDC0CO665	300,492,000.00	1.90%	
BPDC	cdp	00BPDC0CO731	230,437,000.00	1.45%	
BPDC	cdp	00BPDC0CO822	6,462,319.50	0.04%	
BPDC	cdp	00BPDC0CP605	947,438,100.00	5.98%	
BPDC	cdp	00BPDC0CP647	742,760,200.00	4.69%	
BPDC	cdp	00BPDC0CQ108	400,084,000.00	2.53%	
BPDC	cdp	00BPDC0CQ116	800,560,000.00	5.05%	
BPDC	cdp\$	00BPDC0CO228	172,806,133.54	1.09%	
BPDC	cdp\$	00BPDC0CP795	346,793,682.13	2.19%	
BPDC	Reco activas	Varios	3,050,076,845.28	19.25%	50.86%
FPTG	bpgc\$	CRFPTG0B0013	7,996,038.21	0.05%	
FPTG	BPGD\$	CRFPTG0B0021	223,113,190.09	1.41%	1.46%
FTCB	bft15	CRFTCB0B0038	70,352,610.48	0.44%	
FTCB	bft17	CRFTCB0B0046	309,207,411.07	1.95%	2.40%
ICE	bic2\$	CRICE00B0069	47,904,949.56	0.30%	
ICE	bic3	CRICE00B0085	171,349,080.00	1.08%	
ICE	bic4\$	CRICE00B0093	454,816,683.97	2.87%	
ICE	ice14	XS0185150165	32,137,154.48	0.20%	
ICE	ice43	USP56226AQ94	163,405,109.56	1.03%	5.49%
MADAP	bcplc	CRMADAPB2350	350,927,500.00	2.22%	
MADAP	CII	00MADAPCH132	499,995,000.00	3.16%	5.37%
MUCAP	bcphd	CRMUCAPB1342	94,894,550.00	0.60%	
MUCAP	cph	00MUCAPC3995	160,310,400.00	1.01%	
MUCAP	cph	00MUCAPC4993	75,378,750.00	0.48%	
MUCAP	cph	00MUCAPC5016	163,057,375.00	1.03%	
MUCAP	cph\$	00MUCAPC4423	371,079,805.50	2.34%	5.46%
PSFI	finpo	CRPSFI0L0027	459,345,426.90	2.90%	
PSFI	zeta\$	CRPSFI0L0076	732,342,199.90	4.62%	

d) Operational risk

Operational risk is the potential loss that may occurs due to failures or deficiencies in processes, personnel, information systems, internal controls or external events.

Risk management is responsibility of each employee of Popular Valores and control effectiveness is monitored by each headquarter. Improvements are coordinated with the respective manager and the risk unit through implementing of following steps:

- i. Risk factors identification through risk maps.
- ii. Risk events identification, including: risk event, type, description, date and realized monetary loss.
- iii. Internal control effectiveness through the application of self-Internal Control Systems and Operative Risk Specific System.
- iv. Compliance of Corporate Government practices and behavior rules.
- v. Business continuity with interruptions caused by internal and external disruptions.
- vi. Integrity, security, and availability of information through Information technology improving.

Note 30. Financial instruments

Fair value of financial instruments

Fair value estimates are made at a specific date, based on relevant market information and information concerning the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale a particular financial instrument at a given point in time.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision.

Estimates could vary significantly if changes are made to those assumptions. The following methods and assumptions were used by Popular Valores to estimate the fair value of each class of financial instrument:

The carrying amounts of the following instruments approximate fair value: cash and cash equivalents, investments, accounts receivable, and accounts payable:

The carrying amounts of notes payable approximate fair value since interest rates are adjustable monthly.

