GENTERA, S. A. B. de C. V. AND SUBSIDIARIES

(formerly Compartamos, S. A. B. de C. V.)

Consolidated Financial Statements

December 31, 2013 and 2012 (With Independent Auditors' Report Thereon)

(Free Translation from Spanish Language Original)

Independent Auditor's Report

The Board of Directors and Stockholders
Gentera, S. A. B. de C. V. (formerly Compartamos, S. A. B. de C. V.)
and Subsidiaries:

We have audited the accompanying consolidated financial statements of Gentera, S. A. B. de C. V. (Gentera, formerly Compartamos, S. A. B. de C. V.) and Subsidiaries, which comprise the consolidated balance sheets at December 31, 2013 and 2012, and the consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, which were prepared in accordance with the accounting criteria for credit institutions in Mexico issued by the National Banking and Securities Commission (the Commission), since its main subsidiary undertakes banking activities under the supervision of the Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these accompanying consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Gentera, S. A. B. de C. V. and Subsidiaries as at December 31, 2013 and 2012, and its consolidated results and cash flows for the years then ended, in accordance with the accounting criteria for credit institutions in Mexico issued by the Commission.

Other matters

As mentioned in the note 1 to the consolidated financial statements, on December 16, 2013 the stockholders agreed on changing the entity's name from Compartamos, S. A. B. de C. V. to Gentera, S. A. B. de C. V.

KPMG CARDENAS DOSAL, S. C.
C.P.C. Alejandro De Alba Mora

February 20, 2014.

GENTERA, S. A. B. de C. V. AND SUBSIDIARIES

(formerly Compartamos, S. A. B. de C. V.)

Notes to the Consolidated Financial Statements

December 31, 2013 and 2012(Millions of Mexican pesos)

These consolidated financial statements have been translated from the Spanish language original for the convenience of English speaking readers.

(1) Description of business and significant transactions-

Description of business-

Gentera S. A. B. de C. V. (formerly Compartamos, S. A. B. de C. V.) (Gentera), is a Mexican corporation which purpose is to promote, organize and manage all types of civil or commercial entities, including but not limited to, multiple banking entities with the purpose of providing banking and credit services pursuant to the Law of Credit Institutions, as well as other financial entities, both domestic and foreign.

At December 31, 2013 and 2012, Gentera and its consolidated subsidiaries are comprised of:

i. Banco Compartamos, S. A., Institución de Banca Múltiple (the Bank) which in accordance with the Law for Credit Institutions, is authorized to carry out multiple banking activities which comprise, among others, granting loans, receipt of deposits, acceptance of loans, operation with securities and other financial instruments.

ii. Compartamos, S. A. (Compartamos Guatemala) which main activity is, among others, granting any type of loans and financing to individuals or entities with own funds in Guatemala, as well as granting or obtaining loans or financing of any nature.

iii. Financiera Compartamos, S. A. (Financiera Compartamos, formerly Financiera Créditos Arequipa, S. A.) is an entity incorporated under the regulations of the Republic of Peru, which purpose is to operate as a financial services entity, and is allowed to carry out all transactions and provide all services, by any means that result applicable and correspond, in accordance with established legal provisions that regulate entities of this nature in conformity with Peruvian legislation.

iv. Red Yastás, S. A. de C. V. (Red Yastás) has as purpose: a) to enter into agreements to provide services, either mandates or commercial commission with credit institutions to engage with other people on behalf of the aforementioned credit institutions, the commissions or services mandated, complying with applicable regulation on each transaction or banking service, b) to service credit institutions as manager of commission agents with the purpose of organizing service providers' networks or banking commission agents to carry out certain activities and c) to receive, process and distribute all types of funds or economic resources through electronic, manual or telephonic transfers or directly online though any other means of communication, among others.

v. Compartamos Servicios S. A. de C. V. (Compartamos Servicios) has as purpose to provide human resources services and personnel to the entities of the group, as well as to provide advisory in planning, organization and management of companies among other activities.

vi. Controladora AT, S. A. P. I. de C. V. (Controladora AT) which consolidates Aterna, Agente de Seguros y Fianzas, S. A. de C. V. (Aterna), has as purpose the purchase, sale, transfer, assessment, and in general the marketing in any way with shares, stocks, rights and interests in civil corporations, and any other entities, domestic and foreign, either as a founder or by acquiring shares in companies that were previously constituted.

2013 Significant transactions-

I. During the second half of 2013, a licitation process was undertaken to sell Bank's loan portfolio previously written-off during the years 2008, 2009 and 2012, whose amount of principal and not collected accrued interests at the time of write-off amounted to $763. On October 30, 2013, as a result of this licitation, an onerous contract of assignment of loans was signed, generating to Gentera a tax loss on sale of $761 and consequently a deductible tax benefit of $228 (notes 9 and 16).

II. On December 16, 2013, through Extraordinary General Stockholders' Meeting, the change of the entity's name from "Compartamos, S. A. B. de C. V." to "Gentera, S. A. B. de C. V.", was approved.

2012 Significant transactions-

I. From January 1, 2012, the employees of the Bank, with the exception of the Chief Executive Officer, were transferred to Compartamos Servicios (see note 15).

II. On May 21, 2012, Controladora AT was incorporated in Mexico, which on that same date acquired 99.98% of the shares of the capital stock of Aterna; entity whose main purpose is to operate as an Insurance and Bonding Agent under the terms of the General Law of Institutions and Mutual Insurance Companies, of the Federal Law of Bonding Institutions and the Regulation of Insurance and Bonding Agents.

(2) Authorization and basis of presentation-

On February 20, 2014, the following officers approved the issuance of the accompanying consolidated financial statements and their related notes.

Carlos Labarthe Costas	Chief Executive Officer
Patricio Diez de Bonilla García Vallejo	Chief Financial Officer
Oscar Luis Ibarra Burgos	General Internal Auditor
Marco Antonio Guadarrama Villalobos	Sudirector of Financial Information

The shareholders of Gentera are empowered to modify the consolidated financial statements after its issuance. The accompanying 2013 consolidated financial statements were authorized for issuance by the Board of Directors.

On March 16, 2011, the National Banking and Securities Commission (the Commission) issued the "Resolution that modifies the general regulations applicable to securities issuers and other securities market participants", which establishes that securities issuers which, through its subsidiaries, carry out mainly financial activities subject to the supervision of Mexican authorities, are required to prepare and audit its financial statements under the same basis applicable to such subsidiaries, with the purpose of ensuring that the financial information of both entities is comparable. The aforementioned is determined when such activities represent more than 70% of consolidated assets, liabilities or total revenues at the prior year-end. Consequently, since the Bank comprises 73% and 91% of the consolidated assets and revenues, respectively, as of and for the year ended December 31, 2013 (75% and 91% respectively, in 2012), the accompanying consolidated financial statements have been prepared in conformity with the accounting criteria established by the Commission throughout the "Accounting criteria for credit institutions" in Mexico.

The accounting criteria referred to in the last paragraph from the previous page, points out that the Commission will issue particular rules for specialized transactions and in the absence of specific accounting criteria from the Commission for credit institution and in a broader context the Mexican Financial Reporting Standards (Mexican FRS) supplementary use of Mexican FRS A-8 will be followed and only in the event that the International Financial Reporting Standards (IFRS) referred to by Mexican FRS A-8 do not provide guidance to the accounting treatment, another set of established accounting standards may be used in the following order: generally accepted accounting principles in the United States of America ("US GAAP") or any other formal and recognized accounting criteria, that do not contravene the criteria of the Commission.

For purposes of disclosure in the notes to the consolidated financial statements, pesos or "$" refers to millions of Mexican pesos, and when reference is made to dollars, it means dollars of the United States of America.

The financial statements of the subsidiaries have been translated from its recording currency, prior to consolidation, to the accounting criteria set forth by the Commission, to present financial information in accordance with such criteria.

The financial statements of the foreign subsidiaries have been translated into Mexican pesos (reporting currency) considering that their recording and functional currency are the same, resulting in the use of the following exchange rates: a) month-end for monetary and non-monetary assets and liabilities ($4.6813 Mexican pesos per sol and $1.6686 Mexican pesos per quetzal as of December 31, 2013), b) historical for stockholder's equity and c) weighted average of the period ($4.6684 Mexican pesos per sol and $1.6535 Mexican pesos per quetzal) for revenues costs and expenses, translation effects are presented as part of stockholders' equity. The exchanged rates used in 2012 were a) month-end for monetary and non-monetary assets and liabilities ($5.085 Mexican pesos per sol and $1.6408 Mexican pesos per quetzal), b) historical for stockholder's equity and c) weighted average of the period ($5.0178 Mexican pesos per sol and $1.6312 Mexican pesos per quetzal) for revenues, costs and expenses, presenting translation effects as part of stockholders' equity.

(3) Summary of significant accounting policies-

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of income and expenses during the reporting period. The most significant captions subject to these types of estimates and assumptions include allowances for loan losses, valuation of securities and repurchase/resell agreement transactions, realization of deferred tax asset and liability relating to employee benefits. Actual results may differ from these estimates and assumptions.

The consolidated financial statements of Gentera recognize assets and liabilities arising from investment securities and repurchase/resell agreements on the trade date, regardless of the settlement date.

Following is a summary of the most significant accounting criteria followed during the preparation of the consolidated financial statements, which have been applied on a consistent basis for the years presented, unless otherwise noted.

(a) Recognition of the effects of inflation-

The accompanying consolidated financial statements include the recognition of inflation effects in the financial information through December 31, 2007, based on the measurement factor derived from the value of the Investment Unit (UDI – Spanish abbreviation) which is an index, whose value is determined by Banco de México (the Central Bank) derived from inflation, given that beginning in 2008, in accordance with the Mexican FRS B-10 "Effects of Inflation", Gentera operates on a non-inflationary economic environment (accumulated inflation in the prior three-year period less than 26%). The percentage of accumulated inflation in the prior three-year period, yearly inflation and the value of UDI at each of the year end are shown as follows:

			INFLATION	
December 31		UDI	Yearly	Cumulative
2013	$	$5.0587	3.78%	11.76%
2012	$	4.8746	3.94%	12.31%
2011	$	4.6898	3.61%	11.62%

((b) Basis of consolidation-

The accompanying consolidated financial statements as of December 31, 2013 and 2012, include the balances of Gentera and its subsidiaries mentioned below. All significant balances and transactions between Gentera and the subsidiaries have been eliminated upon consolidation.

Entity	Equity	Functional currency
BANK	99.98%	MEXICAN PESOS
COMPARTAMOS GUATEMALA	99.99%	QUETZALES
FINANCIERA COMPARTAMOS	84.20%	SOLES
COMPARTAMOS SERVICIOS	99.99%	MEXICAN PESOS
CONTROLADORA AT (1)	50.00%	MEXICAN PESOS

(1) CONTROLADORA AT IS CONSOLIDATED FROM AUGUST 1, 2012, AS GENTERA CONTROLS THE FINANCIAL POLICIES AND OPERATING DECISIONS OF THE SUBSIDIARY.

(c) *Cash and cash equivalents-*

This caption comprises cash, bank accounts in local and foreign banks, bank loans with original maturities of up to three days ("Call Money"), and deposits with the Central Bank, which are recognized at face value, and cash and cash equivalents in foreign currency are valued at the exchange rate issued by the Central Bank at the date of presentation of the consolidated financial statements. Interest earned from cash and cash equivalents are recognized in the consolidated income statement on an accrual basis.

The restricted cash and cash equivalents include the Deposit of Monetary Regulation with the Central Bank in accordance with the Law, in order to regulate the money market liquidity, such deposit bears interest at interbank funding rate.

Call Money operations with maturities up to three days as well as the saving fund of Gentera's employees are recognized as restricted cash and cash equivalents.

(d) *Investment securities -*

Investment securities consist of government and banking securities, listed and unlisted, which are classified in accordance with the intention of use that Gentera assigns at the date of their acquisition as "Trading securities" and "Available-for-sale securities".

Trading securities

Trading securities which are held for operation in the market are carried at fair value using current prices obtained from specialists in the supply and price calculation to value securities portfolios, authorized by the Commission, known as "price vendors", and in case of unlisted securities, market prices of financial instruments with similar characteristics are used as reference, which use prices calculated based on formal and widely accepted valuation techniques. The fair value is the amount at which interested parties are willing to exchange for the financial instrument, in an uninfluenced transaction. Valuation effects of this category are directly recognized in the income statement of the year under the caption "Financial intermediation result".

Expenses incurred in the acquisition of trading securities are recognized in the income of the year. Interest income is recognized in the consolidated income statement as accrued.

Available-for-sale securities

Securities which are not classified as trading, but which are not intended to be held to maturity. Available-for-sale securities are recorded and valued at fair value and the valuation effects are reported in stockholders' equity under "Unrealized gain from valuation of available-for-sale securities", which upon sale are recycled through the consolidated statement of income to recognize the difference between the net value of realization and acquisition cost.

Impairment of the value of a security

A security is impaired when there is objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the security, which had an impact in the estimated cash flows and could be determined on a trust-worthy basis, and therefore a loss is incurred from this impairment
por intermediación".

During the years ended December 31 2013 and 2012, Gentera did not make transfers between categories.

(e) Repurchase/resell agreements-

The repurchase/resell agreements that do not comply with the terms of the criteria C-1 "Recognition and derecognition of financial assets", are treated as collateralized financing transactions, which reflects the economic substance of those transactions regardless of whether it is a "cash oriented" or "security-oriented" repurchase/resell agreements.

Gentera acting as a seller on resell agreements recognizes cash received or a debit to a settlement account, as well as a payable account valued at the price agreed at origination, which represents the obligation to repay the cash to the buyer reclassifying the financial assets given as collateral to present them as restricted. While Gentera acting as a buyer on resell agreements recognizes the out flow of cash and cash equivalents or a credit to a settlement account, booking an account receivable for the agreed price, which represents the right to recover the cash given and recognizes the collateral received in memorandum accounts.

Throughout the life of the repurchase/resell agreements the account payable or receivable is presented in the consolidated balance sheet as debtors or creditors on repurchase/resell agreements as appropriate and is valued at amortized cost by recognizing the interest from the repurchase/resell agreements on the years' income as accrued according to the effective interest method.

Interest accrued on repurchase/resell agreements transactions are presented under the caption "Interest income" or "Interest expense" in the consolidated statement of income whichever is applicable. The difference, if any, generated by selling or using the collateral in lieu of payment will be presented in the caption "Financial intermediation result".

(f) Loan portfolio-

Represents the outstanding balances of the amounts granted to borrowers (including financed insurances), plus uncollected interest earned. Outstanding loan and interest balances are classified as past due according to the criteria listed in the following page.

Commercial loans with one principal amortization and interest payment – 30 days after due date.

Consumer and mortgage loans – 90 or more days past due.

In addition, a loan is classified as past due when the debtor files for bankruptcy protection.

The amount of the credit facilities that Gentera has granted and has not been used is recorded in memorandum accounts under the caption of "Credit commitments".

Consumer loans are granted based on an analysis of the customer's application, the socioeconomic study conducted and the consultations made at the credit information bureaus. In some cases, an analysis is conducted to the borrower's financial position, the economic feasibility of the investment projects and other general characteristics established in the Credit Institutions Law, Gentera's manuals and internal policies.

Loans are controlled by periodic visits to the client by Gentera personnel, and by daily monitoring of the payments through the system, where the relevant personnel can follow-up on late payments.

Loans are collected weekly, biweekly or monthly, when clients make loan payments in the form of deposits in accounts contracted by Gentera with other multiple banking institutions solely for that purpose, as well as correspondents to conduct this type of operations.

Evaluation and follow-up on the credit risk of each client is handled by verifying their credit history with Gentera, and checking clients' credit ratings with the credit bureau.

Gentera policy for avoiding risk concentration is based mainly on setting maximum amount limits on loans by borrower.

Interests are recognized as income as they accrue. However, the accumulation of interests is suspended when a loan is transferred to past due loan portfolio and are recorded in memorandum accounts. When such interests are collected, these are recognized as income. Reserves are created for the total balance of non-collected accrued ordinary interest, related to the loans transferred to past due loans, at the moment of transfer.

Past due loans are transferred to current loans when the outstanding balances of past-due loans (principal and interest, among others) are totally settled.

Commissions on late payment of loans are recognized in the income statement when the delay occurs.

As of December 31, 2013 and 2012, Gentera had mainly a short-term consumer loan portfolio (note 9).

(g) Allowance for loan losses-

An allowance for loan losses is maintained which, in management's opinion, is sufficient to cover for credit risks associated with the loan portfolio, as well as other credit risks.

Allowances for loan losses are based on analytical studies of the portfolio in accordance with the "General dispositions applicable to credit institutions" issued by the Commission.

