



# GENTERA®



Compartamos



## WORKING FOR FINANCIAL INCLUSION

ANNUAL AND  
SUSTAINABILITY REPORT 2013

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## WHO WE ARE

We are a business group whose purpose is to eradicate financial exclusion at the base of the pyramid in the Americas.

At Gentera we integrate the histories and foundations of our subsidiaries: Compartamos Banco, Yastás, Aterna, and Fundación Gentera in Mexico, Compartamos S.A. in Guatemala, and Compartamos Financiera in Peru. We are committed to generating social, economic, and human value in all of the activities we undertake. Gentera handles the management, expansion, and communications of these companies.

With a clear awareness of our strong social commitment, we have evolved to provide independence and flexible opportunities for growth to each one of our subsidiaries. Today we maintain a business model that allows us to reach ever more people, sustained by our brands and the talents of our people.

Our very name contains the resonant words in Spanish that represent us: **gente** (people), **gen** (gene), **generar** (generate), **entera** (entire), **entidad** (entity), etc. At Gentera we evoke and call upon the gentle, genuine, and generous people who generate value through our companies.

Our pillars are symbolized by a **flame**, which represents our history; a **seed**, which represents our philosophy; and a **flower**, which represents our achievements.

## SOCIAL VALUE

*We grow to offer opportunities for financial inclusion to the greatest number of people in the shortest possible time and to share the benefits with the communities in which we operate.*

## ECONOMIC VALUE

*We build innovative, effective, and profitable commercial models from which all can benefit.*

## HUMAN VALUE

*We believe in people and trust in their ability to grow, to improve, and to fulfill their goals. We also believe that financial education allows our clients to use financial services to their own benefit.*





# OUR PHILOSOPHY

is our way of thinking and acting.

**GENTERA**  **OUR PURPOSE:  
TO ERADICATE FINANCIAL EXCLUSION**

## VISION BY COMPANY

**Compartamos Banco.** 

*To be the microfinance leader in Mexico, offering loan, savings and insurance services.*

**Compartamos.**   
*Tu especialista en microcréditos*

*To be the microfinance leader in Guatemala, offering loan and insurance services.*

**Compartamos**  
*Financiera.* 

*To be the microfinance leader in Peru, offering loan, insurance, saving, and payment services.*

**Yastás.** 

*To be the largest network of payments, financial transactions, and other services in Mexico and the Americas.*

  
**ATERNA**®

*To be the leading insurance consultant at the base of the pyramid, through projects and services suited to our partners in Mexico and the Americas.*

## WHAT WE BELIEVE IN

- WE BELIEVE IN PEOPLE AND THEIR ABILITY TO GROW AND IMPROVE.
- WE BELIEVE THAT EXCLUSION IS A CAUSE OF POVERTY AND BY OFFERING QUALITY ACCESS TO COMPETITIVE FINANCIAL SERVICES WE GENERATE INCLUSION AND DEVELOPMENT.
- WE BELIEVE IN USING COMMERCIAL PRINCIPLES TO HELP SOLVE SOCIAL PROBLEMS.
- WE BELIEVE THAT, IN THE PROPER CONTEXT, PROFITABILITY CAN BE A MOTOR OF DEVELOPMENT AND A CREATOR OF COMPETITIVE AND EFFICIENT INDUSTRIES.
- WE BELIEVE THERE IS A PLACE FOR SOCIAL, ECONOMIC, AND HUMAN VALUE TO COEXIST AND REINFORCE ONE ANOTHER.
- WE BELIEVE IN SUSTAINABLE DEVELOPMENT AND THE CARE OF THE ENVIRONMENT.
- WE BELIEVE IN THE SERVIAZGO®\* MODEL AS A TOOL FOR TRAINING INSPIRING LEADERS WHO STAND OUT THROUGH SERVICE, DEVELOPMENT, GROWTH, AND RESULTS.
- WE BELIEVE WE SHOULD STRIVE TO INSPIRE AND TRANSFORM, REGARDLESS OF HOW BIG THE CHALLENGE IS.



\* Serviazgo is our comprehensive leadership model, based on self-knowledge and service to others. For more information, consult the Human Value section.



## OUR PRINCIPLES

*Are the depository and custodian of our essence, of what we are and what we strive to be.*

Our Principles are the practice of our six institutional values; what sets us apart and drives our growth; what guides us as companies and as people. Like our business model, our Principles expand and become stronger in each of the countries where we operate. We have representatives of the Philosophy area in each one of our companies.

At Genera, we live by our Principles in our daily activities. We also hold an annual encounter at which all of our employees become familiar with the strategy for the upcoming year and where the concepts related to our Philosophy are reinforced. The Principles Survey is a tool for diagnosing those aspects of our internal activities that need to be reinforced in order to ensure the full practice of our values.

*We strive to achieve our aims within the framework of our personal ethics, based on these six values:*



#### **PEOPLE**

We remain faithful to the value of people. This being the center of our values, we foster the comprehensive development of our employees in accordance with the FISEP® model (the initials in Spanish stand for Physical, Intellectual, Social-Family, Spiritual, and Professional). We accompany them through their transformation into inspiring leaders, supported by the Serviazgo® model.

#### **SERVICE**

We give to others because we are interested in their welfare.

#### **RESPONSIBILITY**

We keep our word and assume the consequences of our actions.

#### **PASSION**

We love what we do.

#### **TEAMWORK**

We collaborate with others in order to achieve more.

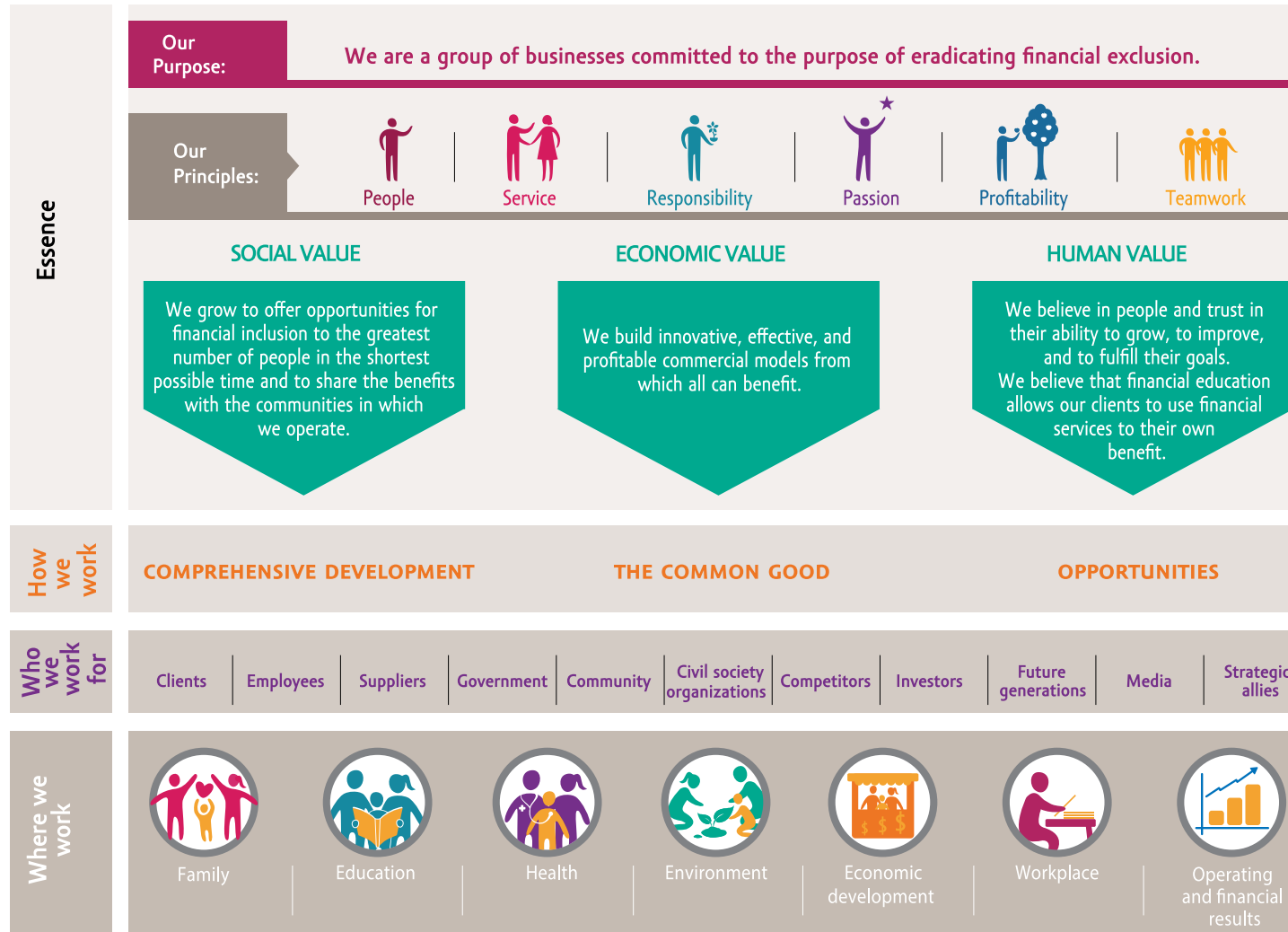
#### **PROFITABILITY**

We do more with less, providing better service by being productive and efficient.

# SUSTAINABLE BUSINESS MODEL

Our business model is sustainable. All of the actions we undertake are focused on generating social, economic, and human value.

We are guided by our quest for the common good, for comprehensive development, and for the creation of opportunities for our stakeholders, in order to benefit the families and society in the places where we operate.





# ETHICS AND CONDUCT CODE

**For us, ethics means doing the greatest possible good.**

Our Ethics and Conduct Code is the tool that consolidates our Philosophy and establishes criteria for our relations with stakeholders. Through the circulation, training, and acceptance of our Code we ensure that all of us receive decent and respectful treatment. Furthermore, channels for denouncing abuses are incorporated into the Code to ensure compliance with it.

An independent Honor Commission objectively evaluates all the complaints made within the framework of the Code, at Genera and each one of its companies, in accordance with their respective internal regulations. In 2013 a total of 410 complaints were lodged: 205 at Genera, 192 at Compartamos Banco, 3 at Compartamos S.A., 5 at Compartamos Financiera, and 5 at Yastás.

Every year our employees renew their understanding and acceptance of the Code, through a process of reinforcing the concepts of our Principles (online course) and certification. This certification, like the Money Laundering Prevention certification, is obligatory for all employees.

Through our *Human Training Courses*, we foster a workplace environment of equal opportunities and a balance between family and professional life, with non-discrimination and respect for people and their rights. This has helped us to instill a sense of fair and respectful conduct amongst employees, governmental authorities, suppliers, customers, and investors.





## OUR HISTORY

is the fire that inspires us, igniting the passion with which we do everything.

# 1990

We are established in Mexico as the **Asociación Programa Compartamos, I.A.P.**, in the aim of offering financial services focused on the base of the pyramid.

# 2006

We obtain authorization from the Mexican Ministry of Finance to operate as a **Commercial Bank**.

# 2000

We are transformed from Asociación Programa Compartamos, I.A.P. to **Financiera Compartamos, S.A. de C.V. (SFOL)**, a regulated financial institution of limited purpose.

# 2007

We hold our initial public offering of Compartamos Banco shares on the **Mexican Stock Exchange**.

# 2009

Our Board of Directors approves a resolution to channel 2% of net earnings into **social responsibility and sustainability programs**, with a view to generating value in nearby communities.

# 2011

We expand our operations in **Latin America** through the acquisition in Peru of Financiera CREAR –now **Compartamos Financiera**– and the establishment of **Compartamos S.A.** in Guatemala.

**Yastás**, our network to handle payments and financial transactions at the base of the economic pyramid in Latin America, begins operations.

The foundation now known as **Fundación Gentera** is established as an efficient operating arm of our **social responsibility** strategy.

# 2013

GRUPO COMPARTAMOS EVOLVES INTO **GENTERA**, AN OUTSTANDING BUSINESS GROUP THAT CONSOLIDATES THE MANAGEMENT, EXPANSION, AND COMMUNICATION OF THE COMPANIES IT COMPRISES.

# 2010

We are established as **Grupo Compartamos**.

# 2012

We undertake operations in a new market through **Aterna**, a microinsurance broker established in alliance with Casanueva Pérez, S.A.P.I. de C.V. (Grupo CP).



## EVOLVING TO OFFER TO BETTER SERVICE

Genera represents the evolution of Grupo Compartamos and this new identity offers us the flexibility required to expand our business in a comprehensive way through our companies, whose purpose is to eradicate financial exclusion.

Compartamos is a brand that makes us proud. It is the identity under which all of our companies in the Americas operate, known for the quality, reliability, and proximity that it represents to our customers.

In 2013 we moved our main offices to Avenida Insurgentes Sur #1458, Colonia Actipan, Delegación Benito Juárez, in Mexico City. This change was part of our effort to offer better service to our customers and to achieve greater operating efficiency. Our new corporate headquarters are home to the service areas of Genera and its constituent companies: Compartamos Banco, Yastás, Aterna, and Fundación Genera.

We have strengthened our infrastructure in order to offer more and better services in Mexico, Guatemala, and Peru. The number of our branches has grown to reach more people in the least possible time and we have expanded our network of service points to provide greater convenience to our customers.



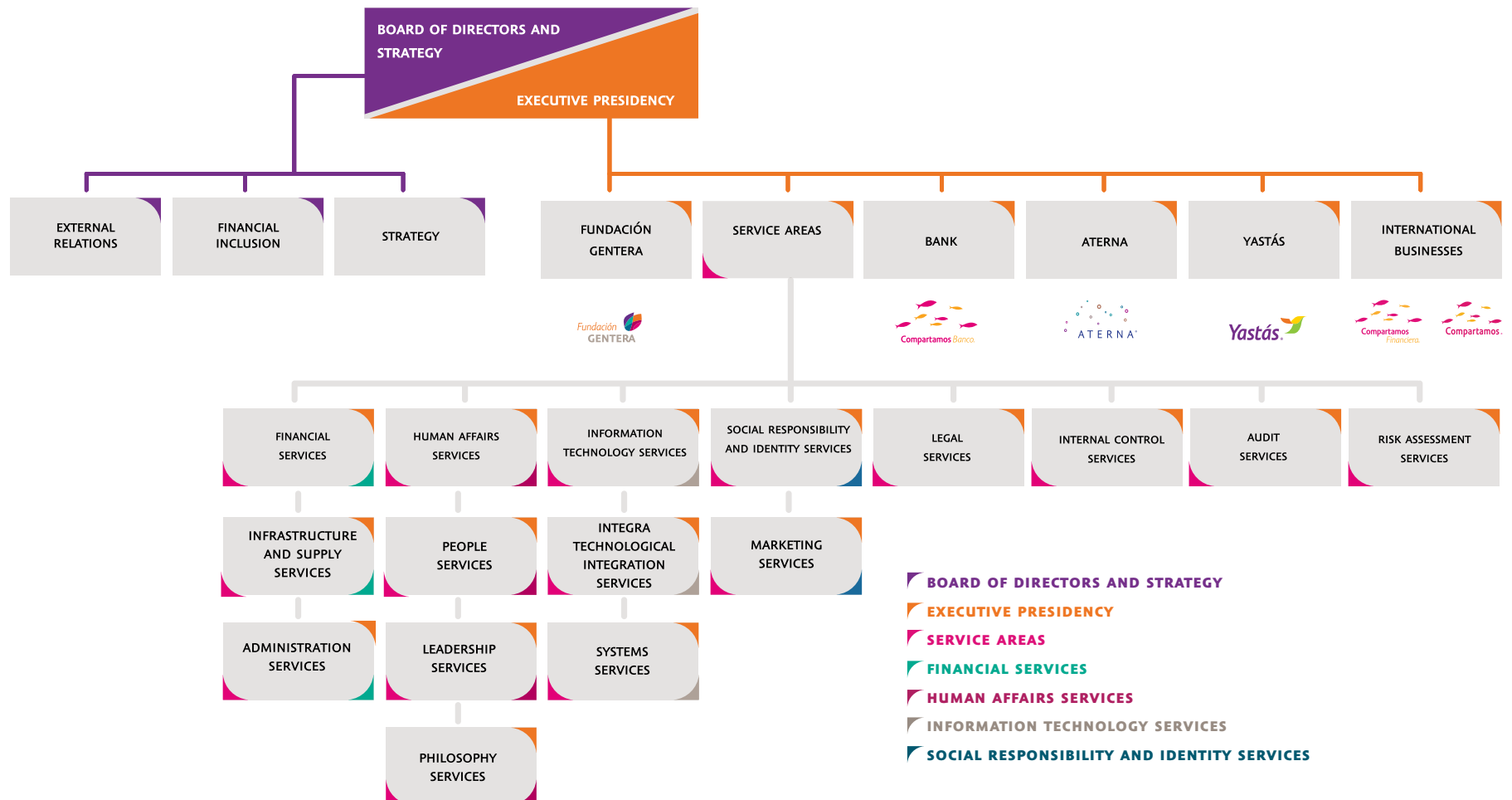


INFRASTRUCTURE						
CREDITS						
<i>Branches</i>	<i>2012</i>		<i>2013</i>	<i>Var. %</i>		
COMPARTAMOS BANCO	484		507	4.8%		
COMPARTAMOS S.A.	18		28	55.6%		
COMPARTAMOS FINANCIERA	34		42	23.5%		
INSURANCE						
	<i>Number of policies sold</i>		<i>Var. %</i>	<i>Number of active policies</i>		<i>Var. %</i>
	<i>2012</i>	<i>2013</i>		<i>2012</i>	<i>2013</i>	
ATERNA	10,727,413	11,056,537	3.1%	3,178,887	3,479,470	9.5%
PAYMENT CHANNELS						
	<i>Agents</i>		<i>Var. %</i>	<i>Operations</i>		<i>Var. %</i>
	<i>2012</i>	<i>2013</i>		<i>2012</i>	<i>2013</i>	
YASTÁS	1,587	3,171	99.8%	2.7 MILLIONS	10.3 MILLIONS	281%
SAVINGS						
	<i>Accounts</i>		<i>Var. %</i>	<i>Bank branches</i>		<i>Var. %</i>
	<i>2012</i>	<i>2013</i>		<i>2012</i>	<i>2013</i>	
COMPARTAMOS BANCO	63,038	96,918	53.7%	5	6	20.0%

# ORGANIZATIONAL STRUCTURE

Our organizational structure has also evolved to sustain our growth, processes, and the generation of social, economic, and human value.

Under the umbrella of the Board of Directors and Strategy are the areas of External Relations, Financial Inclusion, and Strategy, aimed at strengthening the group's corporate governance structure, as well as developing and carrying out the strategic plans of the companies. Under the umbrella of the Executive Presidency are the managements of each one of the companies that make up the group and the service areas of Gentera. This flexible and adaptable structure is suited to the changing needs of our businesses.



# STRATEGY

Our evolution at Genera has given shape to our vision of corporate strategy: the customer is the center of everything we do. Through the Compartamos, Yastás, and Aterna brands, we have enhanced our business model (credits, savings, insurance, payments, and financial education), deepening our understanding of our segment and our customers, specializing in the development and supply of products suited to their needs, and generating synergies in our operations that make them more efficient.

In 2014, the rollout of a realigned operating model, through an architecture of processes, governance model, delivery, structure, and information technologies, will be our strategic priority. In the medium term we seek to efficiently coordinate and configure the synergies between the business units and consolidate our new business capacities (innovation, business intelligence, mergers and acquisitions, etc.) so that, with focus and discipline, we can reach more people.





# OUR ACHIEVEMENTS

are the flower, the result of our commitment, the renovation of each one of our companies, and the efforts of GENUINE people.