Fair values of financial instruments as of December 31, are presented below:

		2013	2012
Assets			
Cash and cash equivalents	US\$	15,595,492	8,358,377
Accounts receivable for sale of securities		17,853	26,636
Investment securities available-for-sale		71,035,732	78,001,163
Interest receivable		<u>963,359</u>	<u>1,253,927</u>
		<u>87,612,436</u>	<u>87,640,103</u>
Liabilities			
Accounts payable for purchase of securities		3,215,280	2,467,101
Repurchase obligations		33,346,188	58,568,876
Interest payable		<u>114,492</u>	<u>318,016</u>
	US\$	<u>36,675,960</u>	<u>61,353,993</u>

Note 31. Personal portfolio management agreements

Personal portfolio management agreements are backed by securities held in the custody of CEVAL. Those portfolios are structured as follows:

		2013	2012
In colones			
Received from customers	US\$	401,687,921	360,779,017
Invested		401,640,347	360,332,840
Received from customers, pending investment		<u>47,575</u>	<u>446,177</u>
		<u>803,375,843</u>	<u>721,558,034</u>
In US dollars			
Received from customers		79,524,265	83,678,105
Invested		79,479,092	83,520,950
Received from customers, pending investment		<u>45,173</u>	<u>157,155</u>
		<u>159,048,530</u>	<u>167,356,210</u>
	US\$	<u>962,424,373</u>	<u>888,914,244</u>

Personal portfolios are not pooled portfolios and customers are not guaranteed specific interest rate, given that the investors own the securities portfolio and can manage it with advice from Popular Valores, which charges investors a management fee on amounts invested.

Note 32. Managed trusts

Trust N°.19-2002 (the trust) was constituted on March 4, 2002 between Promotora de Comercio Exterior de Costa Rica (PROCOMER) as the trustor and Banco Crédito Agrícola de Cartago (BCAC) as trustee until August 31, 2006 with the purpose of safeguarding and preserving PROCOMER equity fund resources so that allows long-term permanence according to agreement signed on the trustor Board of Directors on November 19, 2001.

On July 3, 2006 the Board of Directors of PROCOMER assigned Banco Nacional de Costa Rica as trustee from August 31, 2006.

On February 2, 2011 the Board of Directors of PROCOMER assigned Popular Valores Puesto de Bolsa as substitute trustee from March 31, 2011

Equity fund comes from operative surpluses of the trust, liquidation of Promotion Center to Exports and Investments (CENPRO) and liquidation of Free Zone Export Corporation, S.A., as stated in article 9 of Foreign Trade Ministry (COMEX) creation and Law 7338 of PROCOMER creation.

Note 33. Economic interest groups

As of December 31, 2013 and 2012 economic interest group related to Popular Valores includes the following:

- Banco Popular y de Desarrollo Comunal
- Popular Operadora de Pensiones Complementarias, S.A.
- Popular Sociedad de Fondos de Inversión, S.A.
- Popular Agencia de Seguros, S.A.

Note 34. Current agreements

a) Foreign Stock Exchange (*Contracts*)

As of December 31, 2013 Popular Valores kept current agreements for DvP operations with:

Oppenheimer: Signed on December 18, 2006 and updated on September 24, 2013 thru note PVSA/570.

Cantor Fitzgerald & Co.: As of December 31, the Board of Directors authorized relationships with Cantor Fitzgerald & Co for DvP operations through agreement JDPV-430-269 article 6 of November 2012 and signed on February 19, 2013. Last updating was on September 25, 2013, thru note PVSA/575.

INTL FC Stone: Signed on April 9, 2013. Last updating was on September 25, 2013, thru note PVSA/574.

Ultralat Capital Markets: Signed on April 12, 2013. Last updating was on September 25, 2013, thru note PVSA/573.

As of December 31, 2013, Popular Valores kept current agreements for DvP operations and foreign custodial services with:

JP Morgan- Smith Barney: Signed on August 8, 2007. Last updating was on September 24, 2013 thru note PVSA/571. As of the date of this report there are not securities in custody.

Bulltick (Pershing): Signed on February 18, 2005. Last updating was thru note PVSA/572 of September 25, 2013.