For the commercial portfolio, the loan portfolio was evaluated in accordance with the incurred loss methodology set forth by the Commission until June 24, 2013, which consists in a methodology based on the debtor's rating process and the probability of default, according to which the commercial portfolio is grouped by degree of risk and in consequence the corresponding percentage ranges of allowance are applied as shown in the next page.

Degree of risk	Percentage ranges of allowance
A-1	0 TO 0.9
A-2	0.901 TO 1.5
B-1	1.501 TO 2.0
B-2	2.001 TO 2.5
B-3	2.501 TO 5.0
C-1	5.001 TO 10.0
C-2	10.001 TO 15.5
D	15.501 TO 45.0
E	GRATER THAN 45.0

The percentage ranges of allowance are established in accordance with the Article 129 of the applicable general dispositions.

Troubled loans – Commercial loans with a high probability of not being collected. As of December 31, 2013 and 2012, Gentera has troubled loans for $9 and $6, respectively, which come from Financiera Compartamos. These loans have been fully reserved.

The calculation of the allowance for loan losses for consumer loans is made in conformity with the current dispositions issued by the Commission. The model of expected loss establishes that the allowance for loan losses is based on the probability of default, severity of loss and exposure at default, considering for the calculation of the reserve the figures at the last day of each month. This methodology considers variables such as: i) the amount receivable, ii) payment made, iii) past-due days,
iv) total term, v) remaining term, vi) the original loan amount, vii) the original value of the property, viii) loan balance and ix) the type of loan.

Additionally, when non-revolving consumer loans have guarantees, the covered and exposed parts must be segregated, considering an assignment in the severity of the loss of 10% to the covered part if the guarantees are cash collateral and /or liquid collateral and in case of mortgage collaterals a severity of the loss of 60% to the covered part may be assigned.

As of December 31, 2013, the allowance for loans losses is determined by the degree of risk assigned to the loan, as shown below:

Degree of risk	Percentage ranges of allowance
A-1	0 TO 2.0
A-2	2.01 TO 3.0
B-1	3.01 TO 4.0
B-2	4.01 TO 5.0
B-3	5.01 TO 6.0
C-1	6.01 TO 8.0
C-2	8.01 TO 15.0
D	15.01 TO 35.0
E	35.01 TO 100.0

As of December 31, 2012, the allowance for loans losses is determined by the degree of risk assigned to the loan, as shown below

Degree of risk	*Percentage ranges of allowance*
A - MINIMUM	**0.50 – 0.99**
B - LOW	**1.00 – 19.99**
C - MEDIUM	**20.00 – 59.99**
D - HIGH	**60.00 – 89.99**
E - LOSS	**90.00 – 100.00**

Gentera periodically assesses if a past due loan should remain in the consolidated balance sheet, or be written-off once its collection is determined to be impractical. When applicable, write-offs are conducted by cancelling the unpaid balance of the loan against the allowance for loan losses. In the event the loan balance to be written-off exceeds that corresponding to the related reserve, prior to the write off, such reserve is increased up to the amount of the difference.

Recoveries related to written off loans or loans eliminated from the consolidated balance sheet are recognized in income of the year under the caption of "Other operating income (expenses)".

The last grading of the loan portfolio was conducted as of December 31, 2013 and management considers that the allowances resulting from such grading are sufficient to absorb the portfolio's loan loss risks.

(h) Other accounts receivable -

This caption represents, among others, loans to employees and items directly related to the loan portfolio, such as legal expenses and accounts receivable from correspondents.

For the loans to employees and other receivables, including accounts receivable from correspondents, related to identified debtors with maturity exceeding 90 calendar days, a reserve is created for the total unpaid balance (60 days if balances are unidentified), except for those related to recoverable tax balances and clearing accounts.

Management considers that the reserve for doubtful accounts is sufficient to absorb losses in accordance with Gentera's policies.

(i) Property, furniture and equipment-

Property, furniture and equipment, including acquisitions from financial leases, are stated as follows: i) acquisitions conducted from January 1, 2008 at their historical cost, and ii) domestic acquisitions made up to December 31, 2007 at their restated values, determined applying factors derived from the UDI, to their acquisition costs up to December 31, 2007.

Depreciation is calculated using the straight-line method, based on the estimated assets' useful life determined by Gentera management.

The leases are capitalized if the contract terms substantially transferred all inherent risks and benefits of ownership of the leased asset. The capitalized value is the value of the leased asset or the present value of minimum lease payments, whichever is less at lease inception. Beginning 2011, in the case of new capital lease agreements, the interest rate used for calculating the present value of minimum payments is implicit in the related agreement. If interest rate is not available, the incremental rate as established on Mexican FRS D-5 "Leases" is used.

The related liability with the lessor is included in the consolidated balance sheet as an obligation for capital lease.

The financial costs of the financing granted by the lessor to acquire the leased assets are recognized in the consolidated income statement as they accrue. Lease payments are allocated between finance charges and reduction of the lease obligation in order to achieve a constant interest rate on the remaining balance of the liability. Assets held under capitalized leases are included within furniture and equipment and computer equipment caption, and its depreciation is calculated according to the term of the lease.

(j) Income taxes (income tax (IT) and flat rate business tax (IETU)) and employee statutory profit sharing (ESPS)-

IT and IETU incurred during the year are determined according to current tax legislation.

Deferred income tax is recognized using the assets and liabilities method, which compares their accounting and tax values. Deferred income taxes (assets and liabilities) are recognized for future tax consequences attributable to temporary differences between the value reflected in the consolidated financial statements of existing assets and liabilities and their respective tax bases, as well as for operating losses and tax credit carryforwards.

Deferred income taxes (assets and liabilities) are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered. The effect of changes in tax rates on deferred income taxes are recognized in results of the period in which they were enacted.

Deferred asset for ESPS is not recognized, given that Gentera has the policy to reward its employees up to a month of salary, even when there is no resulting payment base for ESPS according to the current tax legislation.

(k) Other assets, deferred charges and intangibles-

This caption is mainly comprised of investment in the development of the electronic banking system, guarantee deposits, insurance and expenses paid in advance, as well as expenses for debt issuance. Amortization is made using the straight-line method during the life of each transaction. For the years ended December 31, 2013 and 2012, the charge to the consolidated income statement for amortization amounted to $20 and $7, respectively.

(l) Impairment of long-lived assets-

Gentera periodically assesses the net carrying amount of property, furniture and equipment and intangibles assets, to determine whether there is an indication that the carrying amount exceeds the recoverable amount. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net revenues reasonably expected to be generated by the asset. If the net carrying amount of the asset exceeds the recoverable amount, Gentera records the necessary provisions. When Gentera has the intention to sell such assets, these are reported in the consolidated balance sheet at the lower of net carrying amount or realizable value.

Long-lived assets, both tangible and intangible, are subject to impairment testing, in the case of assets with an indefinite life, impairment testing is performed annually and assets with a definite life are only subject to impairment testing when there are signs of impairment.

(m) Deposit funding-

Liabilities arising from deposit funding including demand deposits, Cetificates of Deposit (CEDES for its abbreviation in Spanish) and Cebures are recorded at placement cost, plus interest expense, determined by the straight-line method as they are accrued.

Those securities issued at a different price of the face value, shall recognize a deferred charge or credit for the difference between the face value of the security and the amount of cash received, which will be recognized in the consolidated income statement as an interest income or expense as accrued, taking into account the term of the security.

Issuance expenses are initially recognized as deferred charges and amortized against results for the period, according to the term of the debt issuance from which they derived.

(n) Bank and other loans-

Bank and other loans comprise loans from banks and financing provided by development banking institutions and development funds specialized in financing economic, productive or development activities. The bank and other loans are recorded at the value of the contractual obligation; interest is recognized on an accruals basis in the consolidated income statement for the year.

(o) Provisions-

Provisions for liabilities represent present obligations arising from past events, likely to require the use of economic resources to settle the obligation in the short term. These provisions have been recorded under Management's best estimate.

(p) Employee benefits-

The benefits granted by Gentera to its employees are described as follows:

Direct benefits (salaries, vacations, holidays and paid leave of absence, among others) are applied to the consolidated income statement as they arise and the related liabilities are stated at their face value, due to their short-term nature. Absences payable under legal or contractual provisions are non-cumulative.

Employee benefits upon termination of employment for reasons other than restructuring (severance), as well as retirement benefits (seniority premium) are recorded based on actuarial studies conducted by independent experts by the projected unit credit method, considering projected salaries.

The net cost for the period of each benefit plan is recognized as an operating expense in the year as accrued, which includes, among other items, amortization of the labor cost of past services, financial cost and prior years' actuarial gains or losses.

The actuarial gain or loss for termination benefits are recognized directly in the results for the year as they are accrued, while the retirement benefits are recognized in the results based on the average remaining labor life of employees.

(q) Stockholders' equity-

Capital stock, statutory reserves and prior years' results are stated as follows:
i) movements made beginning January 1, 2008 at their historical cost, and ii) movements made prior to January 1, 2008, at their restated values determined by applying factors derived from UDIS to their historical values through December 31, 2007.

(r) Repurchase of shares-

The own shares acquired are shown as a decrease in the fund for the repurchase of own shares, included in the consolidated financial statements under the statutory reserves. Dividends received are recognized by decreasing their cost.

With respect to the sale of repurchased shares, the amount obtained in excess or deficit of their restated cost is recognized as additional paid-in capital.

(s) Cumulative translation adjustment-

Represent the difference arising from translating foreign operations from its functional currency to the reporting currency.

(t) Comprehesive income-

Comprehensive income comprises the net income, cumulative translation adjustment of subsidiaries and the unrealized gain from valuation of available-for-sale securities, as well as items required by specific accounting standards to be included in the stockholders' equity, such items do not constitute capital contributions, reductions or distributions.

(u) Revenue recognition-

Interest gained from cash and cash equivalents, investments in trading securities and debtors on repurchase/resell agreements are recognized in income statement as they accrue, in the latter case, as per the straight-line method.

Loan portfolio interest is recognized as it accrues, except for those related to past-due portfolio, which are recognized in income when they are collected.

Amortization of premiums for the issuance of debt securities is also considered as income.

Income from sales of furniture and equipment is recognized in income when all of the following requirements are met:
a) the risks and benefits of the goods have been transferred to the buyer and no significant control thereon is retained; b) income, costs incurred or costs to be incurred are determined on a reliable basis, and c) Gentera is likely to receive economic benefits from the sale.

(v) Interest expense-

This caption comprises interest accrued on financing received to fund the operations of Gentera and the interest accrued from the time deposits received, Cebures issued and bank and other loans.

(w) Other operating income (expense)-

This caption includes income and expenses such as recoveries of loan portfolio, financing cost of capital lease, charges for doubtful accounts, write-offs, donations and result in the sale of furniture and equipment.

(x) Earning per share-

This caption represents the result of dividing the profit for the period by the weighted average of current shares during the period. For the years ended on December 31, 2013 and 2012, the earning per share is $1.38 pesos and $1.21 pesos, respectively.

(y) Contributions to the Banks Savings Protection Institute (IPAB)-

Contributions made by multiple banking institutions to the IPAB are made in order to establish a system to protect the banking savings of parties conducting guaranteed operations in the terms and with the restrictions stipulated in the Bank Savings Protection Law, as well as to regulate the financial support granted to multiple banking institutions for the protection of the interests of the savings of the public.

Contributions made for this concept for the years ended December 31, 2013 and 2012, amounted to $36 and $26, respectively, which were charged directly to results of the year.

(z) Foreing currency transactions-

The accounting records are maintained in both Mexican pesos and foreign currencies, which for financial statement presentation purposes, currencies other than dollars are translated to the dollar equivalent and subsequent to the national currency as established by the Commission. For the dollar translation into Mexican pesos, the exchange rate determined by the Central Bank for the settlement in Mexico of transactions denominated in foreign currencies is used. Exchange gains and losses are recognized on an accruals basis in the results of the year.

(aa) Contingencies-

Liabilities or important losses related to contingencies are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. When a reasonable estimation cannot be made, qualitative disclosure is provided in the notes to the consolidated financial statements. Contingent income, earnings or assets are not recognized until their realization is virtually certain.

(bb) Segment information-

The accounting criteria prescribed by the Commission establishes that multiple banking institutions must segregate their activities in order to identify the different operating segments, which as minimum includes: i) loan operations; ii) treasury and investment banking operations, and iii) operations conducted on behalf of third parties. In addition, due to materiality, additional operating segments and sub-segments can be identified (note 22).

(4) New accounting standards-

On June 24, 2013 the Commission published in the Official Gazette a Resolution which modified the methodology to constitute allowance for loan losses for commercial loans portfolio, changing from an incurred loss model to an expected loss model; the accompanying consolidated financial statements as of December 31, 2013, do not include the complement for $5 related to the allowance for loan losses for commercial loans portfolio, derived from the change in the methodology aforementioned.

During 2012 the Mexican Board of Financial Reporting Standards (CINIF – Spanish abbreviation), issued new FRS and the document called "FRS Improvements 2013", which contains specific modifications to current FRS. Such FRS and Improvements did not generate material effects in the consolidated financial statements of Gentera and its subsidiaries since these were not applicable or there is a specific accounting framework issued by the Commission.

(5) Foreign currency position-

Central Bank regulations establish the following standards and caps for operations in foreign currencies carried out by the credit institutions:

1. The (short or long) position in US dollars must not exceed a maximum of 15% of the Bank's basic capital.
2. The foreign currency position by currency must not exceed 2% of net capital, except for the dollar or currencies referred to the dollar, which can reach up to 15% of the basic capital of the Bank.
3. Liabilities in foreign currency must not exceed 1.83 times the Bank's basic capital.
4. The foreign currency operations investment regulations make it necessary to hold a minimum amount of liquid assets, in accordance with a calculation mechanism established by the Central Bank, based on the maturity of operations in foreign currency.

As of December 31, 2013 and 2012, the Bank had a long position of 1,398 dollars and 19,354 dollars, respectively. The net assets at December 31, 2013 of Compartamos Guatemala and Financiera Compartamos represent a long position of 19,287,478 dollars and 35,670,282 dollars, respectively (long position of 18,731,021 dollars and 93,032,769 dollars, respectively in 2012).

As of December 31, 2013 the exchange rate determined by the Central Bank and used by Gentera to value its assets in foreign currency was $13.0843 pesos per dollar ($12.9658 pesos per dollar in 2012). On February 20, 2014, issuance date of the consolidated financial statements, the exchange rate was $13.2913 pesos per dollar.

(6) Cash and cash equivalents-

At December 31, 2013 and 2012, cash and cash equivalents consist of the following:

	$	2013	2012
CASH ON HAND	$	$ 62	39
MEXICAN BANKS		530	706
FOREIGN BANKS		302	511
RESTRICTED FUNDS: MONETARY REGULATION DEPOSIT WITH THE CENTRAL BANK		204	204
BANK LOANS WHIT MATURITY UP TO THREE DAYS		849	822
OTHER FUNDS		222	144
	$	$ 2,169	2,426

At December 31, 2013 and 2012, the monetary regulatory deposit with Central Bank has no established term and bears interest at the rate of bank deposit funding. For the years ended December 31, 2013 and 2012, interest obtained from monetary regulatory deposits amount to $8 and $9, respectively.

At December 31, 2013 and 2012, other restricted funds correspond to guarantee deposits with financial institutions in Peru incurred by Financiera Compartamos for $216 and $139, respectively, and the saving fund of Gentera's employees for $6 and $5, respectively.

At December 31, 2013, the average rate of interbank loans maturing in 3 days was 3.78% (4.30% in 2012). For the years ended on December 31, 2013 and 2012, interest earned from call money transactions amounted to $49 and $59, respectively.

At December 31, 2013 and 2012, Gentera has no precious metals, coins or position in foreign bills and coins.

(7) Investment securities-

Cash surpluses resulting from Gentera operations are invested in debt instruments, searching for the best available rate with the authorized counterparties.

Investments in securities are subject to different types of risks directly related to the market in which they operate, such as interest rates and risks inherent to credit and market liquidity.

Risk management policies, as well as the analysis of the risks which Gentera is exposed to are described in note 23.

At December 31, 2013 and 2012, investments in securities at fair value are analyzed as follows:

		2013	2012
TRADING SECURITIES			
DEBT SECURITIES:	$	-	400
PROMISSORY NOTES TO BE SETTLED AT MATURITY			
GOVERNMENT SECURITIES:		-	100
CETES			
		-	$ 500
AVAILABLE-FOR-SALE SECURITIES			
GOVERNMENT SECURITIES:		22	-
DEPOSIT CERTIFICATES OF THE REPUBLIC OF PERU'S CENTRAL BANK			
	$	22	500

The average maturity terms of these securities are 20 days for 2013 and range between 8 and 167 days for 2012.

At December 31, 2013 and 2012, the average rates of investments were 4.10% and 4.47%, respectively. In addition, for the years ended on December 31, 2013 and 2012, interest income from investments of trading and available-for-sale securities amounted to $8 and $13, respectively.