ALL THE FIGURES IN THIS REPORT ARE EXPRESSED IN MEXICAN PESOS

## OPERATING AND FINANCIAL RESULTS

<i>Operating</i>	2012	2013	%Var.
CLIENTS	2,675,758	2,754,860	3.0%
EMPLOYEES	16,601	19,339	16.5%
BRANCHES	536	577	7.6%
TOTAL LOAN PORTFOLIO (MILLIONS)	18,161	20,706	14.0%
AVERAGE OUTSTANDING BALANCE PER CLIENT	6,787	7,516	10.7%
NON-PERFORMING LOAN RATIO	2.88%	3.12%	8.3%
FIGURES REFLECT THE COMBINED RESULTS OF OPERATIONS IN MEXICO, GUATEMALA, AND PERU			
<i>Financial</i>	2012	2013	%Var.
INTEREST INCOME	10,102	12,590	24.6%
INTEREST EXPENSES	718	818	13.9%
FINANCIAL MARGIN	9,384	11,772	25.4%
FINANCIAL MARGIN ADJUSTED FOR RISK	8,393	10,164	21.1%
OPERATING EXPENSES	5,365	6,763	26.1%
OPERATING RESULTS	3,074	3,512	14.2%
NET RESULTS	2,021	2,271	12.4%
AVERAGE LOAN PORTFOLIO	16,308	20,359	24.8%
AVERAGE PRODUCTIVE ASSETS	18,352	22,399	22.1%
OPERATING MARGIN = (OPERATING RESULTS/AVERAGE LOAN PORTFOLIO)	18.9%	17.3%	-8.5%
NET MARGIN = (NET RESULTS/AVERAGE LOAN PORTFOLIO)	12.4%	11.2%	-10.0%
OPERATING MARGIN = (OPERATING RESULTS/AVERAGE PRODUCTIVE ASSETS)	16.7%	15.7%	-6.0%
NET MARGIN = (NET RESULTS/AVERAGE PRODUCTIVE ASSETS)	11.0%	10.1%	8.2%



<i>Assets</i>	<i>2012</i>	<i>2013</i>	<i>%Var.</i>
CASH AND OTHER INVESTMENTS	2,955	2,533	-14.3%
ASSETS	22,833	25,362	11.1%
AVERAGE ASSETS	20,249	25,025	23.6%
NON-PERFORMING LOAN PORTFOLIO (MILLIONS)	523	645	23.3%
FIXED ASSETS (MILLIONS)	733	976	33.2%
LIQUIDITY (CASH + OTHER INVESTMENTS)/TOTAL ASSETS	12.9%	10.0%	-22.5%

<i>Liabilities</i>	<i>2012</i>	<i>2013</i>	<i>%Var.</i>
TOTAL LIABILITIES (MILLIONS)	14,189	16,419	15.7%
LIABILITIES WITH COST (MILLIONS)	13,128	15,222	16.0%

<i>Equity</i>	<i>2012</i>	<i>2013</i>	<i>%Var.</i>
EQUITY (MILLIONS)	8,644	8,943	3.5%
AVERAGE CAPITAL STOCK	8,038	8,977	11.7%

<i>Financial Ratios</i>	<i>2012</i>	<i>2013</i>	<i>%Var.</i>
NET EARNINGS PER SHARE (PESOS)	1.2	1.4	16.7%
BOOK VALUE PER SHARE (PESOS)	5.2	5.4	3.8%
SHARE PRICE AT YEAR'S END (PESOS)	18.37	24.4	32.6%
TOTAL SHARES FOR CALCULATING EPS AND BVS	1,662,382,704	1,648,211,536	-1.0%
OPERATING EFFICIENCY	26.50%	27.0%	2.0%
ROAA (RETURN ON AVERAGE ASSETS)	10.0%	9.1%	-9.0%
ROAE (RETURN ON AVERAGE EQUITY)	25.1%	25.3%	0.8%

# VALUE GENERATION RESULTS



	2012	2013	% Var.
AMOUNT DISBURSED (MILLIONS)	64,142	74,472	16.1%
NUMBER OF DISBURSEMENTS	7,702,583	8,042,469	4.4%
NUMBER OF HOUSEHOLDS BENEFITTED	2,675,758	2,754,860	3.0%
AMOUNT CHANNLED INTO CORPORATE RESPONSIBILITY PROJECTS, ALLIANCES, AND DONATIONS (MILLIONS)	42.6	40.2	-6.0%
NUMBER OF BENEFICIARIES OF CORPORATE RESPONSIBILITY PROJECTS, ALLIANCES, AND DONATIONS	318,397	244,138	-13.6%
NUMBER OF VOLUNTEERS	9,763	14,328	146.8%
CLIENTS TRAINED THROUGH BUSINESS WORKSHOPS	4,124	1,303	-68.4%
CLIENTS PARTICIPATING IN WOMEN'S ENCOUNTERS	91,851	85,316	92.9%
INSTITUTIONS BENEFITTED BY THE <i>COMPARTAMOS CON LA FAMILIA OPEN CALL</i>	13	14	7.7%
<i>COMPARTAMOS CON LA COMUNIDAD DAY</i>	26	28	7.7%



	2012	2013	% Var.
<b>DIRECT JOBS</b>	<b>16,601</b>	<b>19,339</b>	<b>16.5%</b>
<b>INDIRECT JOBS (1)</b>	<b>2,684,320</b>	<b>2,763,676</b>	<b>3.0%</b>
<b>DIRECT ECONOMIC VALUE CREATED (2) (MILLIONS)</b>	<b>10,576</b>	<b>13,274</b>	<b>25.5%</b>
<b>DISTRIBUTED ECONOMIC VALUE (3) (MILLIONS)</b>	<b>7,446</b>	<b>9,109</b>	<b>22.3%</b>
<b>RETAINED ECONOMIC VALUE (4) (MILLIONS)</b>	<b>3,130</b>	<b>4,165</b>	<b>33.1%</b>

(1) Number of clients at the end of the period multiplied by 1,0032 people hired by micro-enterprises, according to the 2010 national micro-business survey conducted by the INEGI.

(2) Direct economic value created = net earnings + financial income + sales of assets + other products.

(3) Distributed economic value = cost of sales + payroll + employee benefits + training + other expenses + taxes + dividends + interest payments + community investment.

(4) Retained economic value = direct economic value created - distributed economic value.



	2012	2013	% Var.
<b>EMPLOYEE SCHOLARSHIPS IN THE CAREER SPEED-UP PROGRAM</b>	<b>124</b>	<b>192</b>	<b>54.8%</b>
<b>INVESTMENT IN TRAINING PROGRAMS FOR ALL EMPLOYEES (MILLIONS)</b>	<b>4.9</b>	<b>5.7</b>	<b>16.3%</b>
<b>COMPLAINTS LODGED THROUGH THE ETHICS AND CONDUCT CODE AND ADDRESSED BY THE HONOR COMMISSION</b>	<b>205</b>	<b>410</b>	<b>100%</b>
<b>PEOPLE BENEFITTED BY TRAINING IN FINANCIAL EDUCATION (CLIENTS, EMPLOYEES, AND COMMUNITY)</b>	<b>307,582</b>	<b>203,364</b>	<b>-33.8%</b>

## RESULTS BY COMPANY



“For Compartamos Banco, 2013 was a year of very important achievements. In recent years we have seen considerable growth in the microfinance industry and this has been reflected in an increase in the offer of credits and other products in the market.

In this context, Compartamos Banco managed in 2013 to firmly consolidate its relations with its customers. The percentage of clients retained reached a record 84.0% during the year, thanks to the convenient services we offer. Also, within a context of greater extension of credit, the quality of our loan portfolio remained within the standards we have always maintained.

At the same time, we continue progressing with the projects that will allow us to grow the bank going forward. In the month of December we began to implement Integra, our new technological platform, in its credit module. We also received authorization to handle bank transactions through the Yastás correspondent points, while the Saving project continues to progress in its technological development and operating stage.

The year 2014 promises to be one of great opportunities to keep growing and to continue building capacities for the future operations of the institution. Offering our clients outstanding service and products that answer their needs will continue to form the backbone of our actions.”

***General Management of Compartamos Banco***

“We wish to expand our business model and financial inclusion in the Americas by means of acquisitions, such as Compartamos Financiera in Peru, or through organic growth, as in the case of Compartamos S.A. in Guatemala.

In 2013, the loan portfolio and client base of Compartamos Financiera grew by 27.9% and 47.2%, respectively. Eight new branches were opened and the number of *Crédito Súper Mujer* clients reached 43,395. Compartamos S.A. strengthened its structure through the support of 173 new employees and ten new offices. Important progress was achieved in terms of financial education in Guatemala and by the consolidation of the Genera Philosophy in both countries. In 2014 we expect to continue reinforcing these two important pillars.

Our challenge in 2014 in Peru and Guatemala is to reach more people through financial services, by continuing our financial education projects and strengthening our Philosophy. We are also looking for new opportunities to expand our operations elsewhere in the Americas.”

***General Management of International Businesses***





“We are an administrator of correspondents through whom payments and transactions can be made that offer both convenience and reliability to people and communities without easy access to financial services.



Our outstanding achievement in 2013 was to obtain authorization from the *Comisión Nacional Bancaria y de Valores* (National Banking and Securities Commission, or CNBV) to act as a correspondent for Compartamos Banco. In December we also received authorization to accumulate mass bank loan payment transactions, activating 600 new points for performing financial transactions through the year.

Thus, we doubled the number of our service points, allowing us to link our network to 3,171 affiliated correspondents and reaching eleven different states in Mexico, though we operate principally in Chiapas, Estado de México, Puebla, and Veracruz.

Our main goal in 2014 is to obtain more and better information about the needs of the market we serve and so to provide timely and pertinent service.”

**General Management of Yastás**



“In 2013 we began to internationalize our business, moving into Guatemala and Peru with basic life insurance policies for Compartamos clients in those countries. We sold a total of 11,056,537 policies and maintained 3,479,470 of them active at the end of the year.

With an average response time of less than 48 hours to accidents covered by our policies, we paid out some 96 million pesos to beneficiaries.

Our goals for 2014 are aimed at increasing the number of people covered by insurance. To this end, we will strengthen our current channels for distributing policies and develop new ones. Through these actions, we expect to consolidate our international operations.”

**General Management of Aterna**



# DISTINCTIONS

- Genera
- Compartamos Banco
- Compartamos S.A.

- Third place in the ranking of Top Companies 2013 by the magazine *Expansión*, a list of the places where most people wish to work in Mexico.
- In 2013 we participated in the Social Progress Index.\*
- According to the Great Place to Work Institute, we are in second place among the best companies to work for in Mexico in the category of more than 5,000 employees and among the best financial companies to work for in Mexico in the category of financial companies of more than 1,000 employees.
- We received the Healthily Responsible Company distinction from the Workplace Wellness Council–Mexico.
- We obtained the Socially Responsible Company distinction granted by the *Centro Mexicano para la Filantropía (CEMEFI)*, as did Compartamos Banco and Yastás.
- We have figured on the benchmark index (the IPC) and the Sustainable Index of the Mexican Stock Exchange for six and three years in a row, respectively.
- MixMarket recognized Compartamos Banco for its transparency and social performance, granting it the Mix S.T.A.R. 2013 certification.
- The industry magazine LatinFinance named Compartamos Banco the Best Microfinance Bank of 2013.
- Compartamos S.A. in Guatemala ranked fourteenth among Best Companies to Work For according to the Great Place to Work Institute.

\* An initiative led by Harvard Business School professor Michael Porter whose aim is to measure the social progress of companies, social initiatives, and entrepreneurs in different countries within three main dimensions: Basic Human Needs, Foundations of Wellbeing, and Opportunity.





# A MESSAGE FROM THE CHAIRMAN OF THE BOARD

## Dear Shareholders and Employees:

It is with great pleasure that I greet and address you at the end of this my first year as Chairman of the Board of Directors, especially since 2013 was a year of evolution for our company. Thanks to your support, dedication, and passion, we have now begun a new stage as Genera.

The very letters of the name of Genera evoke what we are and what we strive to be: the **GENE** that **GENERates** opportunities so that the entire community can participate in the benefits of development.

The name Genera evokes and calls upon **GENU**ine, **GEN**tle and **GEN**erous people to join in a common purpose: to eradicate financial exclusion in the Americas. Our people are moved by strong ethical principles and committed to providing friendly, convenient, and quality service. Our Philosophy is focused, as it has been since our beginnings, on people.

Through this evolution, we have given shape to our corporate strategy: to be a multi-product and multi-country company. We have given independence to each of our businesses and positioned the operating companies (Compartamos Banco, Compartamos Financiera, Compartamos S.A., Yastás, and Aterna) and the holding company in different ways.

As a result, our organizational structure has been renewed and strengthened to meet the new circumstances and challenges of our market. Nevertheless, our Philosophy remains the essence of our growth and the principal element that sets us apart in the countries where we operate.

In Mexico in 2013 we focused on increasing the convenience of our services through Yastás, on improving quality standards and internationalization at Aterna, and on technological renovation at Compartamos Banco. This included the set up of Integra –the bank’s new technological platform– and of ECO –a localization and field data digitalization system– and helped us to close out the year with 96,918 savings accounts.

The Client Protection Index (known as IPAC by its Spanish-language acronym) permeated the operations of Compartamos Banco, consolidating an internal monitoring system that allows us to measure levels of compliance with our seven principles of client protection, based on the international initiative Smart Campaign.

In Guatemala we maintained solid growth. We consolidated our position and set our brand apart through the expansion of *Crédito Mujer*, the offer of life insurance to clients, and the training of employees to provide financial education.

In Peru, we succeeded in integrating our Philosophy and our Values with the team of Financiera Crear, now Compartamos Financiera. We also enhanced operations through the introduction of *Crédito Súper Mujer*, even as we continued to make the most of our Peruvian experience in the area of individual credits in order to perfect this methodology in Mexico.





The results have been positive. In 2013 we reached 2,754,860 clients through our Compartamos companies in Mexico, Guatemala, and Peru, along with a total of 3,171 correspondents affiliated with Yastás and more than 3.4 million active insurance policies with Aterna. In Peru and Guatemala we doubled the number of our branches.

Our total loan portfolio amounted to 20,706 million pesos at the end of 2013, compared to 18,161 million pesos the previous year, representing growth of 14.0%. The average bank balance in Guatemala and Mexico increased slightly, though it decreased in Peru. The non-performing loan ratio for the year was 3.12%, lower than the average ratio of the microfinance sector in the countries where we operate. These figures bear witness to the coherence and strength of our business model.

The creation of social, economic, and human value in the communities where we work is to be found in every action we carry out. As we have done since 2009, we channeled 2% of earnings into the social development of the communities that have welcomed us.

Through Fundación Gentera and our Social Responsibility programs, some 40.2 million pesos was channeled to the benefit of more than 244,000 people in Mexico, Guatemala, and Peru.

Under the umbrella of the *Compartamos con la Familia Open Call*, fourteen social organizations were benefitted, impacting more than 10,000 people all over Mexico. There were 26 *Compartamos con la Comunidad Days* held in Mexico and two in Guatemala. Also, 14,328 Gentera employees and their family members participated in volunteer activities during these community service days.

We are convinced that informed financial decisions contributed to people's family and professional wellbeing. This is why we put special emphasis on financial education in 2013. We worked with our employees, clients, and the community to provide them with the necessary tools in this area, training some 203,000 people in the course of the year.

All of these results have been achieved through the work of the employees who maintain their commitment to Gentera and to its clients on a daily basis. In 2013 we increased the total number of employees who support the operation of Gentera and its companies by 16.5%, bringing the year-end total to 19,339.

The current business environment in Mexico, Guatemala, and Peru is characterized by the stability of the main economic variables, access to funding, and economic growth. The competitiveness of the sector has grown rapidly in all three countries, demanding constant renovation on our part in order to offer better quality products and services.

Going forward, we are focused on consolidating our strategy, completing the implementation of Compartamos Banco's technological platform, developing new products, consolidating our model of Yastás correspondents, increasing the number of insurance policies through more distribution channels, and strengthening our operations in Guatemala and Peru. In synthesis, we seek to increase the number of clients we serve with quality and friendliness, thereby reaching more people in the least possible time.

**Carlos Danel Cendoya**

*Chairman of the Board of Directors and Strategy*

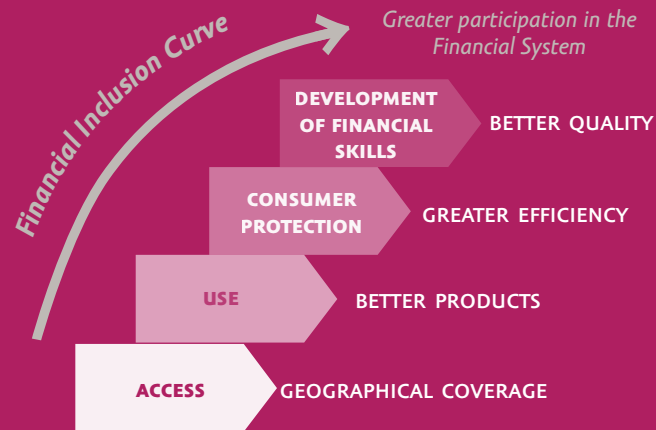


Through financial inclusion we foster the social, economic, and human development of people. In this way, we GENERate value for all.

# FINANCIAL INCLUSION

For more than twenty years our entrepreneurial vocation and our principal Purpose –financial inclusion– have forged a GENUINE and vital project, focused on providing high-quality financial services and products to lower-income segments of the population. These allow previously excluded people and communities to benefit from the tools offered by financial inclusion and to propel their social, economic, and human development.

At Genera we understand financial inclusion as the access to and use of a range of financial products and services, within a framework of appropriate regulation that protects people’s interests and enhances their financial skills, permanently sustained by complements such as consumer protection and financial education.



Source: Report on Financial Inclusion I, published by the Comisión Nacional Bancaria y de Valores (CNBV).

Through our companies, we have consolidated a comprehensive portfolio of products and services focused on providing access to credit, savings, payment channels, and financial education to communities at the base of the economic pyramid in the Americas. This includes, within a value generation system men and women, entrepreneurs who are working to improve their quality of life.

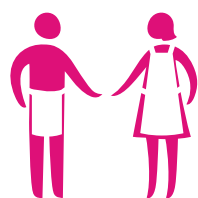




## CREDIT

Compartamos is the identity that represents all of our companies specializing in microfinance, currently present in Mexico, Peru, and Guatemala.

Our credit products are designed to empower our customers, making it possible for them to initiate or grow their businesses, to reactivate their personal economies, and so to provide wellbeing to their families and the community.



**Clients**

**2,488,616**  
Compartamos Banco  
**67,882**  
Compartamos S.A.  
**198,362**  
Compartamos Financiera

Total **2,754,860**  
% Var. **3.0%**



**Employees**

**15,922**  
Compartamos Banco  
**483**  
Compartamos S.A.  
**1,782**  
Compartamos Financiera

Total **18,187**  
% Var. **10.8%**



**Branches**

**507**  
Compartamos Banco  
**28**  
Compartamos S.A.  
**42**  
Compartamos Financiera

Total **577**  
% Var. **7.6%**



**Non-performing loans - millions**

**476**  
Compartamos Banco  
**7**  
Compartamos S.A.  
**162**  
Compartamos Financiera

Total **645**  
% Var. **23.3%**

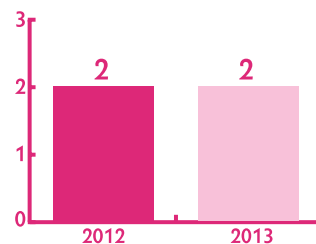
	Compartamos Banco	Compartamos S.A.	Compartamos Financiera	Total 2013	Total 2012	% Var.
AMOUNT DISBURSED (MILLIONS)	68,009	749	5,714	74,472	64,142	16.1%
CREDITS GRANTED	7,527,959	181,764	332,746	8,042,469	7,702,583	4.4%
AVERAGE OUTSTANDING BALANCE (PESOS)	6,609	2,789	20,391	7,516	6,787	10.7%
NON-PERFORMING LOANS RATIO	2.89%	3.77%	4.00%	3.12%	2.88%	8.3%
TOTAL LOAN PORTFOLIO (MILLIONS)	16,447	189	4,045	20,706*	18,161	14.0%

\* THE TOTAL LOAN PORTFOLIO INCLUDES A COMMERCIAL PORTFOLIO OF 25 MILLION PESOS.

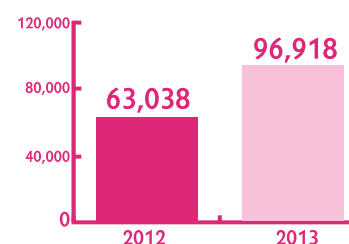
## SAVINGS

Compartamos Banco's deposit capture project is aimed at offering a different option and added value to customers who wish to save, in addition to developing a means of extra funding for the institution. We continued in 2013 to explore the needs of our clients in this area and to monitor their response to our offer, with a view to providing a product with the convenience, ease, and availability that they require.

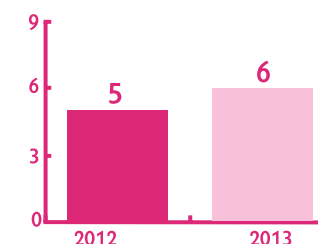
**Automatic tellers**  
Var. 0%



**Savings accounts**  
Var. 53.7%



**Bank branches**  
Var. 20%

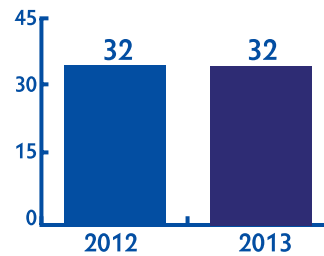




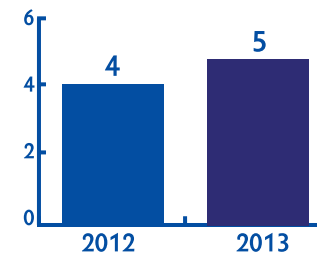
## INSURANCE

Aterna is a microinsurance broker specializing in the needs of people at the base of the economic pyramid. It has designed and operates insurance to prevent and respond to the unforeseen circumstances to which this segment of the population is especially vulnerable, acting as an intermediary between the insurance sector and the distribution channels. In 2013, Aterna expanded its business model from Mexico into Peru and Guatemala, placing 1,827,074 policies through Compartamos Financiera (Peru) and 54,536 policies through Compartamos S.A. (Guatemala).