As of December 31, 2013 there are not purchased securities with own resources in custody. Third parties securities in custody amounts to 13,714 shares equivalent to US\$9,279.21 from own resources and US\$82.37 from thirds.

Note 35. Recently issued accounting standards

Conassif establishes accounting standards that should be used. Conassif states accounting policies according to last IFRS version, which is effective as from January 1, 2008.

On April 4, 2013, C.N.S. 1034/08 is issued and states that for the period beginning on January 1, 2014, IFRS 2011 shall apply with the exception of special treatments listed in Chapter II accounting regulations applicable to entities.

IAS 1: Presentation of Financial Statements

IAS 1 requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income).

IAS 1 requires an entity to disclose reclassification adjustments and income tax relating to each component of other comprehensive income. Reclassification adjustments are amounts reclassified to profits or loss in the current period that were previously recognized in other comprehensive income.

IAS 1 requires the presentation of dividends recognized as distributions to owners and related amounts per share in the statement of changes in equity. The presentation of such disclosures in the statements of income is not permitted.

Revised IAS 1 changes the name of some financial statements, using "statement of financial position" instead of balance sheet.

IAS 1 requires an entity to present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement.

IAS 24: Related parties disclosures

The Council of the International Accounting Standards Board revised IAS 24 in 2009 in order to: (a) Simplify the definition of "related parties", clarify the meaning pretended to be given to this term and eliminate the incoherencies of the definition. (b) Provide a partial exemption from the requirement of information disclosed by entities related with the government.

An entity will apply this standard in a retroactively for the annual periods starting as from January 1, 2011. The anticipated application of the standard or the partial exemption of paragraphs 25 through 27 for the entities related with the government is permitted. If an entity applies this standard completely or this partial exemption in a period that begins before January 1, 2011, it will reveal this fact.

IFRS 3: Business combinations

Amendments to IFRS 3 must be applied in periods that begin on or after July 1, 2009. This amendment further develops concepts of acquisition method and establishes recognizing and measurements principles for acquired identifiable assets, assured liabilities and any other non-controlled participation.

IFRS 9: Financial instruments

This standard is for application in the periods that begin on or after January 1, 2013. The objective of this IFRS is to establish the principles for the financial information about financial assets so that it will present useful and relevant information for the users of the financial statements facing the evaluation of the amounts, calendar and uncertainty of the future cash flows of the entity.

IFRS 10: Consolidated financial statements

It supersedes IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidated-Special Purpose Entities and is effective for annual periods beginning on or after January 1, 2013. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

IFRS 11: Joint arrangements

This standard is for application in the periods that begin in or after January 1, 2013. The objective of IFRS 11 is to establish principles for joint arrangements disclosures.

It supersedes IAS 31, Interests in Joint Ventures and SIC 13 Jointly Controlled Entities-Non monetary Contributions by Ventures.

IFRS 12: Disclosure of interests in other entities

This standard is for application in the periods that begin in or after January 1, 2013. The objective of IFRS 12 is requiring disclosures to entities that allow financial statements users to evaluate nature and risks of investments in other entities and the effects of such investments on financial position, yields and cash flows.

IFRS 13: Measurement of fair value

This standard is for application in the periods that begin in or after January 1, 2013.

This IFRS defines "fair value"; it establishes only one conceptual frame in the IFRS to measure the fair value and requires revelations about the measurement of fair value. This IFRS applies to other IFRS that allow the measurement of fair value.

Revised IAS 27: Separate financial statements

This standard is effective for annual periods beginning on or after January 1, 2013. The objective of IAS 27 is to describe accounting treatment and disclosures required by subsidiaries, joint ventures and associates when the entity presents separate financial statements.

Revised IAS 28: Investments in partners and joint ventures

This standard is for application in the periods that begin in or after January 1, 2013. The objective of this IFRS is to describe the accounting treatment for investments in partners and it determines the requirements for the application of the method of equity participation when recording investments in partners and joint ventures.