At December 31, 2013 and 2012, Gentera had no investments in securities other than government securities comprised of debt securities pertaining to the same issuer, accounting greater than 5% of the Banks's net capital.

(8) Debtors on repurchase/resell agreements-

Gentera carries out transactions of repurchase/resell agreements with a 1 day term, acting as buyer. As of December 31, 2013 and 2012, the balance of $342 and $29, respectively, relates to development bonds in 2013 and IPAB bonds in 2012.

For the years ended on December 31, 2013 and 2012, the interest income arising from repurchase/resell agreements transactions in the consolidated income statement amounted to $2, in both years.

(9) Loan portfolio-

The loan portfolio is composed mainly of consumer loans in Mexican pesos with an average term of four months with a fixed rate and joint guarantee of the borrowers. Capital and interest are mainly paid on a weekly basis.

At December 31 2013 and 2012, total loan portfolio (current and past due loans) are composed as shown in the next page.

	2013		
Current loans:	Principal	Accured interest	Total portfolio
COMMERCIAL LOANS: BUSINESS AND COMMERCIAL	$ 347	6	353
CONSUMER LOANS	19,306	358	19,664
RESIDENTIAL MORTGAGES	43	1	44
	19,696	365	20,061
PAST DUE LOANS: COMMERCIAL LOANS:			
BUSINESS AND COMMERCIAL	12	1	13
CONSUMER LOANS	579	52	631
RESIDENTIAL MORTGAGES	1	-	1
	592	53	645
TOTAL LOAN PORTFOLIO	$ 20,288	418	20,706

	2012		
Current loans:	Principal	Accured interest	Total portfolio
COMMERCIAL LOANS: BUSINESS AND COMMERCIAL	$ 234	4	238
CONSUMER LOANS	17,054	316	17,370
RESIDENTIAL MORTGAGES	30	-	30
	17,318	320	17,638
PAST DUE LOANS: COMMERCIAL LOANS:			
BUSINESS AND COMMERCIAL	9	1	10
CONSUMER LOANS	476	36	512
RESIDENTIAL MORTGAGES	1	-	1
	486	37	523
TOTAL LOAN PORTFOLIO	$ 17,804	357	18,161

Income from interest and commissions for the years ended at December 31, 2013 and 2012, segmented by type of loan are described as follows:

Interest income (note 22)		2013	2012
COMMERCIAL LOANS:			
BUSINESS AND COMMERCIAL	$	79	59
CONSUMER LOANS		12,390	9,921
RESIDENTIAL MORTGAGES		6	6
	$	12,475	9,986

Commissions income (note 22)		2013	2012
CONSUMER LOANS	$	340	233

At December 31, 2013 and 2012, the loans (current and past due loans), are broken-down by economic sector, as follows:

		2013		2012	
Economic activity		Amount	%	Amount	%
COMMERCE	$	16,777	81	15,051	83
CONSTRUCTION		20	-	87	-
PROFESSIONAL SERVICES		1,950	9	668	4
AGRICULTURE		129	1	129	1
CATTLE RAISING		201	1	154	1
MANUFACTURING		532	3	354	2
OTHER		1,097	5	1,718	9
	$	20,706	100	18,161	100

The distribution of the loan portfolio at December 31, 2013 and 2012, by geographical region is shown as follows:

	2013			2012	
In Mexico:		Current	Past-due	Current	Past-due
AGUASCALIENTES	$	86	1	75	1
BAJA CALIFORNIA NORTE		321	6	253	7
BAJA CALIFORNIA SUR		173	3	142	3
CAMPECHE		207	3	177	5
CHIAPAS		942	30	821	28
CHIHUAHUA		184	9	144	9
COAHUILA		487	24	537	30
COLIMA		67	3	67	3
DISTRITO FEDERAL		500	16	361	9
DURANGO		280	16	298	14
ESTADO DE MÉXICO		1,812	57	1,552	28
GUANAJUATO		353	8	313	11
GUERRERO		539	17	562	14
HIDALGO		418	7	373	7
JALISCO		391	10	321	13
MICHOACÁN		454	9	391	10
MORELOS		292	11	330	12
NAYARIT		132	5	119	5
NUEVO LEÓN		562	18	477	20
OAXACA		688	14	622	10
PUEBLA		1,252	28	1,204	25
QUERÉTARO		133	3	130	2
QUINTANA ROO		297	11	280	8
SAN LUIS POTOSÍ		222	7	236	6
SINALOA		261	6	216	5
SONORA		389	11	343	11
TABASCO		765	21	732	22
TAMAULIPAS		639	15	548	9
TLAXCALA		429	8	396	4
VERACRUZ		2,133	52	1,905	47
YUCATÁN		211	6	208	5
ZACATECAS		92	1	86	2
TOTAL MEXICO CARRIED FORWARD	$	15,711	436	14,219	385

		2013		2012	
		Current	Past-due	Current	Past-due
TOTAL MEXICO BROUGHT FORWARD	$	15,711	436	14,219	385
ABROAD:					
GUATEMALA		178	7	109	2
PERU		3,807	149	2,989	100
TOTAL ABROAD		3,985	156	3,098	102
ACCRUED INTERESTS		365	53	321	36
TOTAL PORTFOLIO	$	20,061	645	17,638	523

At December 31, 2013 and 2012, aging of the past-due loan portfolio is as follows:

		Aging				
2013		1 to180 days	181 to 365 days	1 to 2 years	More than 2 years	Total
Commercial loans:						
Business and commercial	$	4	4	5	-	13
Consumer loans		469	117	45	-	631
Residential mortgages		-	-	-	1	1
	$	473	121	50	1	645
2012		1 to180 days	181 to 365 days	1 to 2 years	More than 2 years	Total
Commercial loans:						
Business and commercial	$	4	2	2	2	10
Consumer loans		280	205	15	12	512
Residential mortgages		-	-	-	1	1
	$	284	207	17	15	523

Following is an analysis of the movements of the past-due loans, for the years ended December 31, 2013 and 2012.

		2013	2012
PAST DUE LOANS AT THE BEGINNING OF THE YEAR	$	523	383
PLUS:			
TRANSFER FROM CURRENT LOANS		1,844	1,045
LESS:			
WRITE OFFS		1,359	632
COLLECTIONS		348	267
TRANSFER TO CURRENT LOANS		6	6
EXCHANGE RATE FLUCTUATION		9	-
PAST-DUE LOANS AT YEAR-END	$	645	523

Interest and commission income for the years ended December 31, 2013 and 2012, according to the type of loan is comprised as follows:

		2013		
		Interest	Commissions	Total
CURRENT LOANS:				
BUSINESS AND COMMERCIAL	$	79	-	79
CONSUMER LOANS		12,383	340	12,723
RESIDENTIAL MORTGAGES		6	-	6
		12,468	340	12,808
PAST DUE LOANS:				
CONSUMER LOANS		7	-	7
	$	12,475	340	12,815

		2012		
		Interest	Commissions	Total
CURRENT LOANS:				
BUSINESS AND COMMERCIAL	$	59	-	59
CONSUMER LOANS		9,916	233	10,149
RESIDENTIAL MORTGAGES		6	-	6
		9,981	233	10,214
PAST DUE LOANS:				
CONSUMER LOANS		5	-	5
	$	9,986	233	10,219

Interest on past due loans, which by accounting criteria is recorded in memorandum accounts and applied to income until collected, as of December 31, 2013 amounts to $72 ($49 in 2012).

For the years ended on December 31, 2013 and 2012, the amount recovered on the previously written-off loan portfolio amounted to $25 and $21, respectively.

Sale of loan portfolio-

During the second half of 2013, a licitation process was undertaken to sell Bank's loan portfolio previously written-off, during the years 2012, 2009 and 2008, whose amount of principal and not collected accrued interests at time of the write-off, are described as follows:

Year	Number of written-off loans		Princi-pal	Interest	Total
2012	211,321	$	497	30	527
2009	54,309		163	7	170
2008	25,879		64	2	66
TOTAL	291,509	$	724	39	763

On October 30, 2013, as a result of this licitation, an onerous contract of assignment of loans was signed and a payment of $2 was received, which is presented under the "Other operating income (expenses)" caption in the consolidated statements of income. Such onerous assignment of loans generated to the Bank a tax loss on sale of $761 and as consequently a deductible tax benefit of $228 (note 16).

The authorization of loans as responsibility of the Board of Directors is centralized in committees and empowered officers, who in turn can delegate this authorization to the services office personnel.

For credit management, the general process is defined from the promotion to the recovery of the loan, specifying from each business unit policies, procedures and responsibilities of the officers involved and the tools to be used in each stage of the process.

The loan process is based on an in-depth analysis of loan applications in order to determine the overall risk of the borrower.

During the years ended on December 31, 2013 and 2012, there were no loans restructures and therefore, no interest arising from capitalization from loan restructurings was recognized.

At December 31, 2013 and 2012, the Bank's loan portfolio is not pledged as collateral. However there is portfolio of Financiera Compartamos pledged as collateral for the funding received for its credit operation, for $875 and $410, respectively.

Allowance for loan losses

As of December 31, 2013 and 2012 the rating of the overall portfolio and the provisions created based on the actual risk tables for each year, are shown in the next page.

2013 Rated portfolio					
Risk		Commercial	Consumer	Residential	Total
A - 1	$	332	11,708	25	12,065
A – 2		5	666	3	674
B – 1		-	45	1	46
B – 2		11	79	1	91
B – 3		4	2,223	1	2,228
C – 1		-	3,747	3	3,750
C – 2		2	695	4	701
D		3	218	5	226
E		9	914	2	925
Total	$	366	20,295	45	20,706

2013 Required allowance				
Risk	Commercial	Consumer	Residential	Total
A - 1	$ 2	59	-	61
A – 2	-	15	-	15
B – 1	-	1	-	1
B – 2	1	4	-	5
B – 3	1	122	-	123
C – 1	-	249	-	249
C – 2	1	66	-	67
D	3	54	1	58
E	9	1	649	639
TOTAL	$ 17	1,209	2	1,228

2013 Riesgos						
Rated portfolio	A	B	C	D	E	Total
COMMERCIAL	$ 226	11	1	3	6	247
CONSUMER	9,066	7,945	257	526	88	17,882
RESIDENTIAL	17	9	5	1	-	32
	$ 9,309	7,965	263	530	94	18,161

2013 Riesgos						
Required allowance	A	B	C	D	E	Total
COMMERCIAL	$ 1	1	1	2	6	11
CONSUMER	26	415	100	381	88	1,010
RESIDENTIAL	-	1	2	-	-	3
	$ 27	417	103	383	94	1,024

The movements in the allowance for loan losses during the years ended December 31, 2013 and 2012, are shown in the next page.

	2013	2012
BALANCE AT THE BEGINNING OF THE YEAR	$ 1,024	687
PLUS:		
INCREASE IN THE PROVISION FOR LOAN LOSSES	1,608	991
LESS APPLICATION OF RESERVES BY WRITE OFFS:		
FROM CURRENT LOANS (BY DEATH)	23	22
FROM PAST DUE LOANS	1,359	632
EXCHANGE RATE FLUCTUATION	22	-
ALLOWANCE FOR LOAN LOSSES AT YEAR-END	$ 1,228	1,024

At December 31, 2013 the allowance for loan losses recorded by Gentera includes $16 ($10 in 2012), as a complement to reserve 100% of past-due interest at the end of these years.

Following is a breakdown of the general and specific allowance for loan losses at December 31, 2012.

Portfolio	General	Specific
COMMERCIAL	$ 1	10
CONSUMER	26	984
RESIDENTIAL	-	3
TOTAL	$ 27	997

(10) Other accounts receivable -

At December 31, 2013 and 2012, this caption is comprised as follows:

	2013	2012
LOAN PORTFOLIO ACCESSORIES	$ 60	42
OTHER RECEIVABLES:		
SUNDRY DEBTORS	162	112
DEBIT BY INTERMEDIATION	292	370
	514	524
LESS:		
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(46)	(31)
	$ 468	493

(11) Property, furniture and equipment -

At December 31, 2013 and 2012, this caption is comprised as follows:

	2013			
	Original Cost	Depreciation and amortization annual rate	Accumulated depreciation	Net value
LAND	$ 4	-	-	4
CONSTRUCTIONS	18	5	(6)	12
OFFICE FURNITURE AND EQUIPMENT	195	10	(55)	140
TRANSPORTATION EQUIPMENT	112	25 Y 20	(50)	62
COMPUTER EQUIPMENT	652	30, 25 Y 15	(367)	285
OTHERS:				
LEASEHOLD IMPROVEMENTS	464	*	(130)	334
TELECOMMUNICATIONS EQUIPMENT	180	10	(41)	139
	$ 1,625	-	(649)	976

* SEE COMMENT ON NEXT PAGE.

	2013			
	Original Cost	Depreciation and amortization annual rate	Accumulated depreciation	Net value
LAND	$ 4	-	-	4
CONSTRUCTIONS	19	5	(5)	14
OFFICE FURNITURE AND EQUIPMENT	185	10	(57)	128
TRANSPORTATION EQUIPMENT	98	25 Y 20	(39)	59
COMPUTER EQUIPMENT	533	30, 25 Y 15	(247)	286
OTHERS:				
LEASEHOLD IMPROVEMENTS	291	*	(166)	125
TELECOMMUNICATIONS EQUIPMENT	142	10	(25)	117
	$ 1,272		(539)	733

* THE AMORTIZATION RATE OF LEASEHOLD IMPROVEMENTS IS IN ACCORDANCE WITH THE TERM OF THE LEASE AGREEMENT FOR EACH PROPERTY.

For the year ended December 31, 2013, the charge to the consolidated income statement in the "Administrative and promotional expenses" caption related to depreciation and amortization amounted to $272 and $20, respectively ($211 and $7, respectively, in 2012).

Fully depreciated assets

	Original cost	
	2013	2012
OFFICE FURNITURE AND EQUIPMENT	$ 3	4
TRANSPORTATION EQUIPMENT	2	1
COMPUTER EQUIPMENT	141	94
LEASEHOLD IMPROVEMENTS	68	115
	$ 214	214

The property, furniture and equipment property of Gentera does not have any burden or restriction for its use or disposal.

Gentera as lessee has capitalized leases for mobile devices and automated teller machines with a term of 3 years and no option to purchase. The lease of furniture, computer and transportation equipment was recognized as capitalized because the present value of minimum lease payments exceeds 90% of fair market value of the asset at the beginning of the agreement.

At December 31, 2013 and 2012, assets leased through capitalized leases are comprised as follows:

		2013	2012
OFFICE FURNITURE AND EQUIPMENT	$	5	2
COMPUTER EQUIPMENT		199	175
TRANSPORTATION EQUIPMENT		10	5
	$	214	214
LESS ACCUMULATED DEPRECIATION		92	29
	$	122	153

The liability related to capitalized leases is payable as follows (see note 17):

		2013			2012		
		Future minimum payments	Discounted interest	Present value	Future minimum payments	Discounted interest	Present value
LESS THAN ONE YEAR	$	78	(6)	72	66	(9)	57
BETWEEN ONE AND FIVE YEARS		59	(2)	57	104	(5)	99
	$	137	(8)	129	170	(14)	156

Interest expense over capitalized leases during the years ended on December 31, 2013, and 2012, was of $10 and $5, respectively, which is recorded under the caption of “Other operating income (expenses)” in the consolidated statements of income.

(12) Other assets, deferred charges and intangibles-

At December 31, 2013 and 2012, this caption comprised as follows:

		2013	2012
GOODWILL (A)	$	718	776
BRAND (B)		1	6
GUARANTEE DEPOSITS (C)		50	61
INSURANCE (D)		33	8
DEVELOPMENT OF THE ELECTRONIC BANKING SYSTEM (E)		692	341
ADVANCE PAYMENTS		219	93
DEBT ISSUANCE COSTS		52	39
		1,765	1,324
LESS:			
ACCUMULATED AMORTIZATION		33	18
	$	1,732	1,306

(A) DERIVES FROM THE ACQUISITION OF FINANCIERA COMPARTAMOS WHICH IS SUBJECT TO IMPAIRMENT TESTING.
(B) DURING THE ACQUISITION OF FINANCIERA COMPARTAMOS THE BRAND WAS RECORDED AT FAIR VALUE IN CONFORMITY WITH MEXICAN FRS B-7 "BUSINESS ACQUISITIONS".
(C) NOT AMORTIZABLE, SUBJECT TO RECOVERY UPON EXPIRATION OF EACH LEASING AGREEMENT FOR THE RESPECTIVE SERVICE OFFICE.
(D) INSURANCE IS AMORTIZED ACCORDING TO THE DURATION OF EACH POLICY. THE AMOUNT CHARGED TO THE CONSOLIDATED INCOME STATEMENT IN THE YEARS ENDED ON DECEMBER 31, 2013 AND 2012, WAS $36 IN BOTH YEARS.
(E) INVESTMENT INTANGIBLES, INCLUDES THE RENT OF LICENSES AND ACQUISITION OF SOFTWARE OF THE BANK, FOR THE DEVELOPMENT OF THE NEW ELECTRONIC SYSTEM TO BOOK AND CONTROL THE BANKING OPERATION, WHICH IS IN TESTING STAGE IN ONE SERVICE OFFICE; ITS IMPLEMENTATION AND FULL UTILIZATION IS EXPECTED IN 2014.