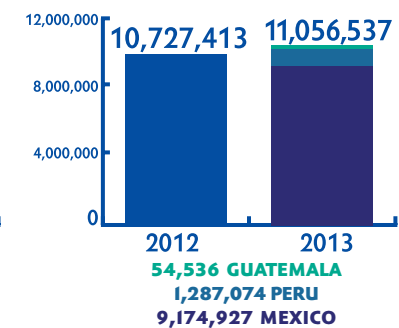
**Employees**  
Var. 0%



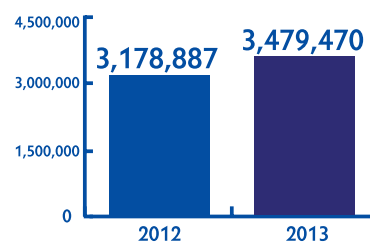
**Distribution channels**  
Var. 25%



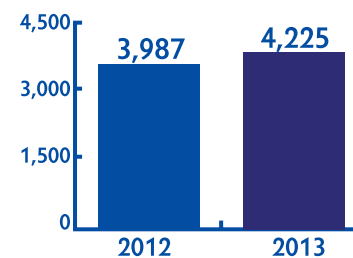
**Policies sold**  
Var. 3.1%



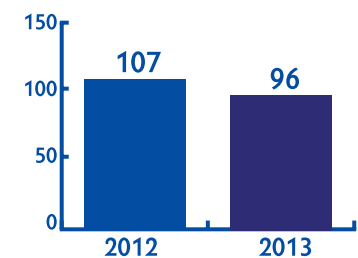
**Active policies**  
Var. 9.5%



**Accidents covered**  
Var. 6%



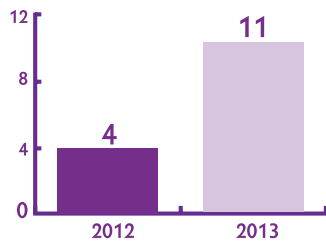
**Insurance paid out to beneficiaries (millions)**  
Var. -10.6%



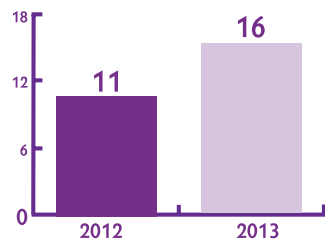




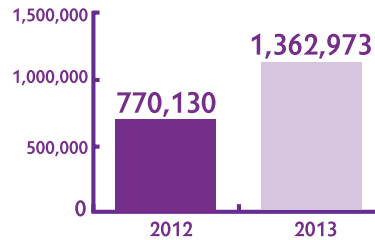
**States where present**  
Var. 170.0%



**Issuers**  
Var. 45.5%



**\* People benefitted**  
Var. 77.0%



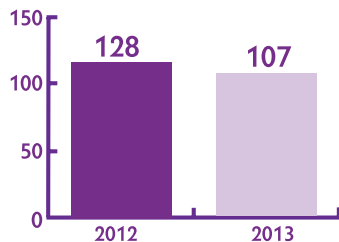
\* This was calculated on the basis of the following assumptions: one cellular phone recharge = 1 person benefitted; one utility payment made = 1 household (i.e. 4 people) benefitted (INEGI 2010).

## PAYMENT CHANNELS

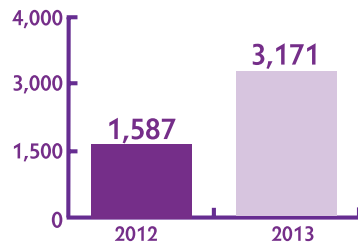
Yastás seeks to enhance the quality of life of people who live in marginalized areas, offering fast, easy, and safe ways to perform both financial and non-financial transactions. In this way, Yastás propels the social and economic development of communities, at the same time fostering their inclusion within the financial system.

The generation of social and economic value by Yastás is measured by the growth of its service points and the number of transactions it handles, which increased in 2013 by 99.8% and 28.1%, respectively.

**Employees**  
Var. -16.4%



**Affiliated correspondents**  
Var. 99.8%





## FINANCIAL EDUCATION

Financial education is a vital aspect of the value we offer to our customers. We seek to develop financial abilities through formative and informative strategies among our employees, clients, and the community. These strategies can contribute to informed decision making that makes for the proper handling of personal resources and the responsible use of financial services, all to the benefit of families and their wellbeing.

In the course of 2013 the workshop Improving My Personal Finances was given to all of our employees in Mexico and Guatemala, in the aim of providing tools that allow them to determine their own personal savings and payment capacities, as well as those of their clients, with a view to avoiding excessive indebtedness.

We also offered lectures on this subject at the First Compartamos Banco Micro-Enterprise Fair, attended by 2,366\* people, including clients and members of the general public. Also, in an alliance with *Promotora Social México and Fundación Proempleo*, 2,000 training scholarships were granted to clients for use in the next calendar year.

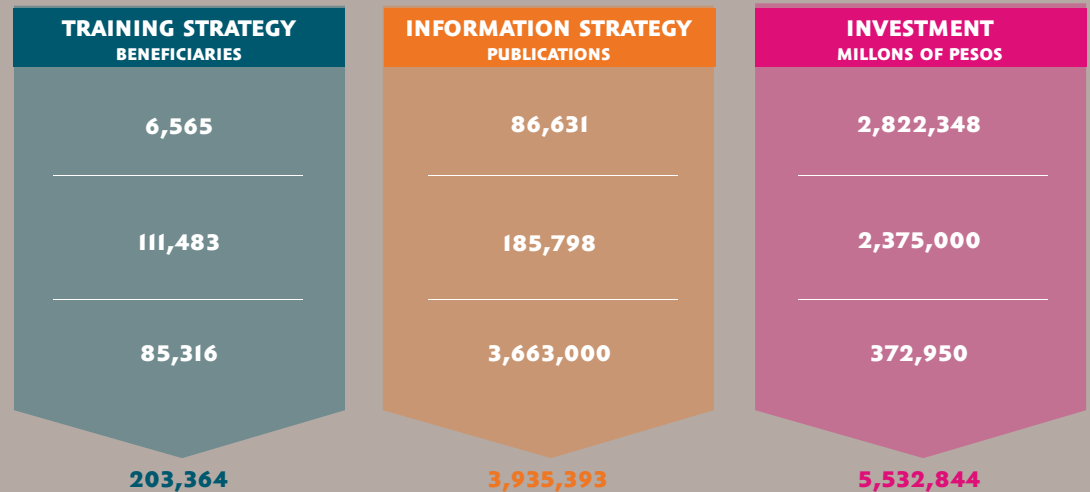
At National Financial Education Week in Mexico we distributed 151,000 copies of *Conduguías*\*\* and financial education notebooks, in collaboration with the Mexico's financial consumer watchdog, the *CONDUSEF*. At the Women's Encounters we provided 437 sessions in financial education, attended by 85,316 female clients.



EMPLOYEES

COMMUNITY

CLIENTS



\* Made up of clients and the community, hence independent of the consolidated figures in the table.

\*\* Financial product and service guides.



We reach the ENTire community, offering services and products for the financial inclusion of people at the base of the economic pyramid, with the GENERosity and conGENiality that characterize our actions.

# SOCIAL VALUE

A woman with dark hair, wearing a red long-sleeved shirt and a blue patterned apron, stands in a rural, arid landscape with mountains in the background. She is smiling and looking towards the camera.

# WE GROW TO OFFER OPPORTUNITIES FOR INCLUSION TO THE GREATEST NUMBER OF PEOPLE

- A total of **2,754,860** clients have been granted credit for working capital in the three markets where Compartamos operates, 3.0% more than in 2012.
- The index of clients retained has reached record highs: **79.8%** in Mexico, **73.5%** in Guatemala, and **67.1%** in Peru.
- The **Client Protection Index (IPAC\*** by its Spanish-language acronym) was enhanced and now permeates the 13 management areas of Compartamos Banco, following up on compliance with our seven client protection principles.
- **Weekly contact** was established with our *Crédito Mujer* clients in the countries where we operate.
- Yastás increased its **number of transaction points from 1,587 to 3,171** in 2013 and obtained authorization from the Comisión Nacional Bancaria y de Valores (CNBV) to accumulate Compartamos Banco loan payments through its correspondents.
- The number of savings account clients in our deposit capture program **increased by 53.7%** in 2013.
- The Social Responsibility and Sustainability Fund, into which 2% of net earnings is channeled annually, disbursed **40,192,666 pesos** in 2013 in support of education and health projects in the communities in which we operate, to the benefit of **244,138 people**.
- **14,328 employees** from all of our companies participated in **70,173 hours of community volunteer work**.
- We held **26 Compartamos con la Comunidad Days in Mexico and two in Guatemala**, with the voluntary participation of 2,844 employees. Thanks to the efforts of all, a total of 41,757 people were indirectly benefitted.

\* An internal monitoring system that allows us to measure levels of compliance with our client protection standards. For more information, see pages 38 and 39.



# MARKETS

*Credit has proved to be an important vehicle for the empowerment of women, giving them decision-making possibilities in their economic activities and their homes, building self-confidence, and generating development for themselves, their families, and their businesses.*

In order to reach the largest number of people in the least possible time, we constantly renew and revise our knowledge of the markets in which we are present. We conduct surveys and carry out analyses of the social and economic conditions of both the communities themselves and the people at the base of the economic pyramid, in the aim of offering a portfolio of products suited to their needs.

By means of publically available data from the national statistics agencies\* of the countries in which we are present, we have determined the potential markets of the each business, in order to design strategies in accord with their growth and development. In the case of credit, we have a potential market of some 21 million people. We have so far reached 12.9% of this market, a fact which both encourages us and promises future growth. Our greatest challenge is the market for insurance and payment channels.

Regardless of the country in which we are operating, our clients must meet three requirements in order to be eligible for a credit: to be of legal age, to live in a low-income urban or rural community (base of the economic pyramid), and to have a business or the potential to start one up.

The diversification of our products, clients, and loan portfolio allows us to reduce liquidity risks and the perils of excessive indebtedness, lending solidity to our operations.

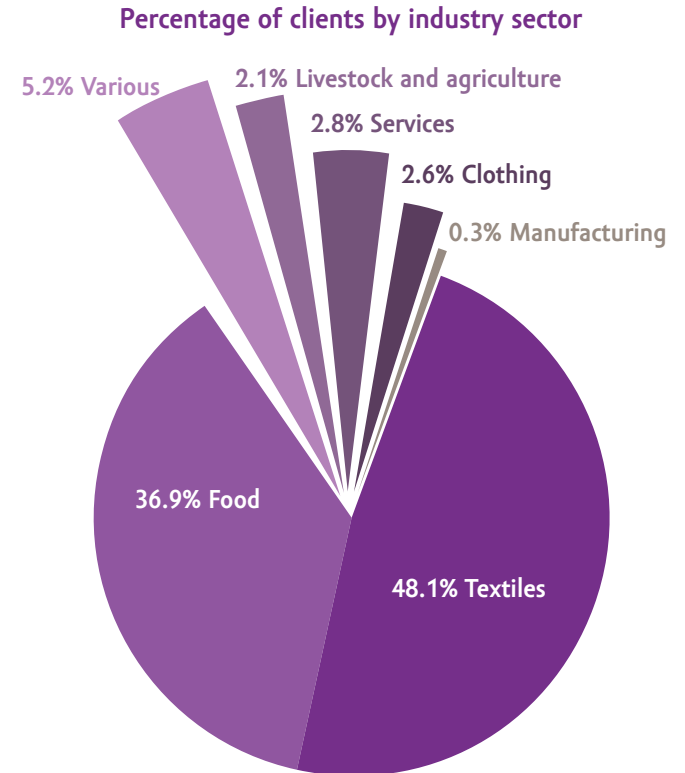
	Compartamos Banco	Compartamos S.A.	Compartamos Financiera
POTENCIAL MARKET (MILLONS)	12.0	1.2	7.8
MARKET SERVED	2,488,616	67,882	198,362



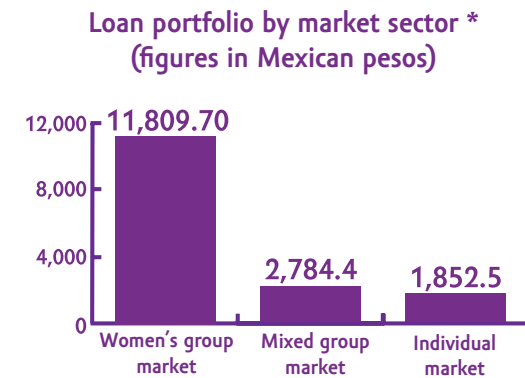
\* Mexico, Instituto Nacional de Estadística y Geografía (INEGI): <http://www.inegi.org.mx/>.  
 Guatemala, Instituto Nacional de Estadística (INE): <http://www.ine.gob.gt/np/>.  
 Peru, Instituto Nacional de Estadística e Informática (INEI): <http://www.inei.gob.pe/>.

# MEXICO

- Compartamos Banco has four types of credit products in the group market, whose number of clients decreased by 1.3% in 2013.
- In the individual market, which grew by 22.7%, it offers a single type of credit.
- Women make up 91.8% of Compartamos Banco's total clients.
- The southern region of Mexico concentrates 38.1% of the bank's clients, down by 1.1 percentage point from 2012.
- The group market makes up 87.3% of the total loan portfolio of Compartamos Banco, and the sale of textiles is the most common commercial activities of its clients.



CLIENTS BY ZONE					
ZONE	North	Center	West	South	Total
STATES	BAJA CALIFORNIA BAJA CALIFORNIA SUR CHIHUAHUA COAHUILA DURANGO NAYARIT NUEVO LEÓN SAN LUIS POTOSÍ SINALOA SONORA TAMAULIPAS ZACATECAS	DISTRITO FEDERAL EDO. DE MÉXICO HIDALGO MORELOS PUEBLA TLAXCALA	AGUASCALIENTES COLIMA GUANAJUATO JALISCO MICHOACÁN QUERÉTARO	CAMPECHE CHIAPAS GUERRERO OAXACA QUINTANA ROO TABASCO VERACRUZ YUCATÁN	32
CLIENTS	596,328	704,116	239,231	948,941	2,488,616
% OF CLIENTS	24.0%	28.3%	9.6%	38.1%	100%
BRANCHES	130	125	60	192	507



\* Does not include 25 million pesos in commercial loans

Market	Number of clients	Products	Number of clients per product	Percentage of clients as part of total market
WOMEN'S GROUP MARKET	1,862,670	CRÉDITO MUJER	1,834,862	73.7%
		CRÉDITO ADICIONAL*	332	0%
		CRÉDITO MEJORA TU CASA *	27,476	1.1%
TOTAL CREDIT CLIENTS IN MEXICO	497,681	CRÉDITO COMERCIANTE	497,681	20.0%
MERCADO INDIVIDUAL MIXTO	128,265	CRÉDITO INDIVIDUAL	128,265	5.2%
TOTAL CREDIT CLIENTS IN MEXICO	2,488,616		2,488,616	100%

\* SINGLE CRÉDITS - CUSTOMERS WHO MAINTAIN A (ADICIONAL AND / CRECE Y MEJORA TU CASA) SECONDARY CREDIT AND ALREADY FINISHED PAYING THE PRINCIPAL CREDIT (CRÉDITO MUJER).

For the purpose of distributing credits and receiving payments, we have 26,721 transaction points in Mexico, 6,542 more than in 2012. By means of alliances with the national banking network, supermarket chains, and other retail outlets, as well as correspondent banks, a total of 24,605,636 transactions were handled in 2013. Of these, 68.9% consisted of loan payments and 31.1% distribution of credits.

	Transaction points available	Total transactions	Percentage of transactions
NATIONAL BANKING NETWORK	7,955	18,379,702	74.7%
NATIONAL SUPERMARKET CHAINS AND OTHER RETAIL OUTLETS	15,352	6,225,934	25.3%
CORRESPONDENT BANKS	3,414	0*	0%
TOTAL	26,721	24,605,636	100%

\*THE TRANSACTION POINTS OF EACH ONE OF THE CORRESPONDENT BANKS HAVE BEEN IDENTIFIED, BUT THERE IS NO DATA ON THE NUMBER OF TRANSACTIONS PERFORMED IN THESE ESTABLISHMENTS.

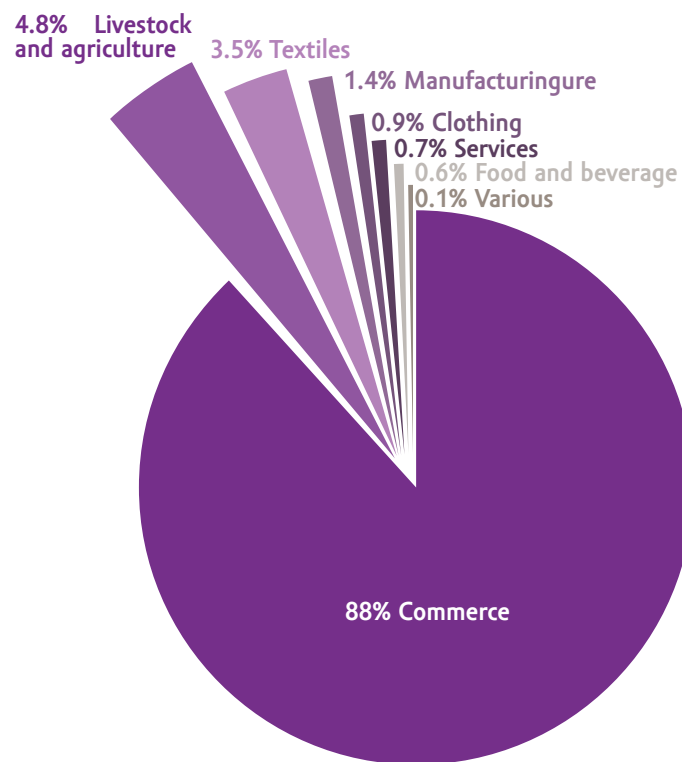


# GUATEMALA

- Compartamos S.A. offers a single credit product, the *Crédito Mujer*, for which the number of clients grew by 47.7% over 2012.
- The number of branches went from 18 in 2012 to 28 in 2013, while the number of employees grew by 55.8%, reflecting the strength of this type of credit offer.
- All the clients of Compartamos S.A. are women.
- The greatest concentration of clients is in the coastal zone, which comprises five *departamentos* (states). The most common activity of clients is commerce, which accounts for 88.0% of total activities.

CLIENTS BY ZONE						
Zone	Coast	Highlands	Center	East	North	Total
DEPARTAMENTO	SUCHITEPÉQUEZ QUETZALTENANGO SAN MARCOS ESCUINTLA SANTA ROSA	QUETZALTENANGO RETALHULEU HUEHUETENANGO SAN MARCOS QUICHÉ	SOLOLÁ CHIMALTENANGO SACATEPÉQUEZ GUATEMALA	JUTIAPA JALAPA IZABAL ZACAPA CHIQUIMULA	BAJEVERAPAZ ALTAVERAPAZ PETÉN	22
CLIENTS	23,373	15,687	13,094	8,625	7,103	67,882
% OF CLIENTS	34.40%	23.10%	19.30%	12.70%	10.50%	100%
BRANCHES	6	6	6	5	5	28

Percentage of clients by industry sector

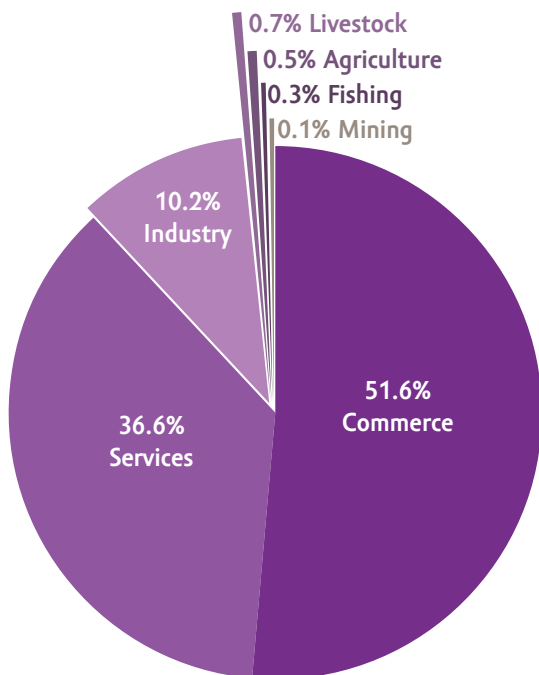




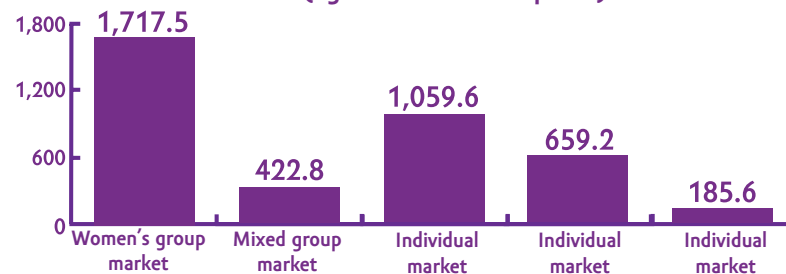
# PERU

- At Compartamos Financiera the Crédito Súper Mujer demonstrated its potential, increasing from 4,946 clients in 2012 to 43,395 in 2013.
- Of total clients, 63.2% are women.
- Compartamos Financiera expanded into four new departamentos in 2013, with Lima concentrating the greatest percentage of clients (44.7% of the total).
- The Structured Microenterprise Market accounts for 43% of Compartamos Financiera's loan portfolio, with five different products and 41,894 clients.
- Commerce is the activity of 51.6% of clients in Peru, followed by the service sector (36.6%).