Revised IAS 19: Benefits for employees

This standard is for application in the periods that begin in or after January 1, 2013. It includes changes referring to the benefit plans defined for which it previously required that the remeasurements of the actuarial appraisals were recognized in the statement of results or in other integral results. The new IAS 19 will require the changes in the measurements to be included in other integral results and the costs of services and net interest to be included in the statement of results.

IAS 1: Presentation of financial statements, improvements in the presentation of other comprehensive results

This standard is for application in the periods that begin in or after July 1, 2012. The changes that have been included in IAS 1 are specific paragraphs related to the presentation of other integral results. These changes will require that other integral results be presented separating those that will not be able to be subsequently being re-classified to the statement of results and those that will be able to be subsequently re-classified to the statement of results if certain specific conditions are met.

IFRS 17: Non cash assets distribution to owners

Effective as from the periods beginning on or after July 11, 2009. Its application is prospective and its retroactive application is not permitted.

IFRS 18: Transfers of assets from customers

Effective as soon as the assets are transferred by the clients to the providers as from July 1, 2009. This interpretation applies to entities that transfer assets to the entity for a good or service of different nature, requiring the recognition of an income because of the difference in value.

IFRIC 19: Amortizing financial liabilities with equity instruments

Effective as from the periods beginning on or after July 1, 2010.

IFRIC 21: Levies

This interpretation addresses the accounting of a liability to pay a levy if that liability is within IAS 37. It also addresses the accounting of a liability to pay a levy where the amount and maturity are true.

This interpretation does not address the accounting of costs arising from the recognition of a liability to pay a levy. Entities should apply other standards to decide whether the recognition of a liability to pay a tax results in an asset or an expense.

The event that triggers the obligation and results in a liability to pay a levy is the activity that produces the levy payment, as established by law. For example, if the activity that results in the levy payment is to generate an income from ordinary activities in this period, and the calculation of this tax is based on income from ordinary activities that took place in an earlier period, the event that results in the obligation of that levy is the income generation in the current period. Generating revenue in the previous period is necessary, but not sufficient to create a present obligation.

An entity does not have an implied obligation to pay a levy to be generated by future period operations; as a result, the entity is economically compelled to continue operating in that future period.

The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy to be generated by operations in a future period.

The liability to pay a levy is recognized progressively if the event results in the obligation over a period (for example, if the activity that generates the payment of the tax occurs as established by law, over a period). For example, if the event that results in the obligation is the generation of a regular income for activities over a period, the corresponding liability is recognized as the entity produces that income.

An entity shall apply this interpretation for annual periods beginning on or after January 1, 2014.

IFRS improvement projects:

IFRS 2: Share based payments

Variations in scope. Effective for periods beginning on or after July 1, 2009.

IFRS 5: Noncurrent assets held for sale and discontinued operations

Disclosures of noncurrent assets classified as maintained for sale or discontinued operations. Effective as from the periods beginning on or after January 1, 2009.

IFRS 8: Operating segments

Disclosures about assets of an operating segment. Effective as from the periods beginning on or after January 1, 2010.

IAS 1: Presentation of financial statements

Current or noncurrent classification of convertible instruments: Effective as from periods beginning on or after January 1, 2010.

IAS 7: Statement of cash flows

Classification of disbursements in non-recognized assets: Effective as from the periods beginning on or after January 1, 2010.

IAS 18: Revenue

Determining whether the entity acts as the principal part or as an agent. Effective as from periods beginning on or after January 1, 2010.

IAS 36: Impairment of assets

Revision of the measurement of impairment for goodwill. Effective as from periods beginning on or after January 1, 2010.

IAS 38: Intangible assets

Includes changes made to IFRS 3 and changes in the measurement of the fair value of an intangible asset acquired in a business combination. Effective as from the periods that start on or after July 1, 2009.