(13) Deposit funding-

Deposit funding includes deposits on demand, time deposits and debt securities issued. As part of the deposit funding, 6 and 3 million of soles at December 31, 2013 and 2012, respectively, are kept as demand deposits (equivalent to $27 and $13 million of pesos at December 31, 2013 and 2012, respectively) and 136 and 120 million of soles in time deposits at December 31, 2013 and 2012, respectively, (equivalent to $638 and $611 million of pesos, respectively), from which 11 and 21 million of soles at December 31, 2013 and 2012, respectively (equivalent to $53 and $105 million of pesos, respectively), are managed by FIDUPERU in accordance with the purchase and sale agreement of Financiera Compartamos.

At December 31, 2013 and 2012, the average annual interest rate on deposits on demand was 2% for both years.

At December 31, 2013, Gentera does not have a liability for issuing certificates of deposit (Cedes-Spanish acronym). At December 31, 2012 the liability for issuing certificates of deposit amounted to $601; which accrued interest at the 28 days TIIE plus 0.30 bp with maturity on October 29, 2013.

At December 31, 2013 and 2012, long term debt securities (Cebures-Spanish acronym) were issued in Mexican pesos of un-secured nature covered by the increase in the program approved by the Commission in the amount of $12,000, as follows:

	2013					
Cebures	Amount of program	Date of issuance	Date of maturity	Interest rate	Balance	
COMPART 10	$	$1,000	OCTOBER 2010	OCTOBER 2015	TIIE 28 DAYS + 130 PB	$ 1,000
COMPART 10*		1,500	DECEMBER 2012	OCTOBER 2015	TIIE 28 DAYS + 130 PB	1,500
COMPART 11		2,000	SEPTEMBER 2011	SEPTEMBER 2016	TIIE 28 DAYS + 85 PB	2,000
COMPART 12		2,000	AUGUST 2012	AUGUST 2017	TIIE 28 DAYS + 70 PB	2,000
COMPART 13		2,000	SEPTEMBER 2013	AUGUST 2018	TIIE 28 DAYS + 60 PB	2,000
						8,500
INTEREST PAYABLE						20
						8,520
PREMIUM CARRY FORWARDS OF THE REOPENING OF COMPART 10						17
TOTAL DEBT ISSUANCE						$ 8,537
*REOPENING						

	2012					
Cebures	Amount of program	Date of issuance	Date of maturity	Interest rate	Balance	
COMPART 10	$	$1,000	OCTOBER 2010	OCTOBER 2015	TIIE 28 DAYS + 130 PB	$ 1,000
COMPART 10*		1,500	DECEMBER 2012	OCTOBER 2015	TIIE 28 DAYS + 130 PB	1,500
COMPART 11		1,500	SEPTEMBER 2011	SEPTEMBER 2016	TIIE 28 DAYS + 130 PB	1,500
COMPART 12		2,000	AUGUST 2012	SEPTIEMBRE 2016	TIIE 28 DAYS + 85 PB	2,000
COMPART 13		2,000	AUGUST 2012	AUGUST 2017	TIIE 28 DAYS + 70 PB	2,000
						6,500
INTEREST PAYABLE						21
						6,521
PREMIUM CARRY FORWARDS OF THE REOPENING OF COMPART 10						28
TOTAL DEBT ISSUANCE						$ 6,549
*REOPENING						

On December 21, 2012, the reopening of COMPART10 was made, generating a premium for the debt issuance amounting to $28, which will be unwound during the term of the issuance.

Interest accrued by Cebures for the year ended on December 31, 2013 amounted to $379 ($261 in 2012), see note 22.

At December 31, 2013 and 2012, Cebures had the following terms at maturity:

2013							
Concept		1 to 179 days	6 a 12 months	More than 1 year a 2 years	Over 2 years	Balance	Contractual value
CEBURES	$	20	1,250	1,250	6,000	8,520	8,500
2012							
Concept		1 to 179 days	6 a 12 months	More than 1 year a 2 years	Over 2 years	Balance	Contractual value
CEBURES	$	21	-	1,250	5,250	6,521	6,500

(14) Bank and other loans -

At December 31, 2013 and 2012, Gentera had contracted the following loans in Mexican and in soles translated to pesos, as follows:

		2013	2012
DEMAND AND SHORT-TERM:			
DEVELOPMENT BANKS LOANS	$	1,001	402
PUBLIC TRUSTS LOANS		1,100	-
OTHER INSTITUTIONS		1,539	798
TOTAL DEMAND AND SHORT-TERM		3,640	1,200
LONG-TERM:			
LOANS OF MULTIPLE BANKING INSTITUTIONS		-	522
LOANS OF DEVELOPMENT BANKS		300	1,400
OTHER INSTITUTIONS		2,041	2,215
TOTAL LONG-TERM		2,341	4,137
TOTAL BANK AND OTHER LOANS	$	5,981	5,337

As of December 31, 2013, the accrued interest of bank and other loans amounted to $359 ($391 in 2012), see note 22.

Lines of credit received by Gentera, at December 31, 2013 and 2012, as well as the unused portion are as shown below:

	2013		
Institution		Line of credit recived	Unused portion
FIDEICOMISOS INSTITUIDOS EN RELACIÓN CON LA AGRICULTURA (FIRA)	$	3,000	1,900
NACIONAL FINANCIERA, S. N. C. (NAFIN)		2,500	1,450
BBVA BANCOMER, S. A.		400	400
BANCO NACIONAL DE MÉXICO, S. A.		350	350
HSBC MÉXICO, S. A.		550	550
BANCO VE POR MÁS, S. A.		300	300
CORPORACIÓN INTERAMERICANA DE INVERSIONES		400	-
INTERNATIONAL FINANCE CORPORATION		200	117
BANCO MERCANTIL DEL NORTE, S. A. (BANORTE)		200	200
BANCO SANTANDER (MÉXICO), S. A.		250	250
SOCIEDAD HIPOTECARIA FEDERAL		500	250
BANCO AHORRO FAMSA, S. A.		300	300
CORPORACIÓN FINANCIERA DE DESARROLLO S.A. (COFIDE)		856	138
FONDEMI – COFIDE		47	-
BANCO DE LA NACIÓN		239	99
FIDEICOMISO MIMDES - FONCODES		28	-
SCOTIABANK PERÚ S. A.		52	-
BBVA BANCO CONTINENTAL		107	-
BANCO INTERBANK		211	75
CORPORACIÓN ANDINA DE FOMENTO – CAF		70	-
MICROFINANCE GROWTH FUND LLC		72	-
PETTELAAREFFECTENBEWAARBEDRIJF N. V.		79	-
TRIODOS FAIR SHARE FUND		39	-
TRIODOS SICAV II – TRIODOS MICROFINANCE FUND		125	-
RESPONSABILITY SICAV (LUX)		185	-
CREDIT SUISSE MICROFINANCE FUND MANAGEMENT		257	-
DUAL RETURN FUND SICAV		39	-

MICROFINANCE ENHANCEMENT FACILITY S. A., SICAV-SIF		107	-
DWM INCOME FUNDS S.C.A. - SICAV SIF		90	-
INSTITUTO DE CRÉDITO OFICIAL DEL REINO DE ESPAÑA – ICO		96	8
MICROFINANCE LOAN OBLIGATIONS S. A.		20	-
SYMBIOTICS SICAV (LUX)		117	-
INTERNATIONAL FINANCE CORPORATION – IFC		159	-
CITIBANK		121	-
NEDERLANDSE FINANCIERINGS-MAATSCHAPPIJ VOOR			
ONTWIKKELINGSLANDEN N.V.		189	38
MICRO- SMALL & MEDIUM ENTERPRISES BONDS SA		70	-
CORPORACIÓN INTERAMERICANA DE INVERSIONES – CII		26	-
FINETHIC MICROFINANCE, SOCIETÉ EN COMMANDITE			
PAR ACTIONS (S.C.A.)		24	-
	$	12,375	6,425

	2012	
Institution	*Line of credit recived*	*Unused portion*
FIDEICOMISO INSTITUIDO EN		
RELACIÓN CON LA AGRICULTURA (FIRA)	$2,000	2,000
NACIONAL FINANCIERA, S. N. C. (NAFIN)	2,000	200
BBVA BANCOMER, S. A.	250	250
BANCO NACIONAL DE MÉXICO, S. A.	350	350
HSBC MÉXICO, S. A.	400	400
BANCO VE POR MÁS, S. A.	300	99
CORPORACIÓN INTERAMERICANA DE INVERSIONES	400	-
INTERNATIONAL FINANCE CORPORATION	373	50
BANCO MERCANTIL DEL NORTE, S. A. (BANORTE)	900	579
BANCO SANTANDER (MÉXICO), S. A.	250	250
BANCO AHORRO FAMSA,S. A.	300	300
CORPORACIÓN FINANCIERA DE DESARROLLO S.A.(COFIDE)	481	166
FONDEMI – COFIDE	8	7
BANCO DE LA NACIÓN	154	24

FIDEICOMISO MIMDES - FONCODES			
BANCO DE LA NACIÓN		21	-
BBVA BANCO CONTINENTAL		66	-
BANCO INTERBANK		141	-
BANCO INTERAMERICANO DE FINANZAS		34	-
CORPORACIÓN ANDINA DE FOMENTO – CAF		25	12
MICROFINANCE GROWTH FUND LLC		43	22
DEXIA MICROCREDIT FUND			
(SUB-FUND BLUEORCHARD DEBT)		43	22
SELECTUM SICAV-SIF		29	-
PETTELAAR EFFECTENBEWAARBEDRIJF N.V.		102	-
TRIODOS FAIR SHARE FUND		61	-
TRIODOS SICAV II – TRIODOS MICROFINANCE FUND		155	-
RESPONSABILITY SICAV (LUX)		140	-
CREDIT SUISSE MICROFINANCE FUND MANAGEMENT		150	-
DUAL RETURN FUND SICAV		28	-
MICROFINANCE ENHANCEMENT FACILITY S.A., SICAV-SIF		116	-
OIKOCREDIT ECUMENICAL DEVELOPMENT COOPERATIVE SOCIETY UA		109	88
FMO		202	-
FINETHIC MICROFINANCE SOCIETE EN COMMANDITE – SYMBIOTICS		26	-
CITIBANK		131	-
DWM INCOME FUNDS S.C.A. - SICAV SIF		133	-
SNS INSTITUTIONAL MICROFINANCE FUND II		76	-
INSTITUTO DE CRÉDITO OFICIAL DEL REINO DE ESPAÑA – ICO		95	4
CORPORACIÓN INTERAMERICANA DE INVERSIONES – BID		26	-
MICROFINANCE LOAN OBLIGATIONS S.A.		20	-
	$	10,138	4,823

At December 31, 2013, Gentera had obtained resources from NAFIN and FIRA for $1,050 and $1,100, respectively ($1,800 of NAFIN in 2012). These resources were assigned to small entrepreneurs and the amount of accrued interest in the year ended on December 31, 2013, for the loans of NAFIN and FIRA were $81 and $10 respectively ($81 of NAFIN and $27 of FIRA, in 2012).

Loans at December 31, 2013 accrued interest at average annual interest rates in local currency of 4.69% (6.39% in 2012) and in soles of 8% (7.95% in 2012).

Under article 106, section III of the Law of Credit Institutions, the Bank may not pledge debt securities issued or accepted by them or kept in their treasury.

(15) Employees' benefits-

At December 31, 2013, Gentera has a mixed pension plan (defined benefit and defined contribution) that covers its employees. The benefits are based on years of service and the amount of employee's compensation. Gentera's policy to fund the defined benefit plan is to contribute according to the projected credit unit method, while funding the pension plan of defined contribution is according to seniority and age of the employees. The amount charge to results of the year for 2013 and 2012 for the defined contribution plan amounted to $11 and $9 respectively.

At December 31, 2013 and 2012, labor liability recognized is comprised as shown in the next page.

(a) Reconciliation between the initial and final balances of the defined benefit obligations (OBD-Spanish abbreviation) for the years ended at December 31, 2013 and 2012.

Financial position of assets and liabilities		*Pre-retirement severance payment*		*Pre-retirement seniority premium*		*Seniority premium at retirement*	
		2013	*2012*	*2013*	*2012*	*2013*	*2012*
OBD AT BEGINNING OF PERIOD	$	(34)	(21)	(7)	(5)	(6)	(2)
PLUS (LESS):							
LABOR COST OF CURRENT SERVICE		(5)	(8)	(3)	(3)	(3)	(1)
FINANCIAL COST		(2)	(1)	-	-	-	-
ACTUARIAL EARNINGS GENERATED IN THE PERIOD		(2)	(5)	-	-	-	(3)
PAID BENEFITS		10	1	1	1	-	-
OBD AT THE END OF THE PERIOD	$	(33)	(34)	(9)	(7)	(9)	(6)

(b) The value of the acquired benefits obligations as of December 31, 2013 and 2012 was $27,000 pesos and $8,000 pesos, respectively.

(c) Reconciliation of the OBD and the Net Projected Liability (PNP-Spanish abbreviation).

Following is the reconciliation between the OBD and the PNP recognized in the consolidated balance sheet.

Labor liabilities		Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement	
		2013	2012	2013	2012	2013	2012
OBD AT DECEMBER 31	$	(33)	(34)	(9)	(7)	(9)	(6)
PLAN ASSETS		-	-	-	-	-	-
FINANCIAL POSITION OF PLAN		(33)	(34)	(9)	(7)	(9)	(6)
ACTUARIAL GAINS		-	-	-	-	2	2
PNP	$	(33)	(34)	(9)	(7)	(7)	(4)

(d) Period net cost (CNP-Spanish abbreviation):

An analysis of the CNP by plan type is presented as follows:

CNP		Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement	
		2013	2012	2013	2012	2013	2012
LABOR COST OF THE CURRENT SERVICE	$	5	8	3	2	2	2
FINANCIAL COST		2	1	-	-	1	2
ACTUARIAL (EARNINGS) LOSS		2	3	-	-	-	-
AMORTIZATION OF THE TRANSITION LIABILITY		-	1	-	-	-	-
TOTAL	$	9	13	3	2	3	4

(e) Main actuarial assumptions:

The main actuarial assumptions used, expressed in absolute terms, as well as the discount rates, yield of the plan assets (AP-Spanish abbreviation), salary increases and changes in the indexes or other variables referred, at December 31, 2013 and 2012, are as follows:

2013				2012			
Age	Death (%)	Disability (%)	Rotation (%)	Age	Death (%)	Disability (%)	Rotation (%)
20	0.000453	0.000760	0.606061	20	0.000453	0.000760	0.606061
25	0.000719	0.001000	0.112179	25	0.000719	0.001000	0.112179
30	0.001085	0.001120	0.068027	30	0.001085	0.001120	0.068027
35	0.001509	0.001290	0.042735	35	0.001509	0.001290	0.042735
40	0.002093	0.001640	0.027349	40	0.002093	0.001640	0.027349
45	0.002969	0.002210	0.016340	45	0.002969	0.002210	0.016340
50	0.004337	0.003470	0.009033	50	0.004337	0.003470	0.009033
55	0.006493	0.007120	0.003814	55	0.006493	0.007120	0.003814
60	0.010062	0.000000	0.000000	60	0.010062	0.000000	0.000000
65	0.016000	0.000000	0.000000	65	0.016000	0.000000	0.000000

	2013	2012
DISCOUNT RATE	7.10%	7.00%
RATE OF SALARY INCREASES	5.57%	5.57%
RATE OF INCREASES TO THE MINIMUM SALARY	3.50%	3.50%

(f) OBD and plan situation at the end of the last four annual periods:

The OBD value, the plan situation, as well as the adjustments by experience of the last four years are shown as follows:

Seniority premium Historical values				
Year	OBD	AP	Plan situation	Adjustments from experience OBD (%)
2013	$ 18	-	18	-
2012	13	-	13	-
2011	7	-	7	2
2010	7	-	7	10
2009	5	-	5	6
2008	4	-	4	10
2007	3	-	3	11
2006	2	-	2	1
2005	1	-	1	5

Plan de beneficios al término de la relación laboral Valores históricos					
Year		OBD	AP	Plan situation	Adjustments from experience OBD (%)
2013	$	33	-	33	-
2012		34	-	34	-
2011		21	-	21	-
2010		19	-	19	-
2009		14	-	14	-
2008		11	-	11	-
2007		8	-	8	10
2006		5	-	5	21
2005		3	-	3	11

(16) Tax on earnings (Income Tax (IT) and Flat Rate Business Tax (IETU)) and employee statutory profit sharing (ESPS) -

(a) IT

For the years ended December 31, 2013 and 2012, Gentera determined tax earnings of $4,023 and $3,863, respectively, that represent a current IT of $1,207 and $1,159, respectively, which are higher compared to the determined taxes for IETU purposes in both years.

The tax results differ from the accounting result, mainly in such items cumulative by the time and deducted differently for accounting and tax purposes, by the recognition of the inflation effects for tax purposes, as well as such items only affecting either the accounting or tax results.

On December 11, 2013, a decree was published in the Official Gazette whereby several tax provisions were amended, supplemented and repealed. This decree became effective as of January 1, 2014. Upon enactment of a new IT Law, the IETU Law and the IT Law in effect as of December 31, 2013 were repealed.

In accordance with the current tax legislation until December 31, 2013, companies must pay the tax greater between IT and IETU. If it pays IETU, the payment is considered final and not subject to recovery in subsequent years. According to the current IT Law as of December 31, 2013, the IT rate for the fiscal years of 2013 and 2012 was 30%. The IETU rate for the fiscal years of 2013 and 2012 was 17.5%.

The most important aspects of the aforementioned tax reform, which is applicable from the fiscal period of 2014, are as follows:

- The dividends paid to individuals and corporations resident abroad, shall be subject to an additional tax of 10%, which is considered final and must be retained by the entities that distribute such dividends. The new rule solely applies to dividend payments from earnings generated from January 1, 2014.
- The deductible amount of some employees' benefits expenses is limited for corporations, for example, the wage expenses which is exempted income for the worker, will be deductible for only 47% and in some cases until 53%.
- The IT law applicable in 2013 establishes in its transitory sections that the current IT rate would be 28% beginning in 2014. The deferred taxes that were calculated using a rate of 28% until December 31, 2012, were modified using a rate of 30% at the end of year 2013, derived from the change in the IT rate according with the tax reform. The item that was calculated using a rate of 28% was related to the surplus of the provision for the global loss reserve to be applied, which is totally reserved in the Bank in both years.

Based on its financial and tax projections and due to the repeal of IETU law in 2014, Gentera determined that the tax to be paid in the future will be IT, therefore deferred income tax has been recognized on that basis.

The expense (income) in the consolidated statement of income for current and deferred income taxes for the years ended December 31, 2013 and 2012, is comprised as follows:

		2013		2012	
		Current IT or IETU	Deferred IT	Current IT or IETU	Deferred IT
BANK (IT)	$	1,093	5	979	16
FINANCIERA COMPARTAMOS		50	(6)	49	(2)
RED YASTÁS		-	33	-	(31)
COMPARTAMOS SERVICIOS (IETU AND IT, IN 2013 AND 2012, RESPECTIVELY)		55	3	131	(89)
CONTROLADORA AT, S.A.P.I.		9	(1)	-	-
	$	1,207	34	1,159	(106)

The reconciliation between the current and effective IT tax rates of the Bank for the years ended on December 31, 2013 and 2012, which provision is the main consolidated IT expense, is shown as follows:

		2013	2012
INCOME BEFORE IT	$	3,594	3,046
IT AT 30% RATE ON INCOME BEFORE IT	$	(1,078)	(914)
PLUS (LESS) THE EFFECT OF IT ON:			
DEDUCTIBLE ANNUAL INFLATION ADJUSTMENT		71	59
ALLOWANCE FOR LOAN LOSSES		(411)	(246)
DEDUCTION OF 2.5% OF THE GLOBAL LOSS RESERVE		122	105
DEDUCTION FROM THE LOAN PORTFOLIO SALE		228	-
OTHER NON-DEDUCTIBLE OR TAXABLE ITEMS, NET		(15)	17
CURRENT IT		(1,083)	(979)
IT PAID IN 2013 CORRESPONDING TO PRIOR YEAR		(10)	-
DEFERRED IT		(5)	(16)
IT EXPENSE	$	(1,098)	(995)
EFFECTIVE IT RATE		30%	33%

At December 31, 2013 and 2012, the main temporary differences of Gentera on which deferred IT was recognized are as follows:

		2013	2012
ALLOWANCE FOR LOAN LOSS RESERVES	$	1,178	948
FURNITURE AND EQUIPMENT		9	(1)
INSTALLATION EXPENSES		102	135
VALUATION OF FINANCIAL INSTRUMENTS		-	5
CURRENT ESPS PAYABLE		-	44
SUBTOTAL, CARRIED FORWARD	$	1,289	1,131

		2013	2012
SUBTOTAL, BROUGHT FORWARD	$	1,289	1,131
EMPLOYEES' BENEFITS		311	253
PROVISIONS		65	38
TAX LOSS		239	107
OTHER		90	105
		1,994	1,634
IT RATE		30%	29 Y 30%
DEFERRED IT		598	488
LESS:			
VALUATION ALLOWANCE*		423	279
DEFERRED IT ASSET	$	175	209

*THE VALUATION ALLOWANCE CORRESPONDS TO THE DEFERRED TAX ASSET OF THE BANK, PROVIDED BY THE SURPLUS OF THE PROVISION FOR LOAN LOSSES RESERVES OVER THE LOAN PORTFOLIO ANNUAL AVERAGE OF 2.5% THAT IS DEDUCTED IN EACH FISCAL YEAR. THE NEW IT LAW INCLUDES SOME PRECEPTS THAT GENERATE UNCERTAINTY ABOUT THE FUTURE DEDUCTION OF THE SURPLUS GENERATED UNTIL 2013, AND FOR THE UNAMORTIZED TAX LOSSES OF RED YASTÁS.

As of December 31, 2013 and 2012, Compartamos Servicios recognized a deferred tax asset derived from ESPS, which amounted to $16 and $26, respectively, which is fully reserved.

(b) IETU-

Current IETU for the years ended December 31, 2013 and 2012, is calculated at the 17.5% rate on the profit determined based on cash flows, such net income represents the difference between the total income collected from taxable activities, less authorized tax deductions paid. IETU credits are deducted from the aforementioned result, in accordance with current legislation. In the case of Gentera and subsidiaries (except for Compartamos Servicios), IT was greater than IETU.

(c) ESPS-

For the year ended December 31, 2013 and 2012, Compartamos Servicios calculated ESPS base on article 16 of the IT Law. The amount of ESPS determined for the years ended December 31, 2013 and 2012 is $22 and $43, respectively, which were recognized under the "Administrative and promotion expenses" caption in the consolidated statement of income. At December 31, 2013 and 2012, Financiera Compartamos recorded a provision of $9 for ESPS, in both years, such liability was recognized in the account "Sundry provisions" within the "Sundry creditors and other accounts payable" caption.

(17) Sundry creditors and other accounts payable -

At December 31, 2013 and 2012, the balance of this caption is comprised as follows:

		2013	2012
TAXES PAYABLE	$	54	21
ESPS (NOTE 16)		22	44
CAPITALIZED LEASE LIABILITIES (NOTE 11)		129	156
SOCIAL SECURITY CONTRIBUTIONS		27	68
OTHER TAXES		254	87
LABOR LIABILITIES (NOTE 15) (*)		47	57
SUNDRY PROVISIONS		332	272
SUNDRY CREDITORS		274	294
		1,063	934
	$	1,139	999

(*) INCLUDES $3 AND $12, AT DECEMBER 31, 2013 AND 2012, RESPECTIVELY, OF LABOR LIABILITY OF FINANCIERA COMPARTAMOS. DURING DECEMBER 2013, GENTERA MADE SEVERANCE PAYMENTS FOR A TOTAL AMOUNT OF $5, WHICH DECREASED THE LABOR LIABILITY THAT WAS DETERMINED BY ACTUARIES USING FIGURES AS OF NOVEMBER 2013.

FOLLOWING IS THE ANALYSIS OF THE ACTIVITY OF THE MOST SIGNIFICANT PROVISIONS FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012.

Type of Provision		Balance at January 1, 2013	Plus increases	Less applications	Less cancellations	Balance at December 31, 2013
SHORT TERM: ESPS	$	44	22	44	-	22
SUNDRY PROVISIONS	$	272	1,745	1,653	32	332

Type of Provision		Balance at January 1, 2012	Plus increases	Less applications	Less cancellations	Balance at December 31, 2012
A CORTO PLAZO: PTU	$	106	43	105	-	44
PROVISIONES DIVERSAS	$	146	680	549	5	272

Provisions represent present obligations for past events where it is more likely than not, there will be outflow of economic resources in the short-term.

Following are presented the main provision concepts at December 31 2013 and 2012.

		2013	2012
PERFORMANCE BONUS	$	259	221
COMMISSIONS		29	22
OTHER		44	29
TOTAL PROVISIONS	$	332	272

(18) Institute for the protection of bank saving (IPAB-Spanish abbreviation)-

The Bank Savings Protection Law went into effect on January 20, 1999 as part of the measures adopted by the federal government to deal with the economic crisis arising in late 1994. The law provides for the creation of the IPAB to replace the Bank Savings Protection Fund.

The purpose of the IPAB is to apply a series of preventive measures designed to avoid financial problems, which can affect banks and ensure compliance with bank obligations towards their depositors.

The IPAB manages the Bank Savings Protection System, which was gradually restructured as per the established transition guidelines. The new System for the Protection of Bank Savings, in effect since 2005, comprises, among other changes, the protection of deposits from the general public amounting to the equivalent of 400,000 UDI (approximately $2.02 and $1.95 at December 31, 2013 and 2012, respectively), excluding interbank deposits and those payable to its stockholders and upper bank management, among others.

Fees paid to the IPAB during the years ended December 31, 2013 and 2012, amounted to $36 and $26, respectively, which were charged directly to the results of the year.

(19) Stockholders' equity-

The company was incorporated with a minimum fixed capital of fifty thousand pesos and an unlimited variable capital.

Movements 2013-

At the December 16, 2013 Ordinary General Stockholders' Meeting, it was resolved to declare and pay dividends for $919 equivalent to $0.56 pesos per share, which were paid on December 26, 2013 through S. D. Indeval, S. A. de C. V. (Institution for the Deposit of Securities). As a result of this dividend payment the Indeval returned to Gentera $1, derived from the corresponding dividend from own shares repurchased.

At the April 25, 2013 Ordinary General Stockholders' Meeting, it was resolved to declare and pay dividends for $791 equivalent to $0.48 pesos per share, which was paid on May 23, 2013 through S. D. Indeval, S. A. de C. V. (Institution for the Deposit of Securities). In the same meeting, it was resolved to restitute the fund for the acquisition of own shares for $199. During 2013, some shares were repurchased for an amount of $172. It was authorized the cancellation of 14,171,168 common shares of the unique series that the entity holds in own possession. Furthermore, an increase of the statutory reserve for $101 was approved.

Movements 2012-

In 2011, Gentera undertook a public offering for the acquisition and reciprocal subscription of shares to acquire up to 2.84% of the Bank's shares, which were owned by public investors and were different from those owned by Gentera. As a result of the Exchange Offering, Gentera owns 99.98% of the Bank's capital stock.

Gentera decided to cancel the registration of the Bank's shares in the National Securities Registry, as well as unlisting the shares from the Mexican Stock Exchange. Based on the aforementioned, and in terms of Article 108 of the Securities Exchange Act, from the date of the cancellation of the registration of the shares, 314,092 shares of Gentera, equivalent to 78,523 shares of the Bank that were not acquired in connection with the Exchange Offering, will be affected in a trust, for a minimum period of six months.

During the term of the aforementioned trust, 268,084 shares of Gentera, equivalent to 67,021 shares of the Bank were sold. On August 31, 2012, the Technical Committee of the trust instructed its cancellation, in which 46,008 remaining shares of Gentera were transferred to Shares in Treasury recognizing an effect of $1 in additional paid-in capital.

As a consequence of this exchange, the amount of $135 was reclassified from additional paid-in capital to capital stock in 2013.

At the April 23, 2012 Ordinary General Stockholders' Meeting, it was resolved to declare and pay dividends for $499 equivalent to $0.30 pesos per share, which were paid on May 23, 2012 through S. D. Indeval, S. A. de C. V., (Institution for the Deposit of Securities). In the same meeting it was resolved to establish a fund for the acquisition of own shares for $700. At December 31, 2012, 14,066,994 shares have been repurchased amounting to $198. In addition it was approved the increase of statutory reserve for $97.

Gentera's subscribed and paid capital at December 31, 2013 and 2012 is comprised as follows:

2013				
Series	Shares	Descriptions		Amount
"UNIQUE"	415,595,676	MINIMUM FIXED CAPITAL WITH NO WITH DRAWAL RIGHTS	$	1,201
	1,232,569,852	VARIABLE CAPITAL		3,563
	1,648,165,528	CAPITAL STOCK AS OF DECEMBER 31, 2013	$	4,764
2012				
Series	Shares	Descriptions		Amount
"ÚNIQUE"	415,595,676	MINIMUM FIXED CAPITAL WITH NO WITH DRAWAL RIGHTS	$	1,157
	1,246,741,020	VARIABLE CAPITAL		3,472
	1,662,336,696	CAPITAL STOCK AS OF DECEMBER 31, 2012	$	4,629

The General Corporations Law requires the Company to separate annually 5% of their profits to constitute the statutory reserve until it reaches 20% of the capital stock.

Dividends paid are not subject to IT if they are paid from the net tax profit account (CUFIN -Spanish abbreviation). Any dividends paid in excess of this account will cause IT. The current tax will be payable by Gentera and may be credited against its IT in the same year or the following two years or if relevant against the IETU of the period.

In the event of a capital reduction, the provisions of the IT Law state any excess of stockholders' equity over capital contributions, to be accounted with the same tax treatment as dividends.

The Ministry of Finance and Public Credit (SHCP-Spanish acronym) requires banks to have a percentage of capitalization on assets at risk, which are calculated by applying certain percentages depending on assigned risk. As of December 31, 2013 and 2012, the Bank had complied with the percentage.

Minimum capital stock-

The Bank's subscribed and paid-in minimum capital is equivalent, in Mexican pesos, to the value of ninety million UDIs. The minimum capital stock required for the Bank to operate must be subscribed and paid-in. When the capital stock exceeds the minimum, at least 50% must be paid-in, provided this percentage is not below the established minimum.

In order to comply with minimum capital requirements, the Bank can consider the net capital held, as per the provisions of article 50 of the Law of Credit Institutions. At no time net capital can be less than minimum capital.

Capitalization -

Net capital-

The Bank maintains net capital related to the market, credit and operating risk to which it is exposed, and which is not lower than the sum of the capital requirements for the aforementioned risks, in terms of the Capitalization Requirement Rules for Multiple Banking Institutions issued by the SHCP.

At December 31, 2013 and 2012, the Bank is in compliance with the capitalization rules, which require the Bank to maintain a certain net capital in relation to market and credit risks incurred in its operations, which may not be lower than the total amount from adding up capital requirements for both types of risk.

Capitalization index of the Bank-

Capitalization rules for financial institutions establish requirements for specific levels of net capital, such as a percentage of assets subject to market, credit or operational risk. The Bank's capitalization Index (ICAP by its acronym in Spanish) as of December 31, 2013 is 27.77% according to the current rules [1] . As of December 31, 2012 is 33.4%.

The ICAP on assets subject to credit risk ("ASRC" by its acronym in Spanish) as of December 31, 2013 and 2012 is 34.77% and 40.5%, respectively.

Following are the most relevant items of the ICAP at December 31, 2013 and 2012:

		2013	2012
ASSETS IN MARKET RISK	$	1,954	1,515
ASSETS IN CREDIT RISK		16,988	15,971
ASSETS IN OPERATIONAL RISK		2,330	1,879
TOTAL RISK ASSETS	$	21,272	19,365
NET CAPITAL	$	5,906	6,475
RATIO ON ASSETS SUBJECT TO CREDIT RISK		34.77%	40.5%
RATIO ON ASSETS SUBJECT TO TOTAL RISK		27.77%	33.4%

1 The current computation was calculated according to the General Provisions applicable to Credit Institutions set forth by the Commission and issued on June 24, 2013, according with the modification of the Article 2 Bis 7, providing the no recognition of general reserves to be incorporated in the Complementary Capital.

The Bank's net capital requirement derived from its exposure to credit risk must be at a minimum ICAP of 10.5%, which is the result of multiplying the weighted assets for which the standard method was used.

The net capital is determined as follows:

December 31		2013	2012
STOCKHOLDERS´ EQUITY[2]	$	6,637.7	6,764.4
DEDUCTION OF INVESTMENTS IN SHARES OF NON - FINANCIAL ENTITIES		-	(0.2)
DEDUCTION OF INTANGIBLES AND DEFERRED EXPENSES OR COSTS		(731.4)	(313.6)
BASIC CAPITAL		5,906.3	6,450.6
GENERAL PREVENTIVE LOAN LOSS RESERVES		-	24.6
COMPLEMENTARY CAPITAL		-	24.6
NET CAPITAL	$	5,906.3	6,475.2

[2]AL 31 DE DICIEMBRE DE 2013, SÓLO SE CONSIDERAN LAS CUENTAS DE CAPITAL CORRESPONDIENTES A: I) CAPITAL SOCIAL, II) RESERVAS DE CAPITAL, III) RESULTADO DE EJERCICIOS ANTERIORES, Y IV) RESULTADO NETO. LO ANTERIOR POR LA MODIFICACIÓN DEL ARTÍCULO 2 BIS, FRACCIÓN I, INCISO A) DE LA CIRCULAR ÚNICA DE BANCOS, PUBLICADA EN EL DIARIO OFICIAL DE LA FEDERACIÓN EL 28 DE NOVIEMBRE DE 2012.

According to Article 220 of the General Provisions applicable to Credit Institutions, issued in the Official Gazette on December 2, 2005 and subsequent amendments, the Bank has as of December 31, 2013 a Ratio of Basic Capital 1(RBC1) higher than 0.875, and a Ratio of Basic Capital higher than 1.0625 and an ICAP higher than 10%, therefore it is classified in the "I" category in accordance with the aforementioned provisions.

The Ratio of Basic Capital 1 (RBC1) and the Ratio of Basic Capital (RBC), is determined as follows:

RBC1 = (Basic Capital 1 / Weighted Assets subject to Total Risks) / ICAPM
RBC = [(Basic Capital 1 + Basic Capital 2) / Weighted Assets subject to Total Risks] - / ICAPM

ICAPM = Ratio of minimum capitalization.

Multiple banking institutions will be notified by the Commission of their rating with respect to their categories, as well as the applicable minimum corrective measures and/or special additional measures.

2 As of December 31, 2013, the computation only considers the following capital accounts: i) capital stock, ii) statutory reserves, iii) prior years' results, and iv) net income. All this in accordance with the modification of the Article 2 Bis, Section I, subsection a) of the General Provisions applicable to Credit Institutions, issued in the Official Gazette on November 28, 2012.

Special additional corrective measures could be applied by the Commission in addition to minimum corrective measures, which, depending on the category, could include the requirement to issue more detailed reports to the Board of Directors of those institutions and the Commission, and contracting special auditors to deal with specific questions with external auditors authorized by the Commission, to the replacement of officers, directors, statutory auditors and auditors, the modification of interest rate policies and the withdrawal of the multiple banking institution's operating permit.

(a) *Market risk-*

The capital required for the position of assets at market risk of the Bank as of December 31, 2013 and 2012 is as follows:

Item		Amount of the equivalent positions 2013	Amount of the equivalent positions 2012	Capital requeriment 2013	Capital requeriment 2012
OPERATIONS AT NOMINAL RATE IN LOCAL CURRENCY	$	1,954.5	1,514.4	156.4	121.2
POSITIONS IN FOREIGN CURRENCY OR WITH RETURN INDEXED TO EXCHANGE RATES		0.0	0.4	0.0	0.0
	$	1,954.5	1,514.8	156.4	121.2

(b) *Credit risk -*

The amount corresponding to weighted assets subject to credit risk and their respective capital requirements of the Bank as of December 31, 2013 and 2012 is described below per risk group and item:

		Risk-weighted assets 2013	Risk-weighted assets 2012	Capital requeriment 2013	Capital requeriment 2012
RISK GROUP:					
GROUP III (WEIGHTED AT 20%)	$	179.6	69.9	14.4	5.6
GROUP III (WEIGHTED AT 50%)		-	287.5	-	23.0
GROUP VI (WEIGHTED AT 100%)		15,411.4	14,056.5	1,232.9	1,124.5
GROUP VIII (WEIGHTED AT 125%)		197.5	116.8	15.8	9.3
ISSUERS OF DEBT SECURITIES IN POSITION		-	300.3	-	24.0
PERMANENT INVESTMENTS AND OTHER ASSETS		1,199.0	1,140.1	95.9	91.2
TOTAL CREDIT RISK	$	16,987.5	15,971.1	1,359.0	1,277.6

(c) Operational risk-

The capital requirement from its exposure to operational risk for December 2013 is $186.4, while in 2012 was $159.3, both equivalent to the corresponding percentage, as established in the Article 2 Bis 112 of the capitalization requirements for multiple banking institutions, of the average of 15% of the requirement for market and credit risks.

Capital requirements are calculated periodically and the sufficiency of the Bank's capital is evaluated. Over the past two years, the Bank has maintained 20 basis points in average, higher than the current regulatory limit (10.5%) of ICAP.

(20) Commitments and contingent liabilities–

Gentera has entered into a number of lease agreements for its head office and service offices from which it performs its transactions as of December 31, 2013. The average terms of these agreements range from two to five years. Rent payments to be made over the next five years amount to $1,262 ($267 in 2014, $249 in 2015 $241 in 2016, $216 in 2017, $157 in 2018 and $132 in 2019).

Compartamos Servicios entered into a lease agreement of a building for the exclusive use of corporate offices, the amount of the rent is in dollars and will be translated into Mexican pesos as of April 1, 2013, date when conditions are met to occupy the building. The term of the agreement is for a period of 126 months, starting on October 1, 2012, and ending on March 31, 2023, paying a total of 44,889,935 dollars to an exchange rate of $12.62 pesos per dollar, during the aforementioned period. For the payment of the rent Gentera has a grace period of six months to condition the property for its use beginning on October 1, 2012. To date Gentera has not hedged its payments of its commitments of the rent in dollars.

The majority of the lease agreements for the service offices are based on Gentera's templates, containing the following clauses: purpose, intent, duration, rent, guarantee deposit, form of payment, expense, additional obligations, rescission, returning of the building, maintenance and leasehold improvements, privation, non-compliance, contractual penalty, modifications, notices and notifications, assignment, absence of flaws and jurisdiction.

Most of the agreements establish the option of early termination for Gentera, prior notification to the lesser in writing.

For the most part, contract renewals require that the lesser respect the preemptive right established in the legislation, as well as signature of a new lease agreement in the same terms and conditions set forth in the expiring agreement. The lesser is to grant Gentera 60 days prior to expiration of the agreement to conduct the renewal.

Gentera will enjoy a term of 10 business days as from the first working date after the lesser delivers the agreement, in order for the former to decide whether or not to sign the agreement.

Gentera does not sign lease agreements with an option to buy.

All of the lease agreements are guaranteed with cash deposits, which are the equivalent to 1 or 2 months' rent, as the case may be. Under no circumstances does Gentera offer additional guarantees.

Rent agreements are paid on a monthly basis and are updated annually and increases are determined based on the National Consumer Price Index published by Central Bank the previous month prior to signing the agreement supporting said increase.

In most cases, the annual increase is capped to 10% of the rent price paid the prior year, in the event of macroeconomic contingencies, this percentage will be applied.

Rent increases must be supported through an amending agreement, to be signed 30 days prior to the date on which the rent is to be increased.

Gentera's lease agreements do not consider caps on dividend payments and debt contracting.

For the years ended on December 31, 2013 and 2012, lease payments were recorded in the consolidated income statement for $238 and $189, respectively.

The Bank is involved in several claims and trials, derived from the normal course of its operations, according to the opinion of its legal counsels and the assessment made by management, there are elements of defense in which exists a probability to obtain a favorable outcome. As part of those claims, up to date stands out the nullity trials and claims brought by the Mexican Internal Revenue Service (SAT-Spanish acronym) for fiscal years 2006, 2007, 2008 and 2009 whose claim comes mainly from the difference in the criteria applied up to 2011 for determining the ESPS; the amounts observed by the SAT, regarding to ESPS are $74, $96, $101 and $164 for the years 2006, 2007, 2008 and 2009, respectively.

Regarding to 2009, the trial of nullity is pending of submission by running the 45 days term for filing, nevertheless exist a high probability that this trial begins in the short term.

Commitment from the option to purchase shares

Per the agreement entered into on March 28, 2011 by Gentera related to the acquisition of 82.70% of the stockholders' equity of Financiera Compartamos, the minority shareholders, whose equity represents 17.3% of Financiera Compartamos' paid-in capital, and Gentera agreed an option to purchase/sale shares as follows: (i) Gentera may exercise the purchase over all the shares owned by minority shareholders and (ii) minority shareholders may exercise the sale over all the shares owned by them.

Such options may be exercised by any of the parties considering the following: (i) 15% of the minority interest (represented by 552,174 shares) exercisable at either 18, 24, 36 and 48 months following the day after the agreement is closed, considering the highest price per share between 57.05 soles ($267.07 pesos at December 31, 2013) or 3.5 times the net stockholders' equity per share, to the extent that such value is not greater than 114.09 soles ($534.09 pesos at December 31, 2013) (ii) 2.3% of the minority interest (represented by 84,666 shares) will be exercisable beginning 18 months and up to 5 years after the agreement is closed, considering the highest price per share between 57.05 soles ($267.07 pesos at December 31, 2013) or 3.5 times the net stockholders' equity per share, among other considerations. At December 31, 2012, an option of purchase was exercised acquiring 97,793 shares of Financiera Compartamos at a price of 57.05 soles per share, increasing Gentera participation in 84.20% leaving the minority stockholders with 15.80%.

(21) Balances and operations with related parties-

During the normal course of operations, Gentera conducted transactions with related parties.

Related parties are defined as either individuals or entities holding direct or indirect control of 2% or more of the shares representing Gentera's capital and the members of the Board of Directors.

Also considered as related parties are entities, as well as the advisors and officers thereof, in which Gentera has direct or indirect control over 10% or more of their shares.

The total sum of operations with related parties did not exceed 50% of the basic portion of the Bank's net capital, as set out in article 50 of the Law of Credit Institutions.

For the years ended on December 31, 2013 and 2012, Gentera granted to key management personnel, short term direct benefits for $202 and $127, respectively.

The main transactions celebrated with related parties for the years ended on December 31, 2013 and 2012, are as follows:

Expenses		2013	2012
Donations	$	8	13
Advisory and services		2	2

(22) Additional information from segments-

Gentera has consumer, commercial and mortgage loans, thus its source of income is derived from interest of the loan products offered, in addition to the products of treasury operations, such as interest from investments in securities and repurchase/resell agreements. Liability transactions include demand and time deposits, Cebures and bank and other loans, from which interest expenses arise.

Out of the total income earned by the Bank (main subsidiary) for the year ended December 31, 2013 and 2012, 99% came from its loan operation. Consequently, the resources of deposit funding and bank and other loans obtained during the year were primarily used for the placement of loans, therefore the accrued interest are identified by the credit segment, same trend is reflected in administrative expenses. The remaining operations (approximately 1% of the operation of the Bank for 2013 and 2012) are the treasury segment.

Financial margin-

For the years ended on December 31, 2013 and 2012, the financial margin is shown as follows:

Interest income:		2013	2012
LOAN PORTFOLIO INTEREST	$	12,475	9,986
INTEREST ON CASH AND CASH EQUIVALENTS		95	101
INTEREST ARISING FROM INVESTMENTS IN SECURITIES		8	13
INTEREST FROM REPURCHASE/RESELL AGREEMENTS		2	2
PLACEMENT PREMIUM		10	-
	$	12,590	10,102

Interest expense:		2013	2012
TIME DEPOSITS AND DEPOSITS ON DEMAND	$	67	44
CEBURES (INCLUDES AMORTIZATION OF ISSUANCE EXPENSES OF $13 AND $10 IN 2013 AND 2012, RESPECTIVELY)		392	271
BANK AND OTHER LOANS		359	391
COMMISSIONS FOR THE INITIAL GRANTING OF CREDIT LINES		-	12
	$	818	718

Interests and commissions per type of loan-

Interests and commissions per type of loan, for the years ended on December 31, 2013 and 2012, are comprised as follows:

		2013		2012	
Interest income		Current	Past-due	Current	Past-due
COMMERCIAL LOANS:					
BUSINESS AND COMMERCIAL	$	79	-	59	-
CONSUMER LOANS		12,383	7	9,916	5
RESIDENTIAL MORTGAGES		6	-	6	-
	$	12,468	7	9,981	5

For the years ended on December 31, 2013 and 2012, income and expense for commissions and fees, are comprised as follows:

		2013	2012
COMMISSIONS AND FEES INCOME:			
CONSUMER LOANS	$	340	233
INSURANCE OPERATIONS		165	127
OTHER		256	77
	$	761	437
COMMISSIONS AND FEES EXPENSE:			
BANK FEES	$	214	282
BROKERS		307	42
INSURANCE OPERATIONS		77	102
OTHER		8	2
	$	606	428

For the years ended on December 31, 2013 and 2012, financial intermediation result, generated income and losses for $10,520 pesos and $64,383 pesos, respectively, from valuation of investment securities.

For the years ended on December 31, 2013 and 2012, “Other operating income (expenses)”, is analyzed as follows:

Other operating income (expenses)		2013	2012
LOAN PORTFOLIO RECOVERIES	$	25	21
ALLOWANCE FOR BAD DEBTS		(77)	(34)
MISCELLANEOUS LOSSES		(4)	(2)
DONATIONS		(26)	(36)
RESULTS ON SALES OF FURNITURE AND EQUIPMENT		(39)	(4)
CAPITALIZED LEASES		(13)	-
OTHER INCOME (EXPENSES) (MAINLY INSURANCE PREMIUM AND CANCELLATION PROVISIONS)		90	92
TOTALS	$	(44)	37

Following is a condensed income statement (including intercompany eliminations) of the consolidated income statement of Gentera for the years ended on December 31, 2013 and 2012.

2013 Subsidiaries									
		Gentera	Bank	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	Total
INTEREST INCOME	$	2	11,391	118	1,058	1	20	-	12,590
INTEREST EXPENSE		-	(575)	-	(243)	-	-	-	(818)
FINANCIAL MARGIN		2	10,816	118	815	1	20	-	11,772
FINANCIAL MARGIN ADJUSTED FOR CREDIT RISK		2	9,445	104	592	1	20	-	10,164
OPERATING INCOME BEFORE INCOME TAXES		(96)	8,354	(13)	117	(20)	(4,904)	74	3,512
NET INCOME	$	(96)	7,256	(13)	73	(53)	(4,962)	66	2,271

2012 Subsidiarias		Gentera	Banco	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	Total
INTEREST INCOME	$	2	9,159	58	873	-	10	-	10,102
INTEREST EXPENSE		(1)	(503)	-	(214)	-	-	-	(718)
FINANCIAL MARGIN		1	8,656	58	659	-	10	-	9,384
FINANCIAL MARGIN ADJUSTED FOR CREDIT RISK		1	7,837	50	495	-	10	-	8,393
OPERATING INCOME BEFORE INCOME TAXES		(45)	6,972	(8)	154	(37)	(3,971)	9	3,074
NET RESULT	$	(45)	5,977	(8)	107	(6)	(4,013)	9	2,021

(23) Comprehensive risk management (CRM) (information from the Bank, main subsidiary) (unaudited)-

The Bank recognizes that the essence of its business is to assume risks in seeking potential financial and social returns. Consequently, CRM is a core component of the business' strategy for identifying, measuring, overseeing and controlling the different types of risks faced during the normal course of operations.

The Bank's CRM is considered to be an on-going process involving all levels of management. The structure for the Bank's CRM is based on the following guidelines:

a. Commitment by Top Management and the Board of Directors to properly manage risks encountered.

b. On-going supervision of CRM policies and procedures.

c. Clear segregation of duties to ensure independence and objectivity in risk management.

d. Formal cooperation between the CRM structure and the business units.

e. Clear determination of responsibilities pertaining to CRM.

f. On-going supervision of the Internal Control and Audit area, to ensure proper compliance with CRM duties.

The Board of Directors has set up a Risk Committee to ensure that operations are conducted in line with the objectives, policies and procedures for CRM, as well as with the exposure limits approved by said committee. This committee meets at least once a month and works in accordance with the guidelines set out in the General dispositions applicable to credit institutions.

The Risk Committee is aided by the Comprehensive Risk Management Unit (CRMU) for identification, measurement, oversight and disclosure of risks as per the General Provisions Applicable to Credit Institutions in effect and applicable best practices.

CRM is mainly based on the determination of a structure of global and specific limits, and on applying of risk methodology authorized by the Board of Directors.

Credit risk-

Credit risk management considers: identification, quantification, establishing of limits, risk policies and risk monitoring, potential losses due to borrower or counterparty default in operations with financial instruments.

The Bank's loan portfolio at December 31, 2013 is made up in 100% of loans made to individuals for a specific purpose (consumer portfolio) in Mexican pesos. The consumer portfolio is sufficiently diversified to represent no concentration risk and there is a scarce value of individual positions. The commercial loans, despite being focused on a single counterparty, have the lowest risk accoording to the rating given.

In accordance with the criteria set forth in paragraph 70 of "International convergence of capital measurements and capital standards" Basel II, we classified the Bank's loan portfolio as retail portfolio.

As of December 31, 2013, the portfolio is comprised of 2.9 million loans (2.8 million in 2012), the average outstanding balance in 2013 has remained at approximately $5,646 mexican pesos ($5,127 mexican pesos for 2012), at an average term of four months.

The maximum authorized amount for a loan is $100,000 Mexican pesos, as a result of which, the maximum financing limits established in the provisions for one individual or group of individuals representing a common risk were complied with no exceptions. In addition, no operations were conducted with customers considered an individual or group of individuals who, comprising one or more liabilty operations payable by the Bank, exceeded 100% of the basic capital.

Analyses of quality of the loan portfolio and credit risk rating thereof are conducted at least monthly. Loans are rated as per the methodology mentioned in note 3 (f).

Rating-based distribution of the loan portfolio, that could be interpreted as the risk profile of the Bank's loan portfolio, shows its greatest concentration in rating A-1, current portfolio.

For comparative and sensibility purposes, following is a table which considers the modification of the Article 129 of the General Provisions Applicable to Credit Institutions.

Consumer loans

Distribution of the loan portfolio by rating (data in percentages to the total loan portfolio)				
	2013		2012	
Rating	Balance	Average	Balance	Average
A-1	68.0	67.7	69.4	74.1
A-2	2.2	2.4	2.3	2.3
B-1	0.2	0.3	0.5	0.5
B-2	0.1	0.2	0.4	0.3
B-3	1.2	1.2	1.4	1.6
C-1	19.1	18.2	18.1	14.5
C-2	3.9	4.2	3.1	2.5
D	1.0	0.8	0.7	0.6
E	4.3	5.0	4.1	3.6
TOTAL	100.0	100.0	100.0	100.0

The measurement methodology used in calculating expected and unexpected losses arising from the portfolio's credit risk is a Credit Risk+ model, which generates a thousand scenarios for each loan pertaining to the portfolio considered. The risk exposure which includes the model is the loan portfolio that has shown no default at the date of the analysis, defining default as an event in which a loan has not been paid in the allotted time and in the proper form.

The expected loss is calculated, multiplying the exposure of the operation by the likelihood of default by the borrower, using the aforementioned rating model for assigning of likelihood of default, mentioned above.

Commercial loan portfolio

	Credit risk 2013		Credit risk 2012	
Concept	Balance	Average	Balance	Average
COMMERCIAL LOAN PORTFOLIO:				
TOTAL EXPOSURE	$ 0.0	182.0	$ 0.0	138.5
EXPECTED LOSS	0.0	0.9	0.0	0.7
UNEXPECTED LOSS AT 95%	0.0	12.8	0.0	8.9
EXPECTED LOSS/TOTAL EXPOSURE	0.0%	0.5%	0.0%	0.4%
UNEXPECTED LOSS/TOTAL EXPOSURE	0.0%	7.1%	0.0%	5.6%

At December 31, 2013 and 2012 the quantitative information for the credit risk of the consumer loan portfolio, is as follows:

		Riesgo de crédito			
Concept		Balance 2013	Average 2013	Balance 2012	Average 2012
COMMERCIAL LOAN PORTFOLIO:	$	15,995	15,502	14,216	12,969
TOTAL EXPOSURE		256	254	230	195
EXPECTED LOSS		258	257	232	197
EXPECTED LOSS/TOTAL EXPOSURE		1.6%	1.6%	1.6%	1.5%
UNEXPECTED LOSS/TOTAL EXPOSURE		1.6%	1.7%	1.6%	1.5%

The expected loss pertaining to the portfolio under consideration as of December 31, 2013 represents 1.6% of the overall balance exposed to default. The Bank has set up loan loss reserves totaling $877, equivalent to 5.4% of the balance of the overall portfolio. As of December 31, 2012, the expected loss was of 1.6% and the allowance amounted to $761; 5.1% with respect to the balance of the overall portfolio. The loan portfolio is rated in accordance with the rules for rating the loan portfolio issued by the SHCP and the methodology established by the Commission. The Bank only sets up allowance for loan losses in addition to those created as a result of the portfolio rating process, in compliance with Title Two, Chapter I, Section Four of Art. 39 of the General Provisions Applicable to Credit Institutions. As of December 31, 2013, no additional allowance for loan losses were required (note 9).

Expected and unexpected losses are calculated on a monthly basis under different scenarios (sensitivity analyses), including stress scenarios. The results of the analysis are presented to the areas involved in portfolio risk management, to the Chief Executive Officer's Office and to the Risk Committee.

The efficiency of the model and assumptions assumed are evaluated periodically *"backtesting"*; in the event the projected results and those observed differ significantly, the necessary corrections are made; however, this has not been necessary, as the expected loss has been smaller than the loss observed in 100% of the cases in a one-year horizon.

At December 31, 2013, income from loan operations amounted to $11,326, representing 99% of the Bank's total income, compared to the same item at December 31, 2012, the variation in income, in percentage terms is 25%.

Income from loan operations				
Concept		2013	2012	Variation (%)
LOAN INCOME	$	11,326	9,086	25
TOTAL INCOME	$	11,401	9,168	24
INCOME FROM LOAN OPERATIONS (%)		99	99	

With respect to credit risk management for operations with financial instruments or counterparty risk, the credit risk exposure in operations with financial instruments, and the expected and unexpected loss thereof, are calculated on a daily basis. Such allowance is part of the daily report on market risk. As of December 31, 2013, the Bank's position in financial instruments subject to counterparty risk totals $849; 100% in Call Money operations. The expected loss pertaining to counterparty risk is 0.5% of the overall exposure. In comparison, as of December 31, 2012, the Bank's position in financial instruments subject to counterparty risk totaled $1,322; 62% in call money operations and the remaining 38% in direct positions in Cetes and PRLV with an expected loss from counterparty risk of 4.5%, with respect to the overall exposure.

The methodology for managing credit risk in financial operations consists of an economic capital type model which generates an allocation of capital that must be available to cover the losses.

Likelihood of default: This information is obtained from the next sources: 1) Standard & Poors, rating granted to financial institutions based on their rating scale known as CAVAL over the long term; 2) Moody's, as with S&P, according to the rating granted over the long-term; 3) Fitch, is the third source for learning the rating granted by this agency, 4) HR Ratings and VERUM (these authorized rating agencies, according to the Appendix 1-B of the General Provisions for Banks), and 5) in the event the Bank has no rating from any of the three agencies, an average rating is assigned according to its group. The above grouping refers to the group to which it pertains in the market (P8, AAA, P12, other). In the event of rating differences, the lowest rating is used.

Following is the exposure to counterparty risk for purchase/sale of securities and interbank loans as of December 31, 2013 and 2012 of the Bank, as well as the maximum exposure to said risk during said years.

Exposure to counterparty risk at December 31, 2013			
	Amount at year-end	Maximum exposure	Concentration at year-end (%)
TOTAL POSITION	849	849	100
PURCHASE/SALE OF SECURITIES	-	-	-
RATING AAA	-	-	-
RATING AA	-	-	-
RATING A	-	-	-
RATING BBB	-	-	-
CALL MONEY	849	849	100

*THE AUTHORIZED COUNTERPARTY RISK LIMIT IS 8% OF THE PRODUCT RELATED TO THE ASRC OF THE BANK'S LATEST KNOWS NET CAPITAL. THE ASRC PRODUCT X ICAP OF THE PERIOD WAS 6,129.

Exposure to counterparty risk at december 31, 2012			
	Amount at end	Maximum exposure	Concentration at year-end (%)
TOTAL POSITION	1,322	1,889	100.0
PURCHASE/SALE OF SECURITIES	500	99	37.8
RATING AAA	99	99	7.5
RATING AA	200	-	15.1
RATING A	201	-	15.2
CALL MONEY	822	1,790	62.2

*THE AUTHORIZED COUNTERPARTY RISK LIMIT IS 10% OF THE BANK'S LATEST KNOW NET CAPITAL. THE BANK'S NET CAPITAL AS OF DECEMBER 31, 2012 IS $6,475.2.

Due to the nature of its business, it is the Bank's policy not to conduct brokerage operations or to act as issuer of derivative products.

Market risk-

Market risk management considers, at least, identification, quantification and establishing of limits and monitoring of risks arising from changes in the risk factors affecting the valuation or expected results of active or passive operations or those giving rise to contingent liabilities.

As of December 31, 2013 and 2012, the Bank's portfolio of financial instruments subject to market risk is comprised solely of Call Money operations and purchase of CETES and PRLV. As a result, the main risk factors that could affect the value of the investment portfolio are interest rates, spreads, and the prices of other financial instruments. It should be mentioned that the Bank's treasury operation is limited to investment of cash surpluses from the credit operation.

The means for measurement of risk assumed by the Bank to manage this type of risk is the Value at Risk (VaR), which is calculated on a daily basis. VaR is an estimation of the potential loss in value of a determined period of time given the level of confidence. The method used by the Bank is the historical simulation method.

Parameters used in calculating the VaR.

- Method: Historical simulation
- Confidence level: 99%
- Investment horizon: one day
- Number of observations: 252 days
- Weighting of scenarios: Equally probable

Following is the quantitative information for market risk as of December 31, 2013:

Value at Risk, 1 day (VaR) on December 31, 2013				
Portafolio	Market value	VaR al 99%	% Position	Use of limit (%)[1]
TOTAL POSITION	849	0.002	0.0002%	0.18%
MONEY[2]	849	0.002	0.0002%	0.18%
PURCHASE OF SECURITIES	-	-	-	-
CALL MONEY	849	0.002	0.0002%	0.18%
DERIVATIVES[3]	-	-	-	-
FOREIGN EXCHANGE	-	-	-	-
EQUITY	-	-	-	-

[1] THE AUTHORIZED RISK LIMIT IS .15% RELATED TO THE PRODUCT OF ASSETS SUBJECT TO MARKET RISK ("ASRM"-SPANISH ABBREVIATION) OF THE BANK'S LAST KNOWN NET CAPITAL. THE ASRM PRODUCT X ICAP OF THE BANK AS OF DECEMBER 31, 2013 WAS $702.

[2] THE POSITIONS SUBJECT TO MARKET RISK REFERRED TO ARE CALL MONEY OPERATIONS.

[3] THERE ARE NO DERIVATIVE OPERATIONS FOR TRADE OR HEDGE PURPOSES TO BE SOLD.

Following is the quantitative information for market risk as of December 31, 2012:

Value at Risk, 1 day (VaR) on December 31, 2012				
Portafolio	Market value	VaR al 99%	% Position	Use of limit (%)[1]
TOTAL POSITION	1,322	0.03	0.002	0.3
MONEY[2]	1,322	0.03	0.002	0.3
PURCHASE OF SECURITIES	500	0.03	0.002	0.3
CALL MONEY	822	0.00	0.000	0.0
DERIVATIVES[3]	-	-	-	-
FOREIGN EXCHANGE	-	-	-	-
EQUITY	-	-	-	-

[1] THE AUTHORIZED RISK LIMIT IS .15% OF THE BANK'S LAST KNOWN NET CAPITAL. THE BANK'S NET CAPITAL AS OF DECEMBER 31, 2012 IS $6,475.2.

[2] THE POSITIONS SUBJECT TO MARKET RISK REFERRED TO ARE CALL MONEY OPERATIONS AND PURCHASE OF PRLV AND CETES.

[3] THERE ARE NO DERIVATIVE OPERATIONS FOR TRADE OR HEDGE PURPOSES TO BE SOLD.

The market VaR is calculated daily, including the main positions, asset and liability, subject to market risk shown in the balance sheet, which is also used for interest rate risk management. The daily average VaR of the Bank in 2013 was $4,299 pesos, corresponding to 0.0007% of the last ASRM product x ICAP known as of December 31, 2013. The daily average VaR held in 2012 was $46,756 pesos, corresponding to 0.0007% of the last known net capital as of December 31, 2012.

As part of the market-risk management process, backtesting, sensitivity and stress scenario tests are conducted.

Backtesting is conducted monthly to compare the losses and gains that would have been observed had the same positions been maintained, considering only the change in value due to market movements, against the calculation of the VaR. This allows for evaluating the accuracy of the prediction. To date, testing has been highly effective by more than 98.4%.

The sensitivity analyses conducted periodically normally considers movements of ±100 base points in rates or risk factors. Whereas to generate stress scenarios, movements of ±150 base points are considered in rates or risk factors.

Following are the sensitivity and stress tests of the Bank conducted as of December 31, 2013 and 2012, respectively.

Sensitivity analysis as of December 31, 2013

	Market value	VaR at 99%	Sensitivity +100 pb	Estrés +150pb
TOTAL POSITION	849	0.002	0.047	7.08
MONEY	849	0.002	0.047	7.08
PURCHASE OF SECURITIES	-	-	-	-
CALL MONEY	849	0.002	0.047	7.08

Sensitivity analysis as of December 31, 2012

	Market value	VaR at 99%	Sensitivity +100 pb	Estrés +150pb
POSICIÓN TOTAL	1,322	0.10	0.4	0.6
MONEY	1,322	0.10	0.4	0.6
PURCHASE OF SECURITIES	500	0.10	0.4	0.6
CALL MONEY	822	0.01	0.1	0.1

Income from treasury operations at the end of 2013 was $75, accounting for 0.6% of the Bank's overall income. The variation in treasury income was determined comparing the same item for the prior year 2012, was $81.

Income from treasury operations

		2013	2012	Variation (%)
INCOME FROM TREASURY OPERATIONS	$	75	81	-8
TOTAL INCOME	$	11,883	9,555	24
INCOME FROM TREASURY OPERATIONS (%)		0.7%	0.9%	

Liquidity risk-

Liquidity risk management includes, at least, identification, measurement and establishment of limits and follow up on risks or potential losses arising from the impossibility or difficulty of renewing liabilities or of contracting others under normal Institution conditions due to early or forced sale of assets at unusual discounts to settle its obligations, or to the fact that a position cannot be promptly sold, acquired or hedged by means of establishing an equivalent contrary position.

The Banks's business model is based on its reputation as a solid institution that always responds to its customers' credit needs. Therefore, liquidity risk management is an essential element for timely prevention of the differences arising from the possible "gap" between its main positions in terms of liquidity risk: expected cash flows (payments on current loans) and projected outflows (current expenses, placement of new loans).

The measurement methodology used in liquidity risk management is:

- Liquidity gap analyses consider the Bank's main assets and liabilities, whether recorded on or off the balance sheet, establishing maturity bands according to the characteristics of the products offered. A limit is established for each bucket.
- Liquidity Value at Risk (liquidity VaR) for measurement of the market's liquidity risk determines the possible inability to liquidate positions in one day and is calculated in the same way as the market VaR with a 10-day horizon.

As of December 31, 2013, the quantitative information for the analysis of liquidity gaps is as follows:

Analysis of liquidity gaps (accumulated) 2013

Bucket	Gap	Limit*	Use of limit (%)
1-30 DAYS	5,473	76%	0%
31-60 DAYS	9,746	136%	0%
61-90 DAYS	12,178	170%	0%
91-120 DAYS	13,397	187%	0%
121-180 DAYS	14,464	201%	0%
181-270 DAYS	15,349	214%	0%
271-360 DAYS	15,510	216%	0%
361-720 DAYS	13,140	183%	0%
721-1,080 DAYS	11,566	161%	0%
1,081-1,440 DAYS	9,390	131%	0%
1,441-1,800 DAYS	676	9%	0%

*THE AUTHORIZED RISK LIMIT IS CALCULATED AS A PERCENTAGE OF THE TOTAL LIQUID ASSETS PLUS AVAILABLE LINES.

Analysis of liquidity gaps as of December 31, 2013

Bucket	Gap	Limit*	Use of limit (%)
1-30 DAYS	5,473	76%	0%
31-60 DAYS	4,273	136%	0%
61-90 DAYS	2,432	170%	0%
91-120 DAYS	1,219	187%	0%
121-180 DAYS	1,068	201%	0%
181-270 DAYS	885	214%	0%
271-360 DAYS	160	216%	0%
361-720 DAYS	(2,370)	183%	0%
721-1,080 DAYS	(1,574)	161%	0%
1,081-1,440 DAYS	(2,176)	131%	0%
1,441-1,800 DAYS	(8,714)	9%	0%

*THE AUTHORIZED RISK LIMIT IS CALCULATED AS A PERCENTAGE OF THE TOTAL LIQUID ASSETS PLUS AVAILABLE LINES.

The liquid assets plus available lines of the Bank as of December 31, 2013 were $7,182.

As of December 31, 2012, the quantitative information for the analysis of liquidity gaps is as follows:

Analysis of liquidity gaps (accumulated) 2012			
Bucket	Gap	Limit*	Use of limit (%)
1-30 DAYS	4,920	80 %	0%
31-60 DAYS	9,108	149 %	0%
61-90 DAYS	11,395	186%	0%
91-120 DAYS	12,428	203%	0%
121-180 DAYS	13,198	216%	0%
181-270 DAYS	13,947	228%	0%
271-360 DAYS	13,681	224%	0%
361-720 DAYS	12,237	200%	0%
721-1,080 DAYS	9,549	213%	0%
1,081-1,440 DAYS	7,350	120%	0%
1,441-1,800 DAYS	(1,491)	-24%	24%

*THE AUTHORIZED RISK LIMIT IS CALCULATED AS A PERCENTAGE OF THE TOTAL LIQUID ASSETS PLUS AVAILABLE LINES.

[1] THE CALCULATION OF THE ACCUMULATED GAPS IS PRESENTED IN ORDER TO CLARIFY THE PERIOD, WHERE A GAP OF LIQUIDITY EXISTS.

Analysis of liquidity gaps as of December 31, 2012			
Bucket	Gap	Limit*	Use of limit (%)
1-30 DAYS	4,920	80 %	0%
31-60 DAYS	4,188	149 %	0%
61-90 DAYS	2,287	186%	0%
91-120 DAYS	1,033	203%	0%
121-180 DAYS	770	216%	0%
181-270 DAYS	750	228%	0%
271-360 DAYS	(267)	224%	0%
361-720 DAYS	(1,444)	200%	0%
721-1,080 DAYS	(2,688)	213%	0%
1,081-1,440 DAYS	(2,199)	120%	0%
1,441-1,800 DAYS	(1,491)	-24%	24%

*THE AUTHORIZED RISK LIMIT IS CALCULATED AS A PERCENTAGE OF THE TOTAL LIQUID ASSETS PLUS AVAILABLE LINES.

The liquid assets plus available lines of the Bank as of December 31, 2012 were $6,113.

Differences in flows (gaps) show excesses (greater asset flows than liability flows) in the first buckets, which is natural for the type of operations handled by the Bank, as 90% of the assets considered correspond to cash flows arising from recovery of loans with an average term of four months and investments at terms below 180 days, while liability flows correspond to financing contracted at the short and medium term maturity date, giving rise to a positive accumulated gap over 360 days, at the end of 2013, of $15,510. The overall accumulated gap is positive.

At December 31, 2013 the quantitative information for market liquidity risk, is as follows:

VaR Liquidity, 10 days 2013			
	Value	Position (%)	limit (%)*
VAR LIQUIDITY AT 99%	0.0059	0.0007%	0.17%
MONEY	0.0059	0.0007%	0.17%
REPURCHASE OF SECURITIES	-	-	-
CALL MONEY	0.0059	0.0007%	0.17%
* THE AUTHORIZED RISK LIMIT IS 0.48% OF THE ASRM PRODUCT X ICAP OF THE BANK'S LAST KNOWN.			

The ASRM product x ICAP of the Bank as of December 31, 2013 is $702.

La información cuantitativa para riesgo de liquidez del mercado, al 31 de diciembre de 2012, se muestra a continuación:

VaR Liquidity, 10 days 2012			
	Value	Position (%)	limit (%)*
VAR LIQUIDITY AT 99%	0.10	0.007%	0.3%
MONEY	0.10	0.007%	0.3%
REPURCHASE OF SECURITIES	0.10	0.020%	0.3%
CALL MONEY	0.01	0.002%	0.0%
*THE AUTHORIZED RISK LIMIT IS 0.48% OF THE BANK'S LAST KNOWN NET CAPITAL.			

The Bank's net capital as of December 31, 2012 is $6,475.2.

The average liquidity VaR for 2013 was $13,596 pesos, equivalent to 0.002% of the ASRM product x ICAP last known. Sensitivity and stress tests are also conducted for liquidity risk management. The average liquidity VaR for 2012 was $81,120 pesos, equivalent to 0.001% of Bank's net capital as of December 31, 2012.

Diversification of the Bank's sources of financing are assessed periodically, assuming the related risk limits established in Chapter III of the General Provisions Applicable to Credit Institutions on Risk Diversification for conducting Active and Passive Operations. The diversification is evaluated through the aforementioned liquidity indicators, mentioned above.

Additionally, in complying with the General Provisions Applicable to Credit Institutions, there is a Liquidity Contingency Plan in place, the purpose of which is to ensure that the Bank will be able to face its daily obligations under any circumstances, including a liquidity crisis; said Plan has been included in the policies and procedures manual for CRM.

Operational risk (including legal and technological risk).

Operational risk can be defined as the potential loss due to defects or deficiencies in internal controls resulting from errors in processing and storing operations or in the transmission of information, as well as to adverse administrative and legal rulings, fraud or theft, and it includes legal and technological risks.

In the Bank's methodology, management and control of operational risks include the following matters, among others:

The processes that describe each area's duties are identified and documented. The Bank has areas engaged in developing and documenting methods, procedures and processes under the Internal Control Director's Office.

Inherent operational risks and the controls pertaining to the processes that describe the Bank's substantial processes under "Risk and Control Matrixes" are identified and documented. Additionally, the internal audit area has implemented its audit model based on risks.

Consequences for the business arising from materialization of identified risks are assessed and reported to the heads of the areas involved, to the Chief Executive Officer and the Risk Committee. Each area must be aware of and participate in the control and management of own risks.

A historical database is maintained through systematic recording of the different loss events and their effects on the accounting records. Those events are duly identified through classification per business unit within the Bank, and are recorded in the Operational risk system.

A global level of tolerance has been established for operational risks, taking into account the causes, origin and risk factors thereof.

Loss events identified by both the Risk area and the other Bank's areas are recorded, which are responsible for reporting any operating risk event that could arise or that has represented a loss for the Bank, the mentioned above environment of a culture of risk.

Loss events related to operational risks, including technological and legal risks, are recorded systematically, with an association to the corresponding lines of business or business units, as well as to the type of loss. The Bank considers events of fraud or asset damage to be its main exposures.

There is a Business Continuity Management (BCM) Plan in place that includes a Disaster Recovery Plan (DRP) focusing on technological risks, as well as a Business Contingency Plan (BCP). Special officers are designated to ensure that such plans are duly updated.

Technological risk-

One important aspect of operational risk management is that pertaining to technological risk, which involves potential loss due to damage or failure from use or reliance on hardware, software, systems, applications, networks and any other means of conveying information in the Bank's supply of services to its customers. There are policies and procedures in place intended to minimize the negative impacts of materialization of technological risks such as: historical filing of all operations and transactions entered into, daily reconciliations, contingency policies in the event of: electrical power failure, communication failure, acts of vandalism, and natural disasters, among others.

Due to the nature and characteristics of the market served by the Bank, there are no channels of distribution for banking operations conducted with customers via the Internet.

Legal risk-

With respect to legal risk management, the Bank has implemented policies and procedures for minimizing this risk, which include the following matters:

i. The review and approval of all agreements by the Legal Director's Office to ensure proper instrumentation of agreements and contracts.

ii. Detailed management of powers granted to the Board of Directors, so as to avoid misuse.

iii. Procedures for filing and safeguarding agreements and other legal information.

iv. Preparation of reports on the likelihood of issuance of adverse legal or administrative rulings. The reports are prepared at least on a quarterly basis.

The Bank estimates that the materialization of its identified operational risks, will generate an annual loss not higher than 0.4% of the annualize Bank's income, which would be much lower than the authorized tolerance level, that at the end of the year has a value of 0.20%.

(24) Recently issued financial reporting and regulatory standards -

The CINIF has issued the Mexican FRS and improvements listed below:

FRS B-12 "Offsetting financial assets and financial liabilities"- FRS B-12 is effective for years beginning on or after January 1, 2014; however, earlier adoption is permitted as of January 1, 2013. Among its principal features, we cite the following:Se establecen normas relativas a los derechos de compensación que deben considerarse para presentar, por su monto neto, un activo financiero y un pasivo financiero en el estado de situación financiera.

- Principles are established in relation to the rights of offset that should be considered for presenting, on a net basis, a financial asset and a financial liability in the statement of financial position.

- FRS B-12 establishes the requirements to be met by an offsetting intention, based on the principle that a financial asset and a financial liability should be presented by the offset amount, provided the future cash flow from its collection or settlement is net.
- FRS B-12 establishes other subjects relating to the offsetting of financial assets and liabilities such as the intention of realizing the asset and settling the liability simultaneously for its net presentation in the statement of financial position, the bilateral and multilateral offsetting agreements and the treatment of collateral.

There is a regulatory standard issued by the Commission about this FRS, therefore its application would require the adoption of the aforementioned FRS.

FRS C-3 "Accounts Receivable"- FRS C-3 is effective for years beginning January 1, 2016, and is applicable retrospectively; however, early adoption is permitted. Some of the primary changes resulting from the adoption of this FRS are as follows:

- FRS C-3 provides that accounts receivable based on a contract are deemed financial instruments. On the other hand, some other accounts receivable, resulting from legal or tax provisions, may include certain characteristics of a financial instrument, such as bearing interest, though these are not deemed financial instruments.
- FRS C-3 sets out that the allowance for doubtful trade receivables shall be recognized as revenue is earned. Thus, the allowance shall be recorded as expenses in the statement of comprehensive income.
- FRS C-3 provides that, from the initial recognition, the money value in time shall be considered. Therefore, should the effect of the present value of the account receivable be significant in view of its term, an adjustment must be made taking into consideration such present value.
- A reconciliation between the initial and final balances of the allowance for doubtful accounts is required for each period presented.

FRS C-11 "Stockholders' equity"- FRS C-11 is effective for years beginning January 1, 2014, and is applicable retrospectively. FRS C-11 supersedes Bulletin C-11 "Stockholders' equity" and Circular 38 "Temporary acquisition of treasury stock" and Circular 40 "Accounting treatment of stock issuance and placement costs". Some of the main aspects resulting from the adoption of this FRS are as follows:

- FRS C-11 requires that in order to capitalize the advances for future capital stock increases, at the stockholders' or partners' meeting it shall be agreed that such advances be applied for future capital stock increases and also, the price per share to be issued pursuant to such contributions shall be fixed. Furthermore, it shall be agreed that these contributions shall not be refunded before being capitalized.
- FRS C-11 broadly identifies financial instruments with characteristics of equity which would otherwise, be regarded as liabilities. However, the specific standard that classifies financial instruments as either equity or liabilities, within the same compound financial instrument, is FRS C-12 "Financial instruments with characteristics of liabilities and equity".

FRS C-12 "Financial instruments with characteristics of liabilities and equity"- FRS C-12 is effective for years beginning January 1, 2014, and is applicable retrospectively.

FRS C-12 supersedes Bulletin C-12 "Financial instruments with characteristics of liabilities, equity or both", and the provisions regarding these instruments under Bulletin C-2 "Financial instruments". Some of the main aspects resulting from the adoption of this FRS are as follows:

- This FRS sets forth that the primary characteristic to be met for a financial instrument to be classified as an equity instrument, is that its holder be exposed to the entity's risk and rewards rather than the right to charge the entity a fixed amount.
- By exception, if certain conditions apply and, provided there is no other obligation virtually assured to require payment to the holder, a redeemable instrument is classified as equity.
- The subordination concept is included.
- An instrument may be classified as equity if there is an option to issue a fixed number of shares at a price fixed in a currency other than the issuer's functional currency, provided that all existing owners of the same class of equity instruments have that option, on a pro rata basis.

FRS C-14 "Transfer and retirement of financial assets"- FRS C-14 is effective for years beginning on or after January 1, 2014, with retrospective effects and is issued for amending the absence of accounting standards with regard to the transfer and retirement of financial assets. The main aspects covered by this FRS include the following:

- Based on the principle of assigning the risks and benefits of ownership of a financial asset as primary condition for its retirement.
- For a transfer to signify that the transferor may retire a financial asset from its statement of financial position, it is required that it may no longer have a future benefit or loss with regard to such financial asset.

There is a regulatory standard issued by the Commission about this FRS, therefore its application would require the adoption of the aforementioned FRS.

FRS C-20 "Receivable financing instruments"- FRS C-20 shall be effective for years beginning January 1, 2016, and is applicable retrospectively. Early application is not permitted and FRS C-20 supersedes the provisions set forth in Bulletin C-3 in this regard. Some of the main aspects resulting from the adoption of this FRS are as follows:

- Classification of financial instruments under assets. To determine such classification, the concept that defines the intention to acquire and hold financial instruments has been ruled out. Instead, the concept of management business model is adopted, either for obtaining a contractual yield, generating a contractual yield and selling in order to achieve certain strategic objectives, or generating earnings from the purchase and sale thereof, in order to classify them in accordance with the respective model.
- The valuation effect of investments in financial instruments is also focused on the business model.
- The reclassification of financial instruments is not permitted among receivables, strategic investments, and negotiable instruments, unless the entity changes its business model.
- The embedded derivative that modifies the cash flows of principal and interest is not separated from its host receivable financial instrument. The entire receivable financial instrument shall be measured at fair value, as if it were a negotiable financial instrument.

There is a regulatory standard issued by the Commission about this FRS, therefore its application would require the adoption of the aforementioned FRS.

New financial reform 2014-

On January 10, 2014 was published in the Official Gazette of the Federation, some modifications to various laws and decrees related to financial matters, known as "Financial Reform". Such modifications are intended, among other things: i) promote development banks, ii) improve legal certainty of the private credit institutions and promote the increased credit supply to more competitive costs, iii) promote the competence between financial institutions, and iv) strengthen the regulatory framework. Such Financial Reform takes into account more vigilance attributes to the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF-Spanish abbreviation) in order to look after and regulate the financial products. The Bank is in process to assess the impact that this Financial Reform may have in its operations and in its financial performance, considering that the modifications to additional laws and specific rules are in process, which will be issued by the Commission, Banxico and other institutions in this subject.

2014 FRS Improvements

In December 2013, CINIF issued the document referred to as "2014 FRS Improvements", which contains precise modifications to some FRS. The modifications that bring about accounting changes are listed below:

FRS C-5 "Prepayments"- FRS C-5 provides that amounts paid in foreign currency be recognized at the exchange rate in force as of the transaction date, and shall not be modified as a result of foreign exchange fluctuations between the functional currency and the foreign currency in which the prices of goods and services regarding such prepayments are denominated. Additionally, it provides that impairment losses arising from prepayments, as well as the reversal of such losses, shall be reported as part of the net income or loss for the period. These improvements are effective for years beginning January 1, 2014, and the resulting accounting changes shall be recognized retrospectively.

Bulletin C-15 "Impairment or disposal of long-lived assets"-

Bulletin C-15 provides that the impairment loss for a long-lived asset in use, as well as the reversal thereof, and the impairment loss of long-lived, available-for-sale assets, including increases or decreases, shall be reported in the results of operations for the period, under the line items of costs and expenses, where depreciation and amortization is recognized. The impairment loss and reversal thereof, for indefinite-lived intangible assets, including goodwill, shall be presented in the results of operations for the period, under the line item for depreciation and amortization expenses on assets of the cash generating unit to which such tangible assets relate. Under no circumstances shall impairment losses be presented as part of the expenses that have been capitalized in the value of a certain asset.

Likewise, it sets out that in order to report the impairment losses of associates, joint ventures and other permanent investments, and the goodwill thereof, the provisions of FRS C-7 shall be complied with. FRS C-7 provides that impairment losses be recognized under the line item equity in the net income or loss of other entities.

Additionally, Bulletin C-15 sets out that assets and liabilities identified with discontinued operations shall be presented in the statement of financial position, grouped in a single line item of assets and a single line item of liabilities, classified as short-term, and shall not be offset between them. Furthermore, such items shall be reported as long-term in the event of sale agreements that are essentially purchase options and sale - leaseback agreements. It also provides that the entity shall not restate previously issued statements of financial position as a result of such reclassification.

These improvements are effective for years beginning January 1, 2014, and any resulting presentation changes shall be recognized retrospectively.

FRS C-6 "Property, plant and equipment", FRS C-8 "Intangible assets", Bulletin C-9 "Liabilities, provisions, contingent assets and liabilities and commitments" and FRS D-3 "Employee benefits"- The improvements of these standards are aimed at performing the modifications related to the presentation of certain transactions that were previously recognized under the line item of other income and expenses, as the presentation of such line item ceased to be required after the new FRS B-3 became effective. These improvements are effective for years beginning January 1, 2014 and the resulting presentation changes shall be recognized retrospectively.

Gentera management estimates that the new FRS and the improvements to FRS will not have important effects on Gentera´s financial statements.

Carlos Labarthe Costas	**Patricio Diez de Bonilla García Vallejo**	**C.P.C. Oscar Luis Ibarra Burgos**	**C.P.C. Marco Antonio Guadarrama Villalobos**
Chief Executive Officer	*Chief Financial Officer*	*General Internal Auditor*	*Sudirector of Financial Information*