Percentage of clients by industry sector



Loan portfolio by market sector (figures in Mexican pesos)



CLIENTS BY DEPARTAMENTO

Departamentos	Ancash	Arequipa	Cusco	Ica	La Libertad	Lima	Puno	Tacna	Total
CLIENTS	5,606	73,811	4,845	8,725	9,080	88,807	3,913	3,575	198,362
% OF CLIENTS	2.83%	44.7%	2.44%	4.40%	4.58%	44.77%	1.97%	1.80%	100%
BRANCHES	1	15	1	2	2	19	1	1	42

Market	Number of clients	Products	Number of clients per product	Percentage of clients as part of total market
MICROENTERPRISE	162,418	CREAR AGRO	225	0.1%
		CREAR FIJO	3,856	1.9%
		CREAR PYME	37,655	19.0%
		CREAR YAPA	36	0%
		CRÉDITO DE LÍNEA	119	0.1%
		REFINANCIACIÓN	349	0.2%
		CREAR FÁCIL	13,877	7.0%
		CREAR WARMI	9,201	4.6%
		CRÉDITO SÚPER MUJER	43,395	21.9%
		COLECASH	260	0.1%
		CREAR CASH	47,145	23.8%
		CREAR JALE	132	0.1%
		CREAR RENUOVA	3,606	1.8%
CREAR VUELVE	2,562	1.3%		
CONSUMER	35,944	CONVENIOS	487	0.2%
		CREAR CONSTRUYE	8,676	4.4%
TOTAL CREDIT CLIENTS	198,362	18 PRODUCTS	198,362	100%



## CLIENT PROTECTION AND SERVICE

Client protection and service are a fundamental part of our offer of social value.

### PROTECTION

Our Client Protection Index, or IPAC (as it is known by its Spanish-language acronym), is an internal monitoring system that allows us to measure compliance with minimum standards and best practices in client protection. These standards have been taken from the SMART Campaign, an international initiative designed to consolidate the knowledge and experience of leading financial institutions in the microfinance sector.

We implemented IPAC in 2012 and just one year later it has become an effective tool for establishing solid and lasting relations with clients, increasing their loyalty to our brand, and helping to reduce financial risk.

Also, through our example we invite the entire microfinance sector to establish a common framework of responsible banking and so to provide protection guarantees to clients of the microfinance in the region.

In 2013, the IPAC was incorporated into the operations of Compartamos Banco through an internal monitoring system that allows us to measure and control levels of compliance with client protection standards and best practices. The IPAC itself is monitored by the 13 management departments of Compartamos Banco, by means of a Balanced Scorecard. In 2013 an Over-Indebtedness Risk Management bulletin board was created and the report on over-indebtedness in the bank's portfolio, for the use of the Risk Committee, was consolidated.

## THE PRINCIPLES OF THE IPAC ARE:

### 6. SUITABLE PRODUCTS AND SERVICES

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Based on the characteristics of our clients, our products are designed to benefit the segment at which they are directed.

### 5. PRIVACY OF CLIENTS DATA

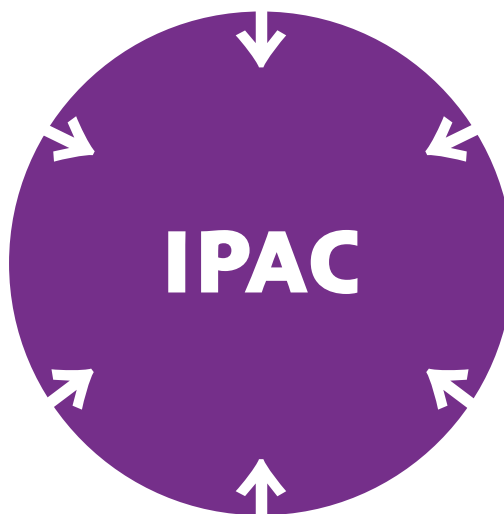
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Client information is protected in accordance with the standards and requirements of the Federal Personal Data Protection Law and the Credit Institutions Law, which protects privacy in the banking sector.

### 1. PREVENTION OF OVER-INDEBTEDNESS

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We make a determined effort to prevent over-indebtedness among our clients through internal policies and procedures. Also, through financial education, we seek to develop in our clients the skills that will allow them to make responsible use of credit.



### 4. MECHANISMS FOR ADDRESSING COMPLAINTS

---

Our COMPARTEL system is an effective and appropriate means of receiving and addressing complaints from our clients in a timely manner.

### 2. TRANSPARENCY

---

We communicate information about prices, terms, and conditions to clients in timely fashion. We use language that is clear to all so that they can make informed decisions.

### 3. FAIR AND RESPECTFUL TREATMENT OF CLIENTS (ETHICAL CONDUCT)

---

We apply the best ethical practices in our operations. We offer high-quality products and services that at all times respect the dignity of our clients.



## CLIENT SERVICE

We offer our clients friendly and quality service, with open channels for complaints and suggestions to attend to all of their needs.

# MEXICO

## COMPARTAMOS BANCO

COMPARTEL Call Center  
Website contact  
- www.compartamos.com  
-servicioalcliente@compartamos.com  
32 specialized units\*

**170,776 calls**  
• 57.9% from clients  
• 34.4% from prospects  
• 3.8% complaints  
• 3.9% unregistered  
**Web: 3,452**  
**Email: 830**  
**8,026 contacts**

## YASTÁS

medium

Telephone contact center  
01 800 220 0202  
Webpage: www.yastas.com  
Social networks:  
f : Red Yastás  
t : @red\_yastas

results

**55,735 calls**

## ATERNA

Telephone: 5200-7777  
Email: contigo@aterna.mx

**Requests attended to: 58**

# GUATEMALA

## COMPARTAMOS S.A.

medium

COMPARTEL Call Center

results

**1,882 calls**  
• 13.6% from clients  
• 36.0% from prospects  
• 0.4% complaints  
• 46.7% unproductive  
• 3.3% unregistered

# PERÚ

## COMPARTAMOS FINANCIERA

medium

Web page  
Branch

results

**784 requests**  
• 92.7% consultation  
• 2.4% suggestions  
• 4.8% complaints  
**100 responses**

\*The specialized unit is designed to answer consultation and complaints from clients. It is required to have at least one representative for each state in Mexico where Compartamos Banco has branches or offices.

## ACTIVITIES WITH CLIENTS

We promote training and integration activities with our clients in order to stimulate their entrepreneurial spirit, so that they can generate more economic and social value for their families, businesses, and communities.

### Business workshops

### Women's encounters



**1,303**  
Clients trained

**"HOW TO  
EARN  
MORE"**

Subject



**85,316**  
Clients trained

**"ALL FOR ONE AND  
ONE FOR ALL".  
YOUR ARE RESPONSIBLE  
FOR YOUR MONEY  
AND BUDGETING IS  
THE BEST OPTION FOR  
CONTROLLING IT.**

Subject



**1,232,295**  
Investment in pesos



**86**  
Hours of training



**19,154,911**  
Investment in pesos



**350**  
Hours of training

# WE AWARDED THE COMPARTAMOS MICRO- ENTREPRENEUR PRIZE TO ONE CLIENT IN EACH STATE OF MEXICO IN 2013.

## COMPARTAMOS MICRO-ENTREPRENEUR PRIZE

*Through the Compartamos Micro-Entrepreneur Prize we acknowledge the effort and dedication our clients demonstrate in offering a better future to their families, which impacts in turn the creation of opportunities for the development and wellbeing of their communities.*

Among the 32 micro-entrepreneurs who received the prize, five stood out for their achievements in the categories of:

- Production
- Services
- Commerce
- Family participation
- Social responsibility

### Judges

1. Angélica Fuentes, *Executive President of Grupo Omnilife*
2. Simón Hamparzumian, *President of Grupo Fisher's*
3. Francisco Arenas, *Professor at the IPADE*

Mariam stood out for the effort and perseverance she showed in her business. She began with borrowed furnishings until, with the help of a Compartamos Banco loan, she was able to invest in working tools. Her business grew and, thanks to the technology she acquired, she saved time on processes. Her short-term plans are to open more outlets, hire more employees, offer new products, purchase more equipment and furnishings, and take her product to other sales outlets.



### PRODUCTION

Miriam Alvarado Antonio  
*Hidalgo, Tula de Allende*  
Preparation of vegetarian food





### SERVICES

María de Lourdes Martínez  
González  
*Acámbaro, Guanajuato*  
Pet care and grooming

Lourdes began her business in a 4-x-5-meter space, offering the basic services of sale of accessories and veterinarian consultations. All of the other services -of analysis and diagnostic- were performed in other establishments. With the help of a Compartamos credit, her business went from a small consulting outlet to a large, well-equipped veterinarian clinic, with up-to-date services.



### COMMERCE

Elizabeth Díaz Flores  
*Los Cabos, Baja California Sur*  
Variety and stationary store

Elizabeth began with a small business, but since she was unable to offer quantity or variety, she began to lose clients. With her Compartamos Banco credit she was able to keep her store well-stocked and expand her internet services and sales of stationary and lottery tickets.



### FAMILY PARTICIPATION

Matilde Reyes Crisóstomo  
*Córdoba, Veracruz*  
Purchase and sale of flowers  
and banquet hall decoration

When she was just fifteen, Matilde began to help her parents in their flower business, an inheritance from her grandparents. Most of the employees are family members, and family values remain one of her principal motivations.



### SOCIAL RESPONSIBILITY

Alfonsina Hernández Lobato  
*Texistepec, Veracruz*  
Production of cheese

In her business Alfonsina takes special care with the quality and origin of the materials she uses. She makes sure not to affect the environment and contributes to the community by creating jobs.

## COMPETITIONS FOR CLIENTS, THEIR CHILDREN, AND OTHER FAMILY MEMBERS

*We create ties of loyalty and trust with our clients, involving them in various activities from which their other family members can also benefit.*

### RECIPES WITH VALUE COMPETITION

**98,092** PARTICIPANTS

*Objective: To reward clients who share their best recipe in the most creative way: the dish that is special to the family and reflects their values, customs, and traditions. The aim is to promote family values, contribute to the positioning of the brand, and increase the loyalty of clients.*



### 2013 DRAWING COMPETITION

**40,455** PARTICIPANTS

*Objective: To reward children who express most creatively in a drawing what they most like to share with their families, in order to foster family participation and contribute to the positioning of our brand among future generations of clients.*

### SQUADRON 9/10 COMPETITION

**17,011** PARTICIPANTS

*Objective: To reward children for outstanding performance in the 2012–2013 school year. The competition promotes values such as responsibility, perseverance, and teamwork, with a view to fostering loyalty among clients through their children.*



# OUR CAUSE

*We promote the social, economic, and human development of the communities in which we work, channeling 2% of our net annual earnings into health and education projects. We also foster a culture of volunteer work.*

For four years in a row now our Social Responsibility and Sustainability Fund has empowered our efforts to support the communities where we are present, allowing them to act as agents of change and paying back a part of the benefits we receive from the communities that welcome us.

Our social responsibility actions are aligned along two axes, delimited by the Commission of Social Responsibility and Sustainability, which consists of a Strategic Commission and an Operating Commission, made up of representatives of different management areas of Genera.

We are also represented by one member on the Board of Directors, who orients our social responsibility and sustainability actions. The two axes of our activities are:

## EDUCATION

- Life training: promotion of values, environmental awareness, and formal education for children, young people, and adults, including formal schooling, literacy, workplace training, and teacher training.
- Entrepreneurs: training in starting up and improving micro-businesses.
- Financial education: training in the areas of saving, budgeting, family finances, and business administration.

## HEALTH

- Diet, nutrition, obesity.
- Prevention of diabetes and high blood pressure.
- Physical exercise and healthy leisure time activities.

DISTRIBUTION OF THE SOCIAL RESPONSIBILITY FUND						
	Education	Health	Corporate responsibility	Fundación Genera	Operations management	Total
AMOUNT OF SUPPORT (PESOS)	17,973,787	3,649,460	9,382,188	7,776,342	1,410,888	40,192,666
PEOPLE BENEFITTED	144,623	17,368	55,398	26,749	N/A	244,138
PUBLICATIONS	N/A	N/A	31,000	860,000	N/A	891,000
PERCENTAGE BREAKDOWN	45.0%	9.0%	23.0%	19.0%	4.0%	100%



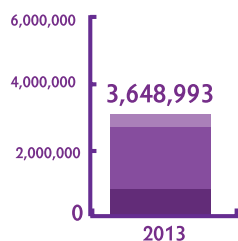


# FUNDACIÓN GENTERA

Our Foundation promotes health and education in Mexico, supporting both education in values and formal education programs.

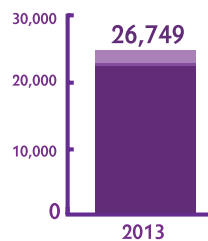
EDUCATION IN VALUES, **860,000** PUBLICATIONS

Investment (pesos)



11.5% HEALTH  
62.0% EDUCATION  
26.0% VOLUNTEER

People benefited



7.1% HEALTH  
0.3% EDUCATION  
92.6% VOLUNTEER

## ORGANIZATIONS SUPPORTED

### HEALTH

- Dentalia

### EDUCATION

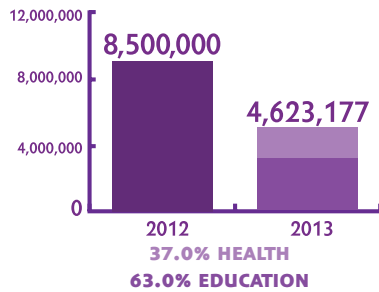
- Quiera, Foundation of the ABM
- Fundación Televisa

### VOLUNTEER

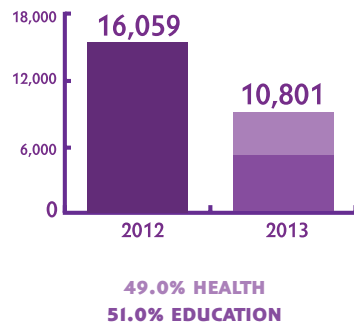
- Volunteer activities with the community.

# COMPARTAMOS CON LA FAMILIA OPEN CALL

## People benefitted



## Organizations supported



## ORGANIZATIONS SUPPORTED

### EDUCATION

- *Centro de Información y Comunicación Ambiental de Norte América A.C. (CICEANA)*
- *Centro Operacional para el Fortalecimiento de Iniciativas Sociales A.C.*
- *Centros de Prevención Comunitaria Reintegra I.A.P.*
- *Fondo para la Paz I.A.P.*
- *Germinalia A.C.*
- *Mayama A.C.*
- *Niños Unidos de Tetitla I.A.P.*
- *Pensamiento Palabra y Acción en Movimiento A.C.*
- *Red para el Desarrollo Rural Sustentable A.C.*

### HEALTH

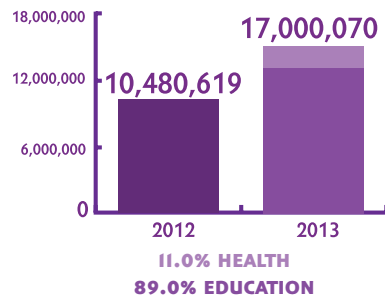
- *Asociación de Ayuda a Niños con Trastornos en el Desarrollo A.C.*
- *Desarrollo Integral de la Juventud Oaxaqueña A.C.*
- *Educación y Desarrollo Indígena de Chiapas A.C.*
- *Fundación Tarahumara José A. Llaguno A.B.P.*
- *México Reconstruyendo A.C.*

*“I am very grateful to have been invited to participate in the succulent plants program. I’m very enthusiastic, because I’m someone who felt incapable of earning a daily wage. Now I feel prepared to work as part of a team. Also, they have supported us with inspirational talks. I feel better about myself and more in harmony with my family.”*

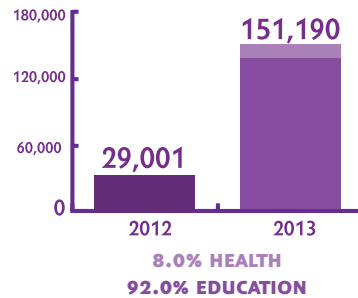
*Margarita Lucía Cruz, San Juan Suchitepec Oaxaca. (CICEANA)*

# SOCIAL RESPONSIBILITY ALLIANCES

Investment (pesos)



People benefited



## ORGANIZATIONS SUPPORTED

### EDUCATION

- Ashoka Emprendedores
- Nuestros Pequeños Hermanos
- Quiera, Fundación de la ABM
- Bécalos
- Fundación Nemi\*

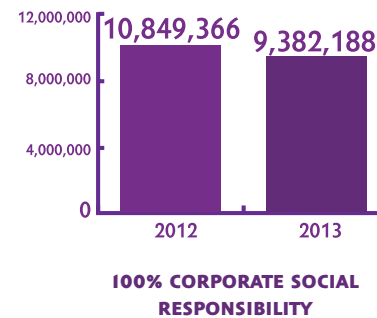
### HEALTH

- Fundación Interamericana Anáhuac

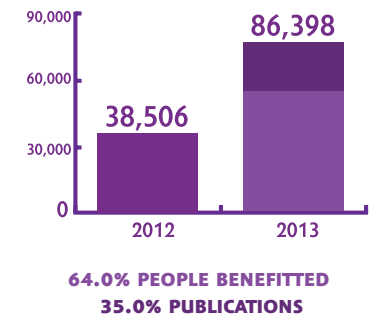
\* In 2012 the alliance with Fundación NEMI was carried out through Fundación Genera.

# CORPORATE SOCIAL RESPONSIBILITY

Investment (pesos)



People benefited

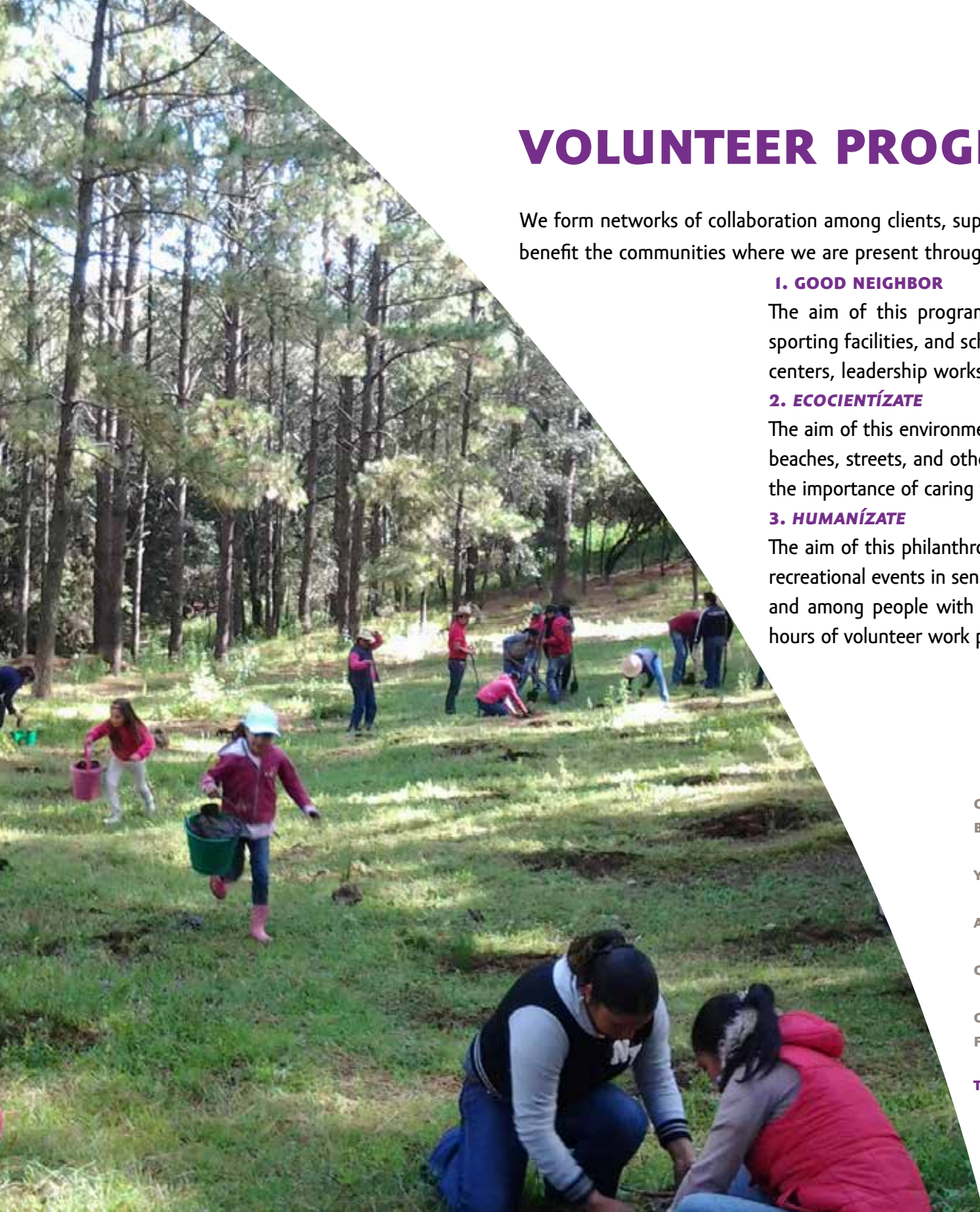


## ORGANIZATIONS SUPPORTED

### CORPORATE SOCIAL RESPONSIBILITY

*Compartamos con la Comunidad Day* and programs for employees in the areas of environmental awareness, volunteer work, and family values.





# VOLUNTEER PROGRAMS

We form networks of collaboration among clients, suppliers, employees, and their family members in order to benefit the communities where we are present through volunteer work, through three initiatives:

## 1. GOOD NEIGHBOR



The aim of this program is to promote sporting activities and restore parks, sporting facilities, and schools. There are also talks held in schools and community centers, leadership workshops, and distributions of toys.

## 2. ECOCIENTÍZATE

The aim of this environmental awareness program is to hold cleanup days in parks, beaches, streets, and other places, as well as reforestation campaigns and talks on the importance of caring for the environment.

## 3. HUMANÍZATE

The aim of this philanthropic program is to distribute basic goods and to organize recreational events in senior citizen homes, orphanages, marginalized communities, and among people with disabilities. In 2013, the number of volunteers and the hours of volunteer work performed increased by 46.6% and 93.5%, respectively.

	 Number of volunteers	 Hours of volunteer work
COMPARTAMOS BANCO AND GENERA	12,830	64,607
YASTÁS	106	332
ATERNA	3	18
COMPARTAMOS S.A.	487	2,234
COMPARTAMOS FINANCIERA	907	2,983
<b>TOTAL</b>	<b>14,328*</b>	<b>70,173</b>

\* The total includes five employees who performed volunteer work through other companies.



# CÍRCULO PECES

Through this program we train our employees to act as agents of change. Those employees who choose to participate voluntarily undertake to guide and encourage their fellow employees, clients, and the community in general by disseminating our Purpose and Philosophy among them. In this way, every volunteer activity contributes to the wellbeing of the community. The circles in which they participate are: animators, reporters, green agents.

	2012	2013
ANIMATORS	115	114
REPORTERS	43	252
GREEN AGENTS	166	144
<b>TOTAL</b>	<b>324</b>	<b>510</b>





# COMPARTAMOS CON LA COMUNIDAD DAY

We have not only successfully exported our business model to Guatemala, but in 2013 our social responsibility program, the *Compartamos con la Comunidad Day*, as well. A total of 136 employees of Compartamos S.A. participated in “Compartamos Days in Guatemala.”

In this way, we demonstrate that our Philosophy of sharing benefits with the community applies to all of the countries in which we operate.

In 2013, we established a new teeth cleaning service for children during our *Compartamos con la Comunidad Days* in Mexico, thanks to an alliance struck with the Fundación Alfredo Harp Helú.



## MEXICO / GUATEMALA



<b>NUMBER OF EVENTS</b>	<b>26</b>	<b>2</b>
<b>EMPLOYEE VOLUNTEERS</b>	<b>2,708</b>	<b>136</b>
<b>PEOPLE INDIRECTLY BENEFITTED</b>	<b>40,284</b>	<b>1,473</b>
<b>MEDICAL EXAMINATIONS</b>	<b>3,384</b>	<b>302</b>
<b>DENTAL HYGIENE AND NUTRITION TALKS FOR CHILDREN AND ADULTS IN SCHOOLS</b>	<b>8,498</b>	<b>N/A</b>
<b>TEETH CLEANINGS</b>	<b>1,689</b>	<b>381</b>
<b>EYE EXAMINATIONS</b>	<b>N/A</b>	<b>169</b>
<b>ATTENDANCE AT FAMILY MOVIE SHOWINGS</b>	<b>9,040</b>	<b>800</b>
<b>PARTICIPANTS IN THEATER PERFORMANCES</b>	<b>489</b>	<b>N/A</b>



**WE SHARE WITH  
THE COMMUNITY  
IN ORDER TO  
GENERATE VALUE  
FOR ALL**

## OTHER SUPPORT

In response to the needs of the communities that surround us, we have developed two social support policies in Mexico.

### DONATION OF FIXED ASSETS

We donate computer equipment to various organization. The equipment is in good condition but no longer serves a purpose in our offices.

<b>312</b>	<b>16</b>	<b>5,656</b>	<b>9</b>
<b>PIECES OF EQUIPMENT DONATED</b>	<b>STATES SUPPORTED</b>	<b>PEOPLE BENEFITTED</b>	<b>ORGANIZATIONS SUPPORTED</b>

Organization supported: Fonabec A.C., Fundación Luis María Martínez I.A.P. e I.B.P. , Fondo para Niños de México A.C., Asociación Mexicana para las Naciones Unidas de Jóvenes, AMNU Jóvenes A.C. y Ministerio Vive A.C., Centro de Prevención Comunitaria Reintegra A.C., A.B.P Nuestros Pequeños Hermanos A.C. , Fondo para la paz A.C., Ayuda y Solidaridad con las Niñas de la Calle A.C.

### NATURAL DISASTERS

We give financial aid and donate supplies to employees and other people who have been victims of natural disasters. In 2013, thanks to an alliance struck with the organization Un Kilo de Ayuda, we benefitted 900 families.

<b>85</b>	<b>1,273</b>	<b>1,773</b>	<b>567,282</b>
<b>EMPLOYEES SUPPORTED</b>	<b>PEOPLE IN OTHER COMMUNITIES SUPPORTED</b>	<b>BASIC FOOD BASKETS</b>	<b>PESOS</b>

States benefitted: Chiapas, Chihuahua, Coahuila, Estado de México, Guerrero, Jalisco, Michoacán, Morelos, Oaxaca, Puebla, Sinaloa, Tamaulipas, Veracruz.

### CHALLENGES FOR 2014

We have a clear purpose with each one of our social responsibility projects: to contribute to the social, economic, and human wellbeing of society. That is why we have set goals for ourselves in 2014 to continue progressing in the generation of shared value that characterizes us:

1. To center our social responsibility alliances on an single axis of action –education– and seeking to generate alliances in formal schooling, workplace training, and financial education.
2. To generate more strategic alliances to allow us to extend the benefits of the *Compartamos con la Comunidad Day* program and so together impact, in a single day, the greatest number of people in the communities involved.

We GENERate profitability as a motor of development.

# ECONOMIC VALUE



- We offer services to **2,754,860 clients**, 3.0% more than in 2012.
- Our team consists of **19,339 employees**, 16.5% more than in 2012.
- Our **total loan portfolio** amounted to just over **20,706 million pesos**.
- Our **non-performing loans ratio** was **3.12%**.
- Our interest income was **12,590 million pesos**.
- We have **577 branches** attending our clients in the countries where we operate.
- With **3,171 correspondents** in 11 different states in Mexico and 16 issuers, including Compartamos Banco, Yastás handled **10.3 million transactions** in 2013.
- Aterna placed **9,174,927 insurance policies** in Mexico, **54,536** in Guatemala, and **1,827,074** in Peru.
- We have **figured on the benchmark index (the IPC) and the Sustainable Index of the Mexican Stock Exchange** for six and three years in a row, respectively.

A photograph of two men in a jewelry store. The man on the left is wearing a white shirt with an orange collar and is smiling. The man on the right is wearing a grey t-shirt and is also smiling. They are looking at a display case filled with jewelry. The background is filled with various pieces of jewelry hanging on the wall.

**WE DIVERSIFY OUR  
PRODUCTS AND CONSTANTLY  
UPDATE OUR TECHNOLOGY  
AND INFORMATION TOOLS.**



The business environment of the markets in which we operate is characterized by increasing competitiveness and by clients demanding convenient and accessible products and services. This context represents a challenge for us. This is why we invest in technological development, train our agents, and create new ways of offering quality products that meet the special needs of people at the base of the economic pyramid.

## TECNOLOGY

*Thanks to our technological resources, we can shorten distances and offer our clients products and services suited to their needs.*

The use of technology helps us to be more efficient in our operations and to provide rapid, high-quality service. It also provides a support by which to make our services accessible to the largest number of people in the least possible time.

We have maintained constant investment in the development of our technological platform, especially for two strategic projects: Integra and ECO.

The Integra project focuses on the development of a new platform for Compartamos Banco. This will make it possible to combine and accumulate products and so make for more efficient operations, in addition to lowering costs and enhancing the flow of more and better information for decision-making. The platform's SAP technology makes it possible to reorient and group together processes and products in accordance with the growth of the organization. Integra went into operation in 2013.

ECO is a system that uses handheld technology to capture field information from clients. ECO facilitates and speeds up the handling and availability of information, improving the productivity and quality of life of our employees. This translates into savings of transport time and diminishes the environmental impact of our operations. At the end of 2013, all of Compartamos Banco's branches were equipped with the ECO system.



# RISK

Genera has a Risk Management Division whose task is to detect, monitor, and prevent the materialization of risks. The department is global in scope and backs up our entire operation. It functions independently of the individual companies, in close collaboration with the Risks and Audit Committees.

In the system of risk management, there are classifications and weightings adapted to the context of each company. In administrative terms, however, they can be classified as:

- Credit risk
- Financial risk
- Operational risk
- Strategic risk
- Reputational risk

In 2013 the Department of Strategic Risks was created to manage the risks inherent in strategy, over-indebtedness, and sustainability, and the Sustainability Committee was given definitive form at an internal level. It focuses on detecting risk within a vision of the social context and transparency.

Risk management is very similar in Mexico and Peru: maps and contingency and action plans are developed to respond to the risks detected.

In Guatemala, Compartamos S.A., as a share company, is not subject to financial regulation. Nevertheless, it reports to and consults with its internal risk department.

Aterna and Yastás are in the same case. Not explicitly subject to risk regulation, they exercise control by means of internal policies and committees.

In 2013 we drew up standardized manuals and processes to manage risk in all of the companies making up Genera. Also, the Business Continuity department worked on plans to ensure the continuity of Compartamos Banco's operations in the event of certain outside contingencies. Business Continuity Plans and Business Continuity Management guidelines were developed in accordance with the context and the risks detected in the regions where we operate.

In 2013, as part of the support for these Business Continuity Plans, a Crisis Management Plan was successfully tested with the participation and coordination of all the areas involved.

Compartamos Banco maintains risk maps of the communities most exposed to natural disasters. These are complemented by contingency plans and financial provisions to protect and support employees and clients of the bank in adverse circumstances

Our challenges for 2014 are: to ensure business continuity, to maintain contingency plans for all Genera companies, and to strengthen the Alternate Work Center of Compartamos Banco.



# VALUE CHAIN

*We share our philosophy with our suppliers in order to create a chain that adds value to our society.*

At Genera we are perfecting our sustainable acquisitions process, while taking into account compliance with aspects such as tax payments, quality standards, care of the environment, formal contracts for personnel, and a strict prohibition of child labor.

In 2013 our purchasing processes were renewed and rendered more efficient, reliable, and convenient. We developed a supplier management model we call Strategic Supply, whose aim is to select the best suppliers according to the criteria of quality, sustainability, reliability, and price, among others.

Certification of suppliers will begin in 2014, as we set ourselves the goal of having 70% of purchases made from certified suppliers. In this way, we help ensure the sustainability of our value chain. Already in 2013, 100% of Genera's purchases were made from local suppliers.

At Genera we employ an Ethics Code for suppliers, compliance with which is obligatory for all our business partners along the supply chain. All suppliers who sign on to this Ethics Code are considered to understand and accept our certification criteria.



# INNOVATIVE COMMERCIAL MODELS

*We build innovative, efficient, profitable, and sustainable commercial models, to the benefit of all.*

## MEXICO

In 2013, Compartamos Banco's total loan portfolio grew by 10.5% over 2012, reflecting expansion well above the 1.1% growth registered in the Mexican economy. The amount of total loans reached 16,447 million pesos.

The total number of clients at the close of 2013 was 2,488,616, down just 0.3% from the previous year. Nevertheless, the number of services offices increased to 507, 4.8% more than in 2012.

An important aspect of eradicating financial exclusion is speeding up the access of services and products to remote areas. This involves reducing clients' travel time and providing longer service hours in places and with people accessible to the community. In short, it means offering convenience to the people of these vulnerable communities.

With this vision, the correspondent administrator Yastás has now brought 3,171 independent affiliated correspondents into its network, through which the clients of Compartamos Banco can perform their financial transactions.

Aterna, Genera's insurance broker, achieved strong growth in its first complete year of operations. It positioned itself as the leading institution of its kind in Latin America, with 3,479,470 policies active as of the end of 2013.

## GUATEMALA

Our growth and expansion is a consequence of the innovation of our business model and the development of *Crédito Mujer* in Guatemala is an excellent example. At the close of 2013, Compartamos S.A. had 67,882 clients, representing annual growth of 47.7%. The total loan portfolio grew by 66.6% to 189 million pesos, demonstrating the strength of the group methodology in granting credit. The number of branches in Guatemala increased from 18 in 2012 to 28 in 2013.

## PERU

In 2013 the identity of Financiera CREAR evolved into that of Compartamos Financiera. This evolution has allowed our company in Peru to operate as a leading national brand in the microfinance sector.

Compartamos Financiera showed strong growth in 2013. The number of clients reached 198,362, up by 47.2% over the previous year. The total loan portfolio went from 3,161 million pesos in 2012 to almost 4,045 million pesos in 2013, an increase of 28.0%.

The success of the *Crédito Súper Mujer*, the company's experience in individual credits, the promotion of micro-insurance through Aterna, and the increase of branches, which went from 34 in 2012 to 42 in 2013, were all important factors in achieving such solid growth in Peru.



# WE LINK THE STOCK MARKET WITH SOCIAL DEMAND

The general economic context is characterized by price stability, economic growth, and low volatility in exchange rates. Economic variables such as inflation, reserves, and access to funding remained stable in the countries in which we operate.

The positive economic trends in Mexico, Guatemala, and Peru have been important factors in the development of Genera's operations and results in terms of access to financing, planning, and the launch of new products and services.

ECONOMIC INDICATORS <sup>1</sup>						
	2012			2013		
	Mexico	Guatemala	Peru	Mexico	Guatemala	Peru
GDP GROWTH	3.90%	3.01%	6.30%	1.10%	3.30%	4.80%
INFLATION	3.57%	3.45%	2.66%	3.97%	4.39%	2.80%
US DOLLAR EXCHANGE RATE	13.01	7.9	2.5	13.0843	7.84	2.79
INTERNATIONAL DOLLAR RESERVES (BILLIONS)	167,050	6,694	63,991	176,522	6,584	65,663

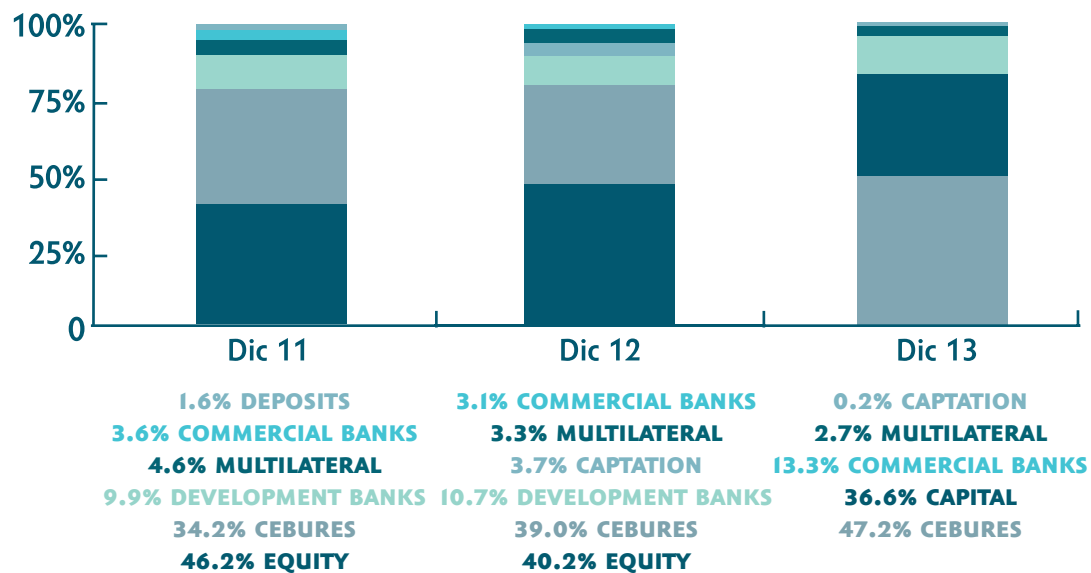
1 DATA OBTAINED FROM THE CENTRAL BANKS OF EACH COUNTRY

## OPERATING RESULTS

### INTEREST INCOME

Interest income amounted to 12,590 million pesos in 2013, an increase of 24.6% over the previous year.

### Genera Funding





### **NET INTEREST INCOME**

Net interest income after provisions was 10,164 million pesos in 2013, up by 21.1% over the previous year. This was the result of a 14.0% increase in total loans, a 3.0% increase in the number of clients, and a 24.6% increase in interest income during the year.

Interest expenses were 818 million pesos, compared to 718 million pesos in 2012, reflecting a rise of 13.9%, derived from a greater issue of stock certificates to support the growth of the loan portfolio.

Loan-loss provisions in 2013 were 1,608 million pesos, an increase of 62.3% over the previous year. This was the result of the growth of the loan portfolio and particularly the increase in individual credit products and semi-urban credits, which entail different risk profiles. The ratio of non-performing loans to total loans was 2.89% in Mexico, 3.77% in Guatemala, and 4.0% in Peru.

Net interest margin (net interest income after provisions as a percentage of average yielding assets) was 45.4%.

### **OPERATING INCOME**

Operating income before taxes in 2013 amounted to 3,512 million pesos, up by 14.2% over 2012, as a result of the 25.4% increase in net interest income and the 26.1% increase in operating expenses, which went from 5,365 million pesos in 2012 to 6,763 in 2013. These expenses were impacted by the 16.5% increase in employees and the rise in the number of service offices, which increased from 536 in 2012 to 577 in 2013, as well as by investment in strategic projects such as Integra, ECO, the deposit pilot project, and the Yastás correspondent network.

Genera's operating efficiency ratio in 2013 was 27.0%, having inched up 0.5 percentage points compared to 2012 as a result of the aforementioned projects.

### INCOME BEFORE TAXES

Total income before taxes was 3,512 million pesos in 2013, up by 14.2% over the previous year. This was a result of the increase in net interest income and operating expenses, which was less than that of the income growth.

### INCOME TAX

Income tax provisions were 1,207 million pesos in 2013, up 4.1% over the previous year. Deferred negative taxes amounted to 34 million pesos.

### NET INCOME

Net income in 2013 amounted to 2,271 million pesos, compared to 2,021 million pesos in 2012, reflecting an increase of 12.4%. Earnings per share (EPS) in 2013 were 1.4, similar to the 1.2 registered the previous year.

NET INCOME (MILLIONS)		
	2012	2013
MEXICO	2,051	2,496
GUATEMALA	NOT YET GENERATING INCOME	NOT YET GENERATING INCOME
PERU	105	76
<b>GENERÁ'S INCOME</b>	<b>2,021</b>	<b>2,271</b>



# BALANCE SHEET

Financial exclusion is one of the causes of poverty. We offer access to competitive, high-quality financial services that meet the needs of clients. In this way, we GENErate inclusion and development.

## CASH AND OTHER INVESTMENTS

Cash and other investments were 2,533 million pesos at the end of 2013, down by 14.3% over the end of 2012.

Cash and other investments accounted for 10.0% of total assets, down from the 12.9% registered in 2012. Strong liquidity permits growth at lower cost and constitutes an important factor in Gentera's business model.

## LOAN PORTFOLIO

The loan portfolio amounted to 20,681\* million pesos at the end of 2013, compared to 18,148 million pesos in 2012, reflecting growth of 14.0%. This was the result of an increase in clients in the markets in which we operate. The average outstanding balance rose in Mexico and Guatemala, whereas in Peru it dropped, from 23,454 in 2012 to 20,391 in 2013.

LOAN PORTFOLIO (MILLIONS)		
	2012	2013
MEXICO	14,887	16,447
GUATEMALA	114	189
PERU	3,161	4,045
<b>TOTAL *</b>	<b>18,148</b>	<b>20,681</b>

\* THE LOAN PORTFOLIO, UNLIKE TOTAL LOANS, DOES NOT INCLUDE A 25-MILLION-PESO LOAN FROM THE COMMERCIAL PORTFOLIO.

## ASSET QUALITY

Non-performing loans at the end of 2013 amounted to 645 million pesos, 23.3% more than in 2012. This growth was mainly due to changes in the mix of the loan portfolio and to market dynamics, which trended toward growth in individual credits. In order to keep our late-payment ratio low and in line with market conditions in the places where we operate, we kept a close watch on our loan portfolio in terms of analysis and supervision.

The late-payment ratio in 2013 was 3.12%, below the sector average.

The coverage ratio in 2013 was 184.2% for Compartamos Banco, 211.7% for Compartamos S.A., and 111.8% for Compartamos Financiera.

MAIN INDICATORS	Mexico		Peru		Guatemala	
	2013	Δ VS 2012	2013	Δ VS 2012	2013	Δ VS 2012
NON-PERFORMING LOANS / TOTAL LOANS	2.89%	0.13 PP	4.00%	0.56 PP	3.77%	1.76 PP
COVERAGE RATIO	184.2%	-0.47 PP	211.7%	-25.90 PP	111.8%	-53.88 PP

## TOTAL LIABILITIES

Total liabilities at the end of 2013 were 16,419 million pesos. The increase of 15.7% compared to the previous year was due to the greater demand for resources to fund the growth of the loan portfolio. The items that showed the greatest growth were long-term debt issuances and, in relative terms, traditional deposits, in combination with a decrease in bank loans.

Debt market conditions were favorable during the year and, combined with Gentera's financial solidity, resulted in better conditions to access funding at lower costs and longer terms.





## STOCKHOLDERS' EQUITY

Genera's total stockholders' equity stood at 8,943 million pesos at the end of 2013, up by 299 million pesos, equivalent to 3.5%, from the 8,644 million pesos registered at year-end 2012.

The capitalization ratio was 35.5% in 2013, compared to 37.9% in 2012.

## PERFORMANCE RATIOS AND METRICS ( ROAA AND ROAE )

Return on average assets (ROAA) was 9.1% in 2013, compared to 10.0% in 2012. Return on average equity (ROAE) inched up to 25.3% in 2013 from the level of 25.1% registered in 2012.

MAIN PERFORMANCE RATIOS	Mexico		Peru		Guatemala	
	2013	Δ vs 2012	2013	Δ vs 2012	2013	Δ vs 2012
ROAA	12.97%	-0.17 PP	2.02%	-1.35 PP	-5.6%	-0.5 PP
ROAE	34.94%	3.72 PP	17.45%	-10.13 PP	-5.9%	-0.6 PP

## OTHER ASSETS

Other accounts receivable at the end of 2013 amounted to 1,732 million pesos, 32.6% more than the 1,306 registered at year-end 2012.

**WE USE COMMERCIAL PRINCIPLES TO ADDRESS SOCIAL PROBLEMS.**

## EFFICIENCY

The accumulated efficiency ratio of Gentera in 2013 was 66.0%, up from 63.6% over the previous year. This rise was mainly due to new infrastructure for the service offices and the hiring of personnel.

## SHARE PERFORMANCE

The 32.9% rise in Gentera's share price contrasts sharply with the 2.2% fall in the benchmark index (the IPC) and the 0.3% fall in the Sustainable Index of the Mexican Exchange. (Gentera is listed on both of these indexes.)

The positive share performance in 2013 was due to Gentera's operating and financial performance, as well as to an intensive and continual effort to communicate with the financial markets, keeping investors and analysts correctly informed about the company's trends and prospects. This resulted in a more efficient share price appraisal.

As part of the evolution of Grupo Compartamos into Gentera, the Extraordinary Shareholders' Meeting of Compartamos, S.A.B. de C.V. held on 16 December 2013 approved the change of the company name to Gentera, S.A.B. de C.V. As a result, the ticker symbol under which our shares are publicly traded on the Mexican Stock Exchange was also changed. The company's new ticker symbol in 2014 will be GENTERA.

	2012		2013	
	Banco	Gentera	Banco	Gentera
ACCUMULATED EFFICIENCY RATIO	61.3%	63.6%	62.2%	66.0%
SHAREHOLDERS' EQUITY / TOTAL ASSETS	39.1%	37.9%	35.5%	35.3%
ICAP	33.4%	N/A (GENTERA IS NOT A BANK)	27.8%	N/A (GENTERA IS NOT A BANK)

AVERAGE CLIENT BALANCE (MEXICAN PESOS)			
	2012	2013	% Var.
MEXICO	5,967	6,609	10.8%
GUATEMALA	2,473	2,789	12.8%
PERU	23,454	20,391	-13.1%

Share performance	2012	2013	% Var.
SHARE PRICE (PESOS)	18.4	24.4	32.9%
AVERAGE DAILY AMOUNT TRADED (MILLIONS OF PESOS)	56.2	53.5	-4.7%
AVERAGE DAILY VOLUME TRADED (MILLIONS OF SHARES)	3.6	2.4	-33.7%
CAPITALIZATION VALUE (MILLIONS OF PESOS)	8,644	8,943	3.5%
SHARE CAPITALIZATION VALUE (MILLIONS OF PESOS)	30,538	40,216	31.5%
IPC (POINTS)	43,706	42,727	-2.2%
SUSTAINABLE INDEX (POINTS)	279	279	-0.3%



We are PEOPLE-oriented.

# HUMAN VALUE





- ☛ We have a total of **19,339 employees**, 16.5% more than in 2012.
- ☛ All of our companies together have created **2,738 new jobs**.
- ☛ **100% of our employees** are evaluated annually in terms of skills and **99.6% have received certification in the Ethics and Conduct Code** of the company for which they work.
- ☛ We invested **72.2 million pesos in workplace training** and channeled 8.0 million pesos into Human Training programs, both directed at 100% of our employees in Mexico and Peru.
- ☛ In 2013, a total of **476 employees received training** in Mexico, Guatemala, and Peru through our Serviazgo® Leadership Program.
- ☛ **48% of our employees are women**.
- ☛ We held **73 annual encounters** in the three countries in which we operate to share and disseminate our Philosophy and Purpose.
- ☛ In 2013 we offered **949,688 hours of training**, or an average of 56 hours per employee.
- ☛ Through the Improving My Finances Workshop, **1,907 hours of financial education** were given to our employees in Mexico

At Genera we have 1,013 employees distributed around eight service areas, responsible for providing support to our various companies in carrying out their activities. In 2013 the project called Ideal Operating and Service Model (MIOS by its Spanish-language acronym) was initiated in the aim of identifying and ordering processes and resources in order to address the needs of the group's companies with efficiency and quality. In 2014, MIOS will lay the foundations for improvements that will allow us to grow and generate value for all.

## PROFESSIONAL AND PERSONAL DEVELOPMENT

We believe in each and every one of the people who make up our companies, in their capacity for improvement and their willingness to serve others. For this reasons, we support their personal and professional development through our Service Department of Human Affairs, whose aim is to maintain people at the center of all our actions.

The department is divided into three sections: People, Leadership, and Philosophy. Each one of them provides training and guidance to employees so that they can develop in line with the FISEP® model and offer comprehensive service to clients both internally and externally. In this way, we fulfill our purpose with vocation, motivation, and commitment.

In 2013 we developed the *Sueñómetro* (Dreamometer) a project designed to transform the conversation between employees and their superiors. The initiative started in Compartamos Banco and, thanks to its success there, has been replicated in all of Genera. The *Sueñómetro* invites employees to share their short-, medium-, and long-term dreams, both personal and professional, with their fellow workers. The project has changed the way the different members of our companies talk to one another. Now they all participate in the lives and challenges of their fellow employees.

## TALENT RETENTION PROGRAMS

We develop and innovate programs to hold on to our human talent, knowing as we do that employees with potential, if they are motivated and supported, will always give the best of themselves. The most representative programs of Compartamos Banco are:

- **WE EXPECT MORE OF YOU.** This is an early warning system that seeks the common good. The intention is to improve the discipline and performance of our employees. The process begins with a reflection by the employee and his or her immediate superior about areas of opportunity for each of them. In the light of this exercise, goals are set to be pursued in common. The program was applied in 2013 in the sales division of Compartamos Banco with tangible results: turnover diminished from 44.3% in 2012 to 30.9% in 2013.
- **SUCCESSION PLANS.** High-potential employees are selected and their performances followed up on, with a view to fostering promotions.
- **CAREER SPEED-UP.** The professional development of employees is supported through loans and scholarships. In 2013, a total of 192 were able to benefit from this program.

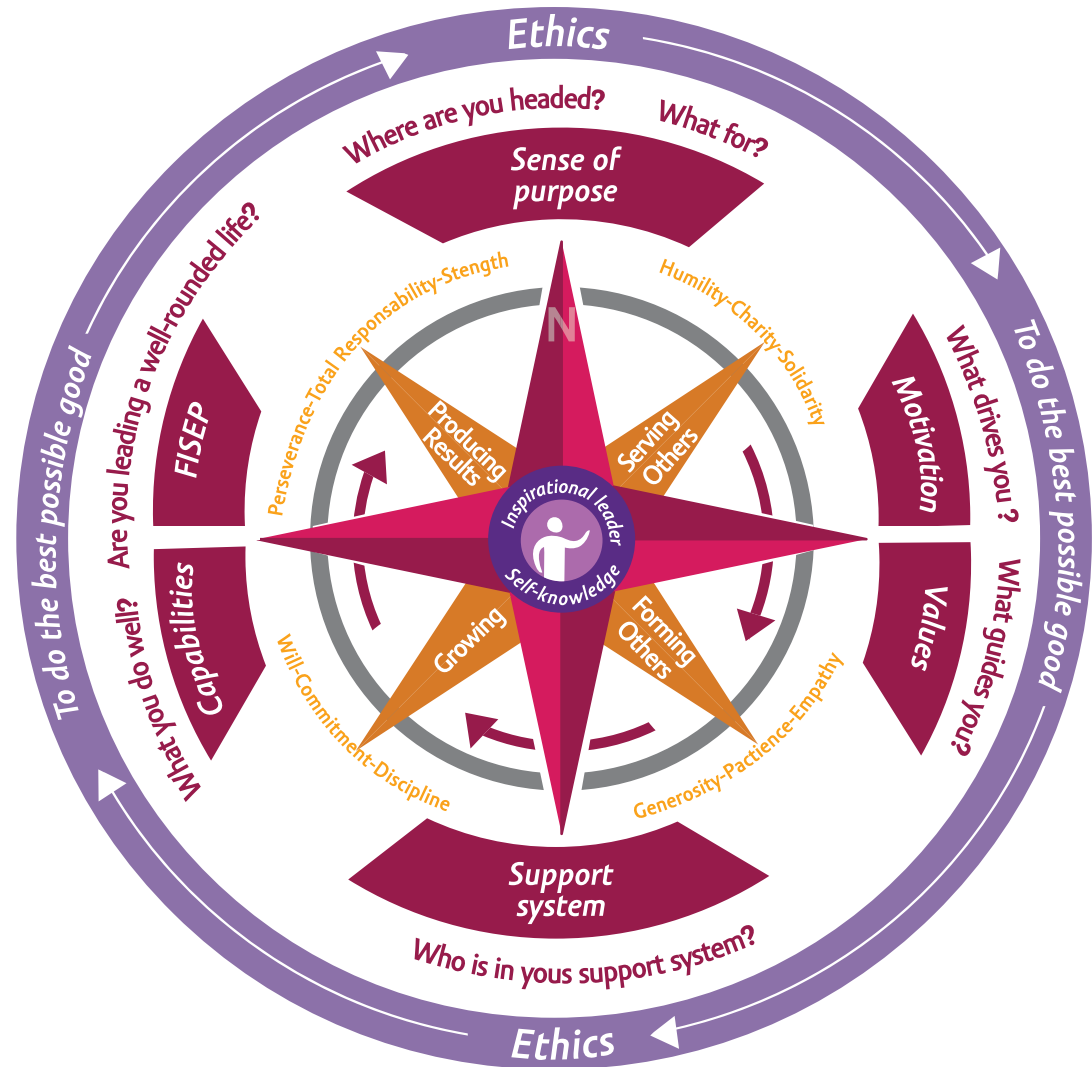
## Comprehensive Servant Leadership Model®

# LEADERSHIP

We seek to inspire and transform lives, however great the challenges. We are convinced that the key to the growth and continual improvement of Genera's business model resides in people's sense of importance and leadership.

In recent years our leadership programs have been constantly renewed through alliances with universities and other organizations, with a view to perfecting the educational methodology of our Serviazgo® Comprehensive Model, which is based on self-knowledge and service to others. In 2013, we incorporated into the model the technical skills required by a leader seeking comprehensive development.

Prior to the establishment of leadership programs in Guatemala and Peru, the process of modulating and adapting the programs was carried out in 2013, so that they would reach more employees and meet the specific needs and personal aspirations of people in different positions. This is why we now have seven distinct leadership programs, one more than in 2012. In 2013, the number of events and participants increased by 24.0% and 12.0%, respectively, compared to the previous year.







Programs	Events 2013	Participants 2013
PERFECTING	15	111
CERTIFICATION	1	106
TAILOR-MADE	1	66
DIRECTORS	3	39
SERVIAZGO GOS	5	102
SERVIAZGO GUATEMALA	4	41
SERVIAZGO FINANCIERA	2	11
<b>TOTAL</b>	<b>31</b>	<b>476</b>



*“Empathy is a marvelous attribute, but it entails a great responsibility: making the decision to get involved and to act on behalf of those in difficult situations.*”

*This makes me reflect on the privilege it is for me to work at a company with a solid philosophy that offers many options for conscientious service: such as field visits, volunteer work, and introspection and training activities, which help me to become more empathetic towards others and to get involved in their lives. They make me act and not just pass on by.”*

**Maríel Cabanas Suárez**  
*Assistant Director of Corporate Relations, Generation of 2013*

# COMPENSATION AND BENEFITS

Genera's hiring system is based on the skills and abilities of each person. Our compensation system is competitive in all of the markets where we operate. In addition to the benefits stipulated by law, we offer our employees various other benefits that contribute to their wellbeing and that of their families. In 2014 our goal is to continue making our hiring processes, compensation, and benefits more uniform in the different countries in which we operate.



**MEXICO**

Company	Compensation System	
<b>GENTERA COMPARTAMOS BANCO YASTÁS ATERNA</b>	YEAR-END BONUS	30 DAYS
	VACATION PAY	FIRST YEAR – 8 DAYS SECOND YEAR – 9 DAYS THIRD YEAR – 10 DAYS FOURTH YEAR – 12 DAYS FIVE TO NINE YEARS – 14 DAYS TEN TO FOURTEEN YEARS – 16 DAYS FIFTEEN TO NINETEEN YEARS – 18 DAYS
	LEGAL BENEFITS	IMSS AND INFONAVIT
	VACATION BONUS	25% PER VACATION DAY
	VOUCHERS	12% OF SALARY UP TO ONE MINIMUM SALARY
	SAVINGS FUND	4% OF SALARY UP TO 1.3 TIMES A MINIMUM SALARY
	LIFE INSURANCE	48 MONTHS OF BASE SALARY
	MAJOR MEDICAL EXPENSES	APPLIES TO ALL AREAS OF GENTERA'S MAIN OFFICES, THE SALES DIVISION, THE MANAGERS OF BRANCHES, AND REGIONAL MANAGERS
	SAVINGS BANK	VOLUNTARY CONTRIBUTION: AT LEAST 100 PESOS TWICE A MONTH
	MORTGAGE LOAN	WITH PREFERENTIAL RATES AT AN EXTERNAL FINANCIAL INSTITUTION, A 20-YEAR TERM, AND ADVANCE PAYMENTS OF PRINCIPAL (ONE YEAR'S SENIORITY REQUIRED)
SPECIAL LEAVE	DECEASE OF A NUCLEAR FAMILY MEMBER – 3 DAYS MARRIAGE – 5 DAYS DISCRETIONAL LEAVE – 2 DAYS PER YEAR (ONE YEAR'S SENIORITY REQUIRED) FLEXIBLE FRIDAY – 2:00 P.M. DEPARTURE	



## GUATEMALA

Company	Compensation System	
COMPARTAMOS S.A.	YEAR-END BONUS	30 DAYS OF BASE SALARY, PAYABLE IN DECEMBER
	VACATION PAY	AS OF ONE YEAR'S SENIORITY, 15 WORKING DAYS, OR PROPORTIONAL TO TIME WORKED
	BONUSES	DECREE BONUS, BONUS 14, OPERATING BONUS, TRAINING BONUS, AND GROCERY BONUS
	INCENTIVES	FOR AGENTS, CRÉDITO MUJER COORDINATORS, AGENCY MANAGERS, REGIONAL MANAGERS, ADMINISTRATORS AND AUXILIARIES, COLLECTION MANAGERS, COLLECTION SUPERVISOR, AND CALL CENTER PERSONNEL
	LEGAL BENEFITS	INSTITUTO GUATEMALTECO DE SEGURIDAD SOCIAL, INSTITUTO DE RECREACIÓN DE LA EMPRESA PRIVADA DE GUATEMALA, AND INSTITUTO TÉCNICO DE CAPACITACIÓN Y PRODUCTIVIDAD



## PERU

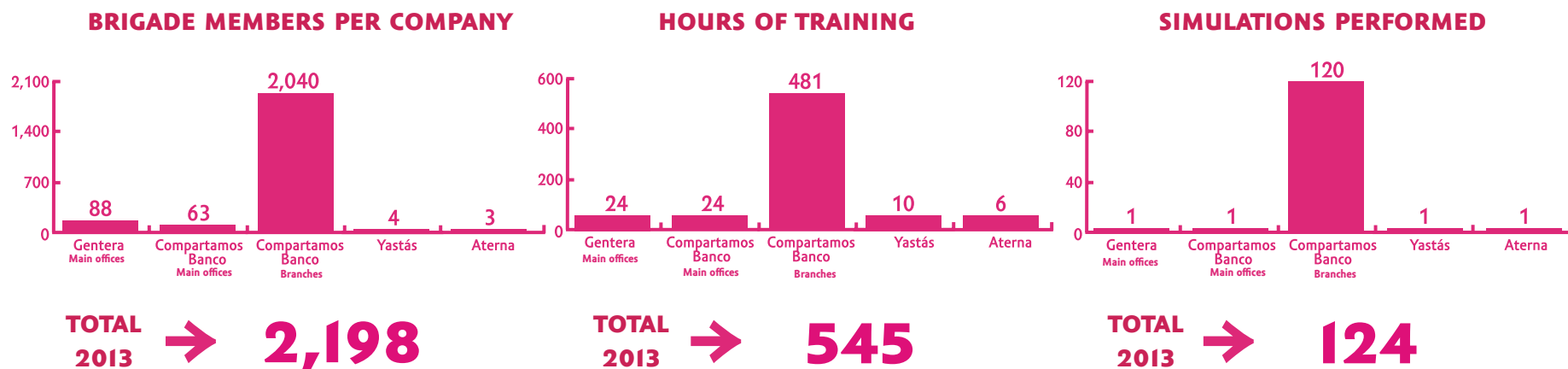
Company	Compensation System	
COMPARTAMOS FINANCIERA	BIANNUAL BONUSES	JULY AND DECEMBER, ORDINARY BONUSES
	COMPENSATION FOR SERVICE TIME	ONE SALARY FOR EACH YEAR OF WORK
	VACATION PAY	30 DAYS OF LEAVE, DULY REMUNERATED
	REMUNERATIONS	FOR DAYS WORKED, DAYS OFF, AND HOLIDAYS (INCLUDING FIRST OF MAY)
	ASSIGNMENTS	FAMILY ASSIGNMENT
	LIFE INSURANCE	AS OF FOUR YEARS OF SENIORITY
	HEALTH INSURANCE	DISABILITY COVERAGE (EPS, ES SALUD, OR PRACTITIONER'S POLICY)
	INDEMNITIES	FOR UNTAKEN VACATION DAYS AND UNJUSTIFIED DISMISSAL
	PROFIT SHARING	ACCORDING TO TIME WORKED
	BONUSES	PRODUCTIVITY BONUS, RESPONSIBILITY BONUS, AGENCY SIZE BONUS, PERFORMANCE BONUS
	OTHERS	PAID LEAVE, CHRISTMAS BASKET, GROCERY VOUCHERS





## SAFETY

We care for and protect our principal asset, our people. This is why we emphasize training, and control systems, and contingency prevention. Our aim is to engage in a culture of prevention and constant protection, both on our premises and elsewhere.



We also have a Safety Commission made up of various managerial divisions, whose function is to draw attention to circumstances entailing risks for the company and to determine preventive, normative, and operational actions and measures to mitigate risk.

# HEALTH

We promote health care and the prevention of disease among our employees by means of internal campaigns and specific programs such as:

- Health care agreements. Through these alliances with suppliers of health products and services, our employees and their family members receive discounts and preferential prices.
- Banking games. For the third year in a row we have participated in this initiative to foster the practice of sports and healthy recreational activities. The sports for which we have fielded teams include soccer, tennis, athletics, and basketball.
- Lectures and workshops. These are given in the aim of raising awareness of prevention and developing healthy lifestyle habits.
- Gymnasium. This is located in Genera's new main offices and is available to all employees.

Also, our *CUNA* program offers all our employees, both men and women, assistance and support with their newborns. Benefits include:

- Distribution of maternity uniforms **(581 BENEFICIARIES)**.
- Five days of paid leave for new parents.
- A birth kit with articles for the newborn **(858 BENEFICIARIES)**.
- For six months, economic aid in the form of 250 pesos worth of grocery vouchers **(862 BENEFICIARIES)**.
- Flexible 6\*2\*6 work schedule. This applies exclusively to women returning from maternity leave. The schedule allows them to work for six hours in the office and for two hours from home, for a period of six months. **(25 EMPLOYEES IN GENERA'S MAIN OFFICES HAVE BENEFITTED.)** In the sales division, employees are granted two periods of 30 minutes or one full hour, with pay, to take care of their newborns during the first six months following their return from maternity leave.
- Breast-feeding room at the main offices of Genera.
- Economic aid of **20,000** pesos per birth, plus 3,500 pesos for the newborn as part of Major Medical Expenses.



# EQUITY AND EQUALITY

- We want self-realized people. We seek women with capacity for development, so 31% of the managerial positions at Gentera and its companies are occupied by women.
- Through 2013, we have integrated 22 employees with disabilities into work teams at Gentera (7) and Compartamos Banco (15).
- The average age of our employees is 31.



Number of employees



Men



Women

COMPARTAMOS BANCO	15,922	8,328	7,594
YASTÁS	107	73	34
ATERNA	32	19	13
COMPARTAMOS S.A.	483	284	199
COMPARTAMOS FINANCIERA	1,782	841	941
GENERERA	1,013	492	521

We are the first organization in the Americas to receive certification for our Gender Equity Management System from Economic Dividends for Gender Equality (EDGE), the first and only global certification system dealing with gender equality in the workplace.





Category	Average age	Average seniority
COMPARTAMOS BANCO	30.1	2.04
YASTÁS	32.8	1.78
ATERNA	34.7	3.34
COMPARTAMOS S.A.	28.6	0.89
COMPARTAMOS FINANCIERA	27.6	1.33
GENEREA	32.7	3.70

Turnover percentage by age	Compartamos Banco	Yastás	Aterna	Genera	Compartamos S.A.	Compartamos Financiera
FROM 18 TO 25	32.3%	7.7%	0%	11.8%	42.0%	56.0%
FROM 26 TO 35	54.3%	69.2%	100%	80.4%	46.0%	39.0%
OLDER THAN 35	13.4%	23.1%	0%	7.8%	12.0%	5.0%

People by scale of operations	Compartamos Banco		Yastás		Aterna		Genera		Compartamos S.A.		Compartamos Financiera	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
EXECUTIVES	42	18	-	-	2	1	40	19	1	-	1	-
MANAGERS	485	274	8	3	6	1	66	60	3	3	101	76
ADMINISTRATIVE STAFF	836	1,707	11	13	11	11	386	442	14	28	134	137
SALES FORCE	6,965	5,595	54	18	-	-	-	-	168	266	605	728

# EDUCATION AND TRAINING

We center our actions on people. We make an effort to provide them with the tools they need for their personal and professional growth.

## TRAINING

We seek to develop technical, operational, administrative, leadership, and human skills that allow our people to perform successfully in the workplace.



## EDUCATION

We offer our employees a wide range of courses, workshops, and events to support their personal, emotional, and family development.

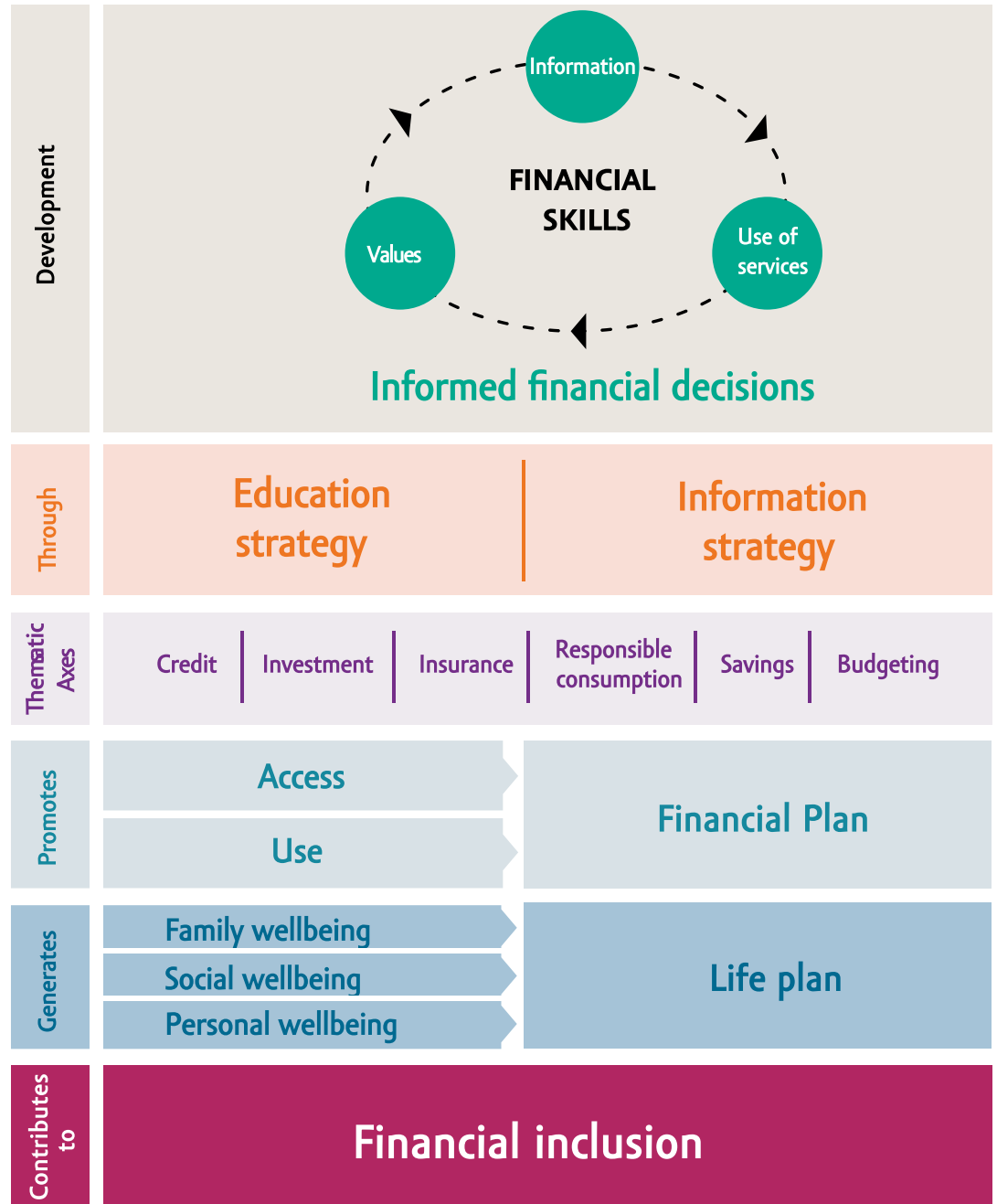


<b>Guatemala</b>	<b>Employees benefitted</b> 100%	<b>Investment (pesos)</b> 750,954
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# FINANCIAL EDUCATION




We provide financial education to our employees, clients, and communities, so that they can make informed financial decisions and so contribute to their own development. Information and knowledge about financial services contribute to improving budgeting and administration on behalf of personal, family, and professional wellbeing. In the final analysis, it also favors our purpose of eradicating financial exclusion.

In 2013, through education and information strategies, we provided our key stakeholders with the concepts and tools they need to make use of finance and financial services to their own benefit.





## EDUCATION STRATEGY

	 <b>EMPLOYEES</b>	 <b>CLIENTS</b>	 <b>MEXICAN COMMUNITY</b>
<b>NAME OF PROJECT</b>	IMPROVING MY PERSONAL FINANCES WORKSHOP - MEXICO ● HEALTHY PERSONAL FINANCES WORKSHOP - GUATEMALA	WOMEN'S ENCOUNTERS - MEXICO	STAGE PLAY COMPARTAMOS ADVENTURES - FUNDACIÓN NEMI ● LIFE PROJECT LECTURE - FUNDACIÓN NEMI
<b>AIM OF PROJECT</b>	TO INSERT A MODEL OF FINANCIAL EDUCATION IN THE <i>CRÉDITO MUJER</i> METHODOLOGY ● TO PROVIDE BASIC PERSONAL FINANCE TOOLS FOR BETTER ADMINISTRATION	TO GIVE ACKNOWLEDGMENT TO THE BEST COMPARTAMOS BANCO COMMITTEES THROUGH LECTURES ON FINANCIAL EDUCATION	TO PROMOTE AND ENCOURAGE SAVING HABITS AMONG PRIMARY SCHOOL CHILDREN ● TO RAISE AWARENESS OF THE IMPORTANCE OF BUDGETING AND SAVING AS FINANCIAL TOOLS THAT CONTRIBUTE TO THE ACHIEVEMENT OF DREAMS AND LIFE GOALS
<b>NUMBER OF BENEFICIARIES</b>	6,147      418	85,316	86,988      24,495
<b>INVESTMENT (PESOS)</b>	2,784,894      37,453	372,950	1,400,000      975,000

## INFORMATION STRATEGY

	<b>EMPLOYEES</b>	<b>CRÉDITO MUJER CLIENTS</b>	<b>COMMUNITY</b>
<b>MEDIA</b>	COMPARTIPS MEXICO AND GUATEMALA INTRANET COMPREHENSIVE DEVELOPMENT BULLETIN	COMPARTAMOS ADVICE	FLYERS FACEBOOK CHILDREN'S SECTION OF WEBPAGE
<b>SUBJECTS ADDRESSED</b>	BUDGETING, SAVING, OVER-INDEBTEDNESS, DEBT REDUCTION, AND IMPROVING MY PERSONAL FINANCES WORKSHOP IN <i>CRÉDITO MUJER</i>	CREDIT, OVER-INDEBTEDNESS PREVENTION, AND SAVING	OVER-INDEBTEDNESS, SAVING, CONSUMPTION, INVESTMENT, INSURANCE, AND CREDIT
<b>CIRCULATION IN 2013</b>	86,631	3,663,000	185,798

We GENERate continual improvement plans and implement innovative corporate governance practices.

# CORPORATE GOVERNANCE



- We have **six committees supporting our Board of Directors**.
- **Two-thirds of the Committees** of the Board of Directors are **chaired by independent directors**.
- **Half** of our directors are **independent**, while **women make up an eighth part of the Board**.
- The **directors who make up the organizational structure of Gentera are not remunerated**.
- All of the operating companies of Gentera have an **experienced board** made up of both inside and independent directors.

In the course of 2013 there were some major improvements in the evolution, streamlining, and renewal of our corporate governance practices, some of them driven by Carlos Danel, Chairman of the Board of Directors, in response to a more complex and competitive business environment, which requires the various companies and Gentera itself, as the comprehensive service provider, to renew themselves in order to meet the high expectations placed in them during this new stage.





Some of the most significant changes and new working methods in the area of corporate governance were as follows:

- The corporate governance practices and standards of Compartamos S.A. and Compartamos Financiera were brought into line with those of the Board of Directors of Genera.
- Nicole Reich Sapire brought her vision and experience to enrich the Board of Directors. It is worth pointing out that our Board is one of the few in the Mexican financial sectors with two women members.



- The Board's online platform was launched, an innovative system whereby directors can access necessary information before board meetings in an agile and organized way, with all requisite safety and control. The system has produced excellent results and facilitated the Board's work in terms of analysis, productivity, and decision-making.
- The support structure of the Chairman of the Board of Directors and Strategy was renovated. In addition to the support of the legal team, three other Genera management areas report to him: External Relations, Financial Inclusion, and Strategy.
- The self-evaluation processes of the Board have been improved, while the evaluation of the support team is now performed with the help of external experts using up-to-date tools and information standards.
- Genera participated as the only Mexican company in the annual session of the *Círculo de Empresas*, a body created in 2005 by the IFC and the OCDE, with the financing and support of the Global Corporate Governance Forum. The *Círculo* brings together Latin American companies that are leaders in corporate governance and possess a solid and impeccable reputation in the capital markets. We also made a presentation at the forum on Corporate Governance Experiences in Latin America, held at the *Bolsa de Comercio* (stock exchange) in Buenos Aires, where we shared our vision of better practices in the area.
- The incorporation of better practices derived from the permanent training of the support team of the Board of Directors of Genera.
- The work teams of the Genera's different management divisions were trained in the importance of preparing thorough and accurate information for the use of the Board.

Genera and each of its companies –Compartamos Banco, Compartamos S.A., Compartamos Financiera, Yastás, and Aterna– has its respective Board of Directors, made up of highly qualified people with solid reputations and wide experience in various areas of banking, economics, finance, administration, logistics, marketing, systems, accounting, social responsibility, sustainability, and other fields. This solid human capital explains in large measure the successful growth, profitability, and sustainability of our company as a whole.

## THE BOARD OF DIRECTORS OF GENTERA

The responsibilities of the Board of Directors are to determine the group's general strategy, to analyze critical situations for the operating and holding companies, to monitor risk, to supervise the programs undertaken, to ensure achievement of goals, and to comply with norms and standards, all the while promoting and embodying the Principles, Philosophy, and Purpose of Gentera.

<i>Principal Director</i>	<i>Years on the Board</i>	<i>Status (independent/inside)</i>	<i>Alternate Director</i>	<i>Years on the Board</i>	<i>Status (independent/inside)</i>
ÁLVARO RODRÍGUEZ ARREGUI	10	INDEPENDENT	MICHAEL CHU YANG	9 MONTHS	INDEPENDENT
CARLOS ANTONIO DANIEL CENDOYA	13	INSIDE	JAVIER FERNÁNDEZ CUETO GONZÁLEZ DE COSÍO	7	INSIDE
CARLOS LABARTHE COSTAS	13	INSIDE	FERNANDO ÁLVAREZ TOCA	5	INSIDE
CLAUDIO XAVIER GONZÁLEZ GUAJARDO	2	INDEPENDENT	ANTONIO MARIO PRIDA PEÓN DEL VALLE	2	INDEPENDENT
GUILLERMO JOSÉ SIMÁN DADA	4	INDEPENDENT	TOMÁS GUILLÉN CIENFUEGOS	9 MONTHS	INDEPENDENT
JOHN ANTHONY SANTA MARÍA OTAZÚA	5	INDEPENDENT	MARTÍN FELIPE ARIAS YANIZ	1	INDEPENDENT
JOSÉ IGNACIO ÁVALOS HERNÁNDEZ	13	INSIDE	OSCAR IVÁN MANCILLAS GABRIELE	8	INSIDE
JOSÉ MANUEL CANAL HERNANDO	10	INDEPENDENT	MANUEL CONSTANTINO GUTIÉRREZ GARCÍA	10	INDEPENDENT
JUAN IGNACIO CASANUEVA PÉREZ	3	INSIDE	SANTIAGO CASANUEVA PÉREZ	3	INSIDE
JUAN JOSÉ GUTIÉRREZ CHAPA	12	INSIDE	JUAN CARLOS DOMENZAIN ARIZMENDI	12	INSIDE
LUIS FERNANDO NARCHI KARAM	12	INSIDE	CHARBEL CHRISTIAN FRANCISCO HARP CALDERONI	3	INSIDE
MARTHA ELENA GONZÁLEZ CABALLERO	7	INDEPENDENT	JERÓNIMO LUIS PATRICIO CURTO DE LA CALLE	7	INDEPENDENT
ROSE NICOLE DOMINIQUE REICH SAPIRE*	6 MESES	INDEPENDENT	ENRIQUE MAJÓS RAMÍREZ	3	INSIDE
PRESIDENTE : CARLOS ANTONIO DANIEL CENDOYA		SECRETARIO: MANUEL DE LA FUENTE MORALES		SECRETARIO SUPLENTE: MARIEL CABANAS SUÁREZ	

\*Possesses the characteristics of an "independent" director, but since her alternate director has "inside" status, she is also considered to be an "inside" director.

The Board of Directors is supported by six committees so that it can perform its functions with the required quality and commitment. By creating the Risk Committee in 2013, we reinforced our commitment to preventing the materialization of the risks to which each one of the companies that make up Gentera is exposed.

The following are the committees that support the work of the Board of Directors, their constituent members, and their principal responsibilities:

#### COMMERCIAL STRATEGY COMMITTEE

##### **Chairman**

Juan José Gutiérrez Chapa

##### **Members**

Carlos Labarthe Costas  
John Anthony Santa María Otazúa  
José Ignacio Ávalos Hernández  
Juan Ignacio Casanueva Pérez  
Rose Nicole Dominique Reich Sapire

##### **Objective**

To assist the Board in defining and following up on the medium-and long-term commercial and operating strategies of Gentera companies.

#### COMPANY PRACTICES COMMITTEE

##### **Chairman**

José Manuel Canal  
Hernando

##### **Members**

Álvaro Rodríguez Arregui  
Claudio Xavier González Guajardo  
Martha Elena González Caballero  
Rose Nicole Dominique Reich Sapire

##### **Objective**

To oversee the management, conduct, and execution of the business of Gentera and its companies, within the framework of their respective responsibilities and in accordance with company bylaws and legal requirements.

#### RISK COMMITTEE

##### **Chairman**

Álvaro Rodríguez Arregui

##### **Members**

Fernando Álvarez Toca  
José Manuel Canal Hernando  
Mayra Lizette Escamilla Miranda  
Enrique Majós Ramírez  
Oscar Luis Ibarra Burgos (invitado)  
Patricio Diez de Bonilla García Vallejo (invitado)

##### **Objective**

To review and administer the risks to which Gentera and its companies are exposed.



## FINANCE AND PLANNING COMMITTEE

### *Chairman*

Álvaro Rodríguez Arregui

### *Members*

Fernando Álvarez Toca  
Carlos Antonio Danel Cendoya  
Guillermo José Simán Dada  
Juan José Gutiérrez Chapa

### *Objective*

To support the Board in defining a strategic vision and validating the policies and guidelines proposed by management in the areas of strategic planning, investment, financing, and budgeting.

## AUDIT COMMITTEE

### *Chairman*

Martha Elena González  
Caballero

### *Members*

Claudio Xavier González Guajardo  
Jerónimo Luis Patricio Curto de la Calle  
Manuel Constantino Gutiérrez García

### *Objective*

To assist the Board in its auditing function, ensuring that both internal and external audits are performed with the greatest possible objectivity and independence and that the financial information presented to the Board, shareholders, and the general public is responsible, transparent, sufficient, timely, and an accurate reflection of the financial situation of Genera and its companies. The Risk Committee is also responsible for permanently validating the internal control and issuing process of financial information, all within the framework of the company bylaws, legal requirements, the Circular Única de Bancos, and all other applicable provisions and regulations.

## EXECUTIVE COMMITTEE

### *Chairman*

Carlos A. Danel Cendoya

### *Members*

Álvaro Rodríguez Arregui  
Carlos Labarthe Costas  
José Ignacio Ávalos Hernández  
Juan José Gutiérrez Chapa  
Luis Fernando Narchi Karam

### *Objective*

To follow up on the group's strategy and to assist management in the analysis and discussion of strategic affairs and any other significant matters, as well as to serve as a liaison between the Board and management, fostering more fluid communication.

With the support of the committees and the work team of the legal department, the recommendations laid out in the minutes of the Board of Directors meetings are developed and followed up on, prior to each session, with a view to ensuring compliance. Also, like all employees of Genera and its operating companies, the Directors have participated in field visits with clients and agents in order to live the experience of financial inclusion. In 2013 the Audit Committee made a surprise visit in order to get to know the auditing process as it really functions. Guided by local managers and clients, they were able to detect opportunities for improvement, never losing sight of our principal concern: people.



*“The main concern of Gentera’s Board of Directors is that the members of its committees stay in close contact with employees and clients, so that the members of the Audit Committee can fully understand operations and so efficiently fulfill their responsibilities of supervision and oversight.*

*To observe in person how loans are granted and payments collected and to participate directly in audit procedures through field visits is an inspiring experience, which allows us to confirm, through direct dealings with clients, that our Purpose and Principles, as transmitted to employees, can be applied in real life and that our goal of eradicating financial exclusion can be achieved”.*

**Martha Elena González Caballero**  
*Chairwoman of the Audit Committee and Independent Director of Gentera.*

## RELEVANT INFORMATION ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS

<i>Name and age</i>	<i>Education</i>	<i>Specialization</i>	<i>Experience</i>	<i>Participation on other boards</i>
ÁLVARO RODRÍGUEZ ARREGUI, 46 YEARS OF AGE	ECONOMIST GRADUATED FROM THE ITAM MASTER'S IN ADMINISTRATION FROM THE HARVARD BUSINESS SCHOOL	MICROFINANCE, VENTURE CAPITAL, IMPACT FINANCE AND INVESTING	CO-FOUNDER AND CEO OF IGZIA GENERAL DIRECTOR OF FINANCE, VITRO (2003-2007) CEO OF FARMACIAS BENAVIDES (2002-2003) AND OF GRUPO ELEKTRA (1999-2002)	COMPARTAMOS BANCO, HARVARD UNIVERSITY DAVID ROCKEFELLER CENTER FOR LATIN AMERICAN STUDIES, AND HARVARD BUSINESS SCHOOL ALUMNI BOARD, AMONG OTHERS
CARLOS ANTONIO DANIEL CENDOYA, 44 YEARS OF AGE	ARCHITECT GRADUATED FROM THE UNIVERSIDAD IBEROAMERICANA MBA FROM THE INSTITUTO PANAMERICANO DE ALTA DIRECCIÓN DE EMPRESAS (IPADE)	MICROFINANCE AND BUSINESS	CHAIRMAN OF THE BOARD OF GENERA AND COMPARTAMOS BANCO	VISTA PROPIEDADES AND ADVENIO
CARLOS LABARTHE COSTAS, 45 YEARS OF AGE	INDUSTRIAL ENGINEER GRADUATED FROM THE UNIVERSIDAD ANAHUAC DEL NORTE AND THE ALTA DIRECCIÓN DE EMPRESAS PROGRAM OF THE IPADE	MICROFINANCE AND BUSINESS	EXECUTIVE PRESIDENT OF GENERA	WORLD FUND, ADVENIO, VISTA DESARROLLOS, IGZIA, AND GRUPO KIPLING
CLAUDIO XAVIER GONZÁLEZ GUAJARDO, 50 YEARS OF AGE	GRADUATED AS A LAWYER FROM THE ESCUELA LIBRE DE DERECHO MASTER'S IN LAW AND DIPLOMACY AND PH.D. IN LAW AND INTERNATIONAL RELATIONS FROM THE FLETCHER SCHOOL OF LAW AND DIPLOMACY, TUFTS UNIVERSITY	PHILANTHROPY, SOCIAL ACTIVATION, AND STRENGTHENING OF CIVIL SOCIETY ORGANIZATIONS	CHAIRMAN OF MEXICANOS PRIMERO, VISIÓN 2030, A.C. COFOUNDER AND CHAIRMAN OF MEXICANOS PRIMERO, A.C. COFOUNDER AND MEMBER OF THE TECHNICAL COMMITTEE OF BÉCALOS	
GUILLERMO JOSÉ SIMÁN DADA, 52 YEARS OF AGE	GRADUATED IN ADMINISTRATION AND ECONOMICS FROM LOYOLA UNIVERSITY, NEW ORLEANS MBA FROM THE SLOAN SCHOOL OF MANAGEMENT AT THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY	CORPORATE STRATEGIES, INFORMATION SYSTEMS, AND INTERNATIONAL ADMINISTRATION	VICE-CHAIRMAN OF THE GOVERNING COUNCIL AND EXECUTIVE VICE-PRESIDENT OF GRUPO SIMAN HOLDING, AMONG OTHER COMPANIES	EL PUERTO DE LIVERPOOL, S.A.B. DE C.V.
JOSÉ MANUEL CANAL HERNANDO, 74 YEARS OF AGE	CERTIFIED PUBLIC ACCOUNTANT GRADUATED FROM THE UNIVERSIDAD NACIONAL AUTÓNOMA DE MÉXICO (UNAM)	ACCOUNTING, AUDITS, INTERNAL CONTROL, AND CORPORATE GOVERNANCE	CURRENTLY CONSULTANT DIRECTOR PREVIOUSLY INDEPENDENT AUDITOR	PRIVATE COMPANIES: FEMSA, COCA COLA FEMSA Y GRUPO KUO NON-PROFITS: JUNTA ASISTENCIA PRIVADA DEL ESTADO DE MÉXICO, FUNDACIÓN BÉCALOS AND PROCURA
JOHN ANTHONY SANTA MARÍA OTAZÚA, 56 YEARS OF AGE	MBA AND MASTER'S IN FINANCE FROM THE SOUTHERN METHODIST UNIVERSITY, DALLAS	STRATEGIC PLANNING	PRESIDENT OF COCA-COLA FEMSA	



<i>Name and age</i>	<i>Education</i>	<i>Specialization</i>	<i>Experience</i>	<i>Participation on other boards</i>
<b>JOSÉ IGNACIO ÁVALOS HERNÁNDEZ, 54 YEARS OF AGE</b>	<b>GRADUATED IN BUSINESS ADMINISTRATION FROM THE UNIVERSIDAD ANAHUAC DEL NORTE</b>	<b>PHILANTHROPY AND MICROFINANCE</b>	<b>CHAIRMAN OF THE BOARD OF PROMOTORA SOCIAL MÉXICO A.C., UN KILO DE AYUDA, A.C., AND OTHER ORGANIZATIONS</b>	<b>SISTEMA INTEGRAL DE ABASTO RURAL, A.C.</b>
<b>JUAN JOSÉ GUTIÉRREZ CHAPA, 49 YEARS OF AGE</b>	<b>INDUSTRIAL AND SYSTEMS ENGINEER GRADUATED FROM THE INSTITUTO TECNOLÓGICO Y DE ESTUDIOS SUPERIORES DE MONTERREY (ITESM)</b>	<b>FINANCE AND COMMERCE</b>	<b>BUSINESS DEVELOPMENT</b>	<b>FOMEPADE, IGNA, BANAMEX, AND COPARMEX, AMONG OTHERS</b>
<b>JUAN IGNACIO CASANUEVA PÉREZ, 45 YEARS OF AGE</b>	<b>CERTIFIED PUBLIC ACCOUNTANT GRADUATED FROM THE UNIVERSIDAD IBEROAMERICANA, WITH STUDIES IN BUSINESS ADMINISTRATION AT THE IPADE</b>	<b>INSURANCE</b>	<b>PRESIDENT DE GRUPO C.P.</b>	<b>GRUPO AXO, S.A. DE C.V., KIO NETWORKS, AND FINACCESS MÉXICO, S.A., AMONG OTHER COMPANIES AND ASSOCIATIONS</b>
<b>LUIS FERNANDO NARCHI KARAM, 43 YEARS OF AGE</b>	<b>GRADUATED IN BUSINESS ADMINISTRATION FROM THE UNIVERSIDAD ANAHUAC</b>	<b>PRODUCT MARKETING</b>	<b>VICE-PRESIDENT OF NARMEX, S.A. DE C.V.  PRESIDENT OF DIRECT MARKETING SOLUTIONS, S.A. DE C.V.  DIRECTOR OF SEQUESTERED REAL ESTATE AND SECURITIES OF BANCO NACIONAL DE MÉXICO, S.A.</b>	<b>INSTITUTO NACIONAL DE CANCEROLOGÍA, ADVISORY BOARDS OF BANCO NACIONAL DE MÉXICO, S.A. AND INTERNACIONAL DE CERÁMICA, S.A.B. DE C.V.</b>
<b>MARTHA ELENA GONZÁLEZ CABALLERO, 59 YEARS OF AGE</b>	<b>CERTIFIED PUBLIC ACCOUNTANT GRADUATED FROM THE UNIVERSIDAD IBEROAMERICANA</b>	<b>AUDITOR</b>	<b>INDEPENDENT AUDITOR SPECIALIZING IN THE FINANCIAL SECTOR</b>	<b>S.D. INDEVAL  CONTRAPARTE CENTRAL DE VALORES AND TECHNICAL COMMITTEE OF THE COLEGIO DE CONTADORES PÚBLICOS DE MÉXICO</b>
<b>ROSE NICOLE DOMINIQUE REICH SAPIRE, 48 YEARS OF AGE</b>	<b>GRADUATED IN ADMINISTRATIVE COMPUTER SYSTEMS FROM THE ITESM  MBA FROM THE INSTITUTO TECNOLÓGICO AUTÓNOMO DE MÉXICO (ITAM)</b>	<b>FINANCE AND BANKING</b>	<b>CURRENTLY INDEPENDENT DIRECTOR, EXECUTIVE VICE-PRESIDENT, AND DELEGATED DIRECTOR OF GRUPO FINANCIERO SCOTIABANK (DOMINICAN REPUBLIC AND MEXICO) 2005–2012  CITIGROUP INTERNACIONAL (MEXICO, PERU, DOMINICAN REPUBLIC, AND CHILE) 2005–1992</b>	<b>DIESCO INTERNACIONAL, CONSTRUSISTEM MÉXICO, AND WPO CHAPTER MÉXICO</b>

## ASSOCIATIONS AND REGULATORS

We are co-responsible with the development of the business sectors in which we participate. We work actively with similar companies, governmental authorities, and other organizations to promote the healthy development of the micro-finance sector. In this way, we support our own development within a framework of mutual benefit, ethics, and responsibility.

We abide by the norms issued by regulators in the countries in which we operate, as well as with all applicable legislation. The following are the principal associations with which we collaborate and the regulatory entities to which we are subject, broken down by country:

Country	Associations	Regulators
<p>MEXICO</p> 	<ul style="list-style-type: none"> <li>• A FAVOR DE LO MEJOR, A.C.</li> <li>• ASOCIACIÓN DE BANCOS DE MÉXICO, A.C. (ABM)</li> <li>• ASOCIACIÓN MEXICANA DE COMUNICADORES, A.C. (AMCO)</li> <li>• ASOCIACIÓN MEXICANA DE DIRECTORES DE RECURSOS HUMANOS, A.C. (AMEDIRH)</li> <li>• CONFEDERACIÓN PATRONAL DE LA REPÚBLICA MEXICANA, S.P. (COPARMEX)</li> <li>• CONSEJO DE LA COMUNICACIÓN, A.C.</li> <li>• MICROFINANCE INFORMATION EXCHANGE MIX MARKET</li> <li>• MICRO FINANCE NETWORK</li> <li>• GENDER EQUALITY PROJECT (EDGE)</li> <li>• PRODESARROLLO FINANZAS Y MICROEMPRESA, A.C.</li> <li>• RED ACCION</li> <li>• UNIÓN DE INSTITUCIONES FINANCIERAS MEXICANAS (UNIFIM)</li> <li>• UNIÓN SOCIAL DE EMPRESARIOS DE MÉXICO, A.C. (USEM)</li> <li>• FORO ECONÓMICO MUNDIAL (WORLD ECONOMIC FORUM)</li> </ul>	<ul style="list-style-type: none"> <li>• COMISIÓN NACIONAL BANCARIA Y DE VALORES (CNBV)</li> <li>• BANCO DE MÉXICO (BANXICO)</li> <li>• COMISIÓN NACIONAL PARA LA PROTECCIÓN Y DEFENSA DE LOS USUARIOS DE SERVICIOS FINANCIEROS (CONDUSEF)</li> <li>• SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO (SHCP)</li> </ul>
<p>GUATEMALA</p> 	<ul style="list-style-type: none"> <li>• A STUDY IS BEING MADE OF THE ASSOCIATION WITH WHICH LINKS ARE TO BE CREATED AS OF 2014.</li> </ul>	<ul style="list-style-type: none"> <li>• AS A SHARE COMPANY (SOCIEDAD ANÓNIMA), WE ARE GUIDED BY THE REGULATORY ENTITIES OF GUATEMALA'S INDUSTRIAL AND COMMERCIAL SECTORS.</li> </ul>
<p>PERU</p> 	<ul style="list-style-type: none"> <li>• ASOMIF: ASOCIACIÓN DE INSTITUCIONES DE MICROFINANZAS DEL PERÚ</li> </ul>	<ul style="list-style-type: none"> <li>• SÚPERINTENDENCIA DE BANCA Y SEGUROS (SBS)</li> <li>• SUPERINTENDENCIA DE MERCADO DE VALORES (SMD)</li> <li>• BANCO CENTRAL DE RESERVAS (BCR).</li> </ul>



Our actions reflect our commitment to sustainable development  
and the care of the environment.

# THE ENVIRONMENT





One way of guaranteeing the profitability of our business and fostering the development of the communities in which we operate is through care of the environment and raising environmental awareness. Committed as we are to the sustainable development of the communities that surround us, we strive to diminish the environmental impact of our activities and create incentives for the adoption of a responsible attitude toward the environment on the part of our employees, suppliers, and clients in all of the countries where we operate.

Since 2011 our Environmental Division has been in charge of coordinating, both at Genera and at each one of our companies, our sustainability and environmental development work, in a way that is consistent with our goal of generating social, economic, and human value. The division receives support and oversight from Genera's Social Responsibility and Sustainability Commission, following up on the commitments set out in Compartamos Banco's Environmental Plan through the work groups made up by the different areas.

We establish and circulate the group's environmental strategy and guidelines through our Environmental Policy, drawn up in line with international indicators and methodologies, which allow us to maintain standards globally accepted for the financial sector.

For the moment, the policy applies only to Compartamos Banco, but our goal is to continue monitoring consumption by company and to establish a baseline that will allow us to assume medium- and long-term reduction commitments. In this way, we will be able to identify challenges and plan actions for each company to develop in order to mitigate the environmental impact of its activities in its area of influence. All of these actions will be laid out in the Environmental Action Plans of individual Genera subsidiaries.

# A COMMITMENT TO SUSTAINABLE DEVELOPMENT

The main social, economic, and environmental impact caused by Compartamos Banco resides in the granting of credit and the use to which this is put. Therefore, in order to prevent such use from negatively impacting the environment, we publicly specify through our product guides the commercial and productive activities which are not financed by the institution. These activities include illegal trade (the purchase or sale of prohibited animals), the production or sale of radioactive material and unprotected asbestos fiber, and sea fishing with nets more than 2.5 kilometers long.

Also, with the help of Fundación Gentera and the Social Responsibility and Sustainability Fund, we support various social projects that have a positive environmental impact in different communities across Mexico, in order to foster sustainable development. The projects supported in 2013 were:

<i>Institution</i>	<i>Project name</i>	<i>Investment (pesos)</i>	<i>Direct beneficiaries</i>
<b>CENTRO OPERACIONAL PARA EL FORTALECIMIENTO DE INICIATIVAS SOCIALES, A.C.</b>	<b>SUPPORT FOR THE WATER CONSERVATION ACTIVITIES IN THE STATE OF HIDALGO</b>	<b>362,615</b>	<b>150</b>
<b>MAYAMA, A.C.</b>	<b>SUPPORT FOR MAYAMA WOMEN AND FAMILIES AS LEADERS AND ENTREPRENEURS OF SUSTAINABLE PRODUCTIVE PROJECTS</b>	<b>214,900</b>	<b>90</b>
<b>MÉXICO RECONSTRUYENDO, A.C.</b>	<b>TRAINING IN CREATING FAMILY PRODUCE GARDENS IN AMEALCO</b>	<b>350,522</b>	<b>460</b>
<b>NIÑOS UNIDOS DE TETITLA, I.A.P.</b>	<b>ENVIRONMENTAL TRAINING FOR THE COMMUNITY OF OSTOLTEPEC IN ESTADO DE MÉXICO</b>	<b>222,600</b>	<b>1,169</b>
<b>REFORESTAMOS MÉXICO A.C.</b>	<b>ADOPTION OF WOODLANDS</b>	<b>258,750</b>	<b>515</b>

## OUR CARBON FOOTPRINT



**ECOIENTÍZATE**  
actúa a favor del medio ambiente





## ENERGY

In 2013 we consumed 12,856 MWh of billed energy, equivalent to 0.66 MWh per employee. This figure applies to all our operations in Mexico, Guatemala, and Peru.

Our main offices, shared by Compartamos Banco, Yastás, and Aterna, have been designed and built with innovative tools and systems to reduce the consumption of electricity, water, and other material, in addition to permitting their control and monitoring.

Thanks to the use of LED lighting, the building has reduced our consumption of electricity for lighting by 15.7%. Also, constant maintenance is performed on the ventilation equipment of Compartamos Banco branches in order to optimize their efficiency.

## WATER

Our operations consumed 1,079,854 m<sup>3</sup> of water in 2013, equivalent to 122 m<sup>3</sup> per employees at Gentera, Compartamos Banco (all over Mexico), Yastás, and Aterna. This calculation has been made on the basis of the consumption established in the Mexico City construction regulation, with an average of hours per day and cubic meters per branch.

The new premises have a water treatment plant which has not yet begun to operate but which will have capacity to treat 100% of water consumed so that it can be reused. The installation of water-saving faucets and other equipment is expected to reduce water consumption by 34.0%.

## WASTE

We have containers to correctly separate waste in our main offices and in those of our companies in Mexico, as well as in some Compartamos Banco branches. This is combined with constant training and internal awareness campaigns in order to foster a culture of environmental care in the workplace, through the simple practice of separating waste materials.

Recyclable waste is collected and properly disposed of with the support of the Fundación San Ignacio de Loyola. This activity has helped the organization raise funds for its social projects. In 2013, a total of 13,939 kg of waste material was collected, generating 35,056 pesos for the foundation.

### Material Recycled 2013

PAPER AND CARDBOARD (KG)*	10,903
ALUMINUM AND GLASS (KG)*	446
PLASTICS (KG)**	1,963
TONER (UNITS)**	1,228
ELECTRONIC EQUIPMENT (TONS)***	5

\* ONLY GENTERA AND COMPARTAMOS BANCO MAIN OFFICES

\*\* ONLY COMPARTAMOS BANCO BRANCHES

\*\*\* APPLIES ONLY TO GENTERA, COMPARTAMOS BANCO, YASTÁS, AND ATERNA





- Huauchinango – Puebla  
(Natural resource protection area)
- Tlaxcala – Tlaxcala  
(National parks)
- Orizaba y Orizaba Valle – Veracruz  
(National parks)
- Ciudad del Carmen – Campeche  
(Flora and fauna protection area)

Given the nature of our economic activity, we do not generate high-risk waste materials, but we do call on expert help to properly dispose of materials that could be hazardous. In 2013, for example, 10 kg of fluorescent lighting was withdrawn by a company duly certified to perform the task.

## BIODIVERSITY

It is our policy not to acquire real estate, so 100% of our branches and our main offices in Mexico are rented.

The 507 Compartamos Banco branches are in legally inhabited rural and urban zones. Only four of them are located in natural resource or flora and fauna protection areas. Even there, however, the Bank's activities do not significantly affect the habitats and biodiversity of the places in question.

Our land use does not have any negative impact on biodiversity in any of the places where we operate.

We support conservation by adopting woodlands through *Reforestamos México*, a civil society organization whose mission is to protect the woodlands and forests Mexico needs for its development. Through 2013 we have adopted ten hectares for three consecutive years in Estado de México, near the volcano known as the Nevado de Toluca.

Through the same organization we have participated in reforestation