IAS 39: Financial instruments: Recognition and measurement

Treatment of penalties for anticipated payments of a loan as intimately related to an embedded derivative.

Exception to the scope of this standard in the contracts for business combinations

Amendments to existing standards:

Novation or renewal of derivatives and continued hedge accounting
(Amendments to IAS 39)

This document establishes amendments to IAS 39, Financial Instruments: Recognition and Measurement. These amendments result from proposals of the standard project 2013/2: Novation Derivatives and Continued Hedge Accounting, and the corresponding responses received (Proposed Amendments to IAS 39 and IFRS 9) was published in February 2013.

IASB has amended IAS 39 to discontinue exempt the hedge accounting when the novation of a derivative designated as a hedging instrument meets certain conditions. A similar exemption will be included in IFRS 9 Financial Instruments.

It is effective from annual periods beginning on or after January 1, 2014.

Disclosure of the recoverable amount of non-financial assets

This document establishes the amendments to IAS 36 Impairment of Assets. These amendments result from proposals of the standard project 2013/1 Disclosure of the recoverable amount of non-financial assets and corresponding responses received (Proposed Amendments to IAS 36) that was published in January 2013.

In May 2013, paragraphs 130 and 134 were amended, and the heading above paragraph 138. An entity shall apply these amendments retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted. An entity shall not apply those amendments periods (including comparative periods) in which IFRS 13 is applied.

The changes made in this document align the disclosure requirements of IAS 36 with the original intention of the IASB. For the same reason, the IASB also amended IAS 36 to require additional information on the fair value measurement when the recoverable amount of assets that present impairment is based on fair value less costs of disposal, consistent with the disclosure requirements for impairment assets presented in U.S. GAAP.

Amendments to standards established by CONASSIF

The following amendments to the accounting standards applicable to entities supervised by SUGEF, SUGEVAL, SUGESE, SUPEN and non-financial issuers established by CONASSIF shall apply from January 1, 2014:

- 1-Delete the last paragraph of Article 8 therefore not allowed to commercial state banks to capitalize total revaluation surplus but may continue capitalizing revaluation surplus as permitted by IAS 16, i.e. the part already used of that surplus (or made when asset is sell), because on this issue any exception is not included by SUGEF.
- 2-Delete paragraph two of article 19, IAS 40, Investment Property for rent or goodwill. Therefore, the adjustments to fair value of investment properties are recognized in the income statement.
- 3-Modify paragraph fourth of the concept of Group 130 Loan portfolio, so the commissions representing an adjustment to the effective yield should be recorded as a deferred credit.
- 4-Add the account of deferred direct costs associated with credit, recognizing the direct costs incurred by the entity in the formalization of credit, and must be repaid by means of effective interest method.

Note 36. Outstanding and subsequent facts

- a) Popular Valores is registered with the National Securities and Intermediaries Registry as a B custodian entity, according to Resolution SGV-R-1591 issued by Sugeval on January 10, 2007.
- b) On July 2010, Popular Valores made effective its participation on exchange market, through note DAP-DRL-230-2010 of July 15, 2010 from BCCR. Such note indicates initial net position in foreign currency.
- c) Between December 31, 2012 and the financial statements presentation date there were no other events that would have future significant influence on Popular Valores operations and financial statements to be informed.

Note 37. Restricted assets

As of December 31 restricted assets are as follows:

		Book value		Restriction cause
		2013	2012	
Availabilities	US\$	727,655	852,212	Contribution to the Compensation Risk Management Fund System.
Investment securities		38,894,778	65,306,977	Repurchase operations guarantee.
Investment securities		5,125,056	4,931,273	Integrated Liquidity Market operations guarantee.
Investment securities		70,706	69,711	Monex operations guarantee.

Note 38. Authorization for issuance of financial statements

Issuance of these financial statements was authorized by the management of Popular Valores Puesto de Bolsa, S.A., on January 10, 2014.

The Sugeval can require modifications to these financial statements after their authorization for issuance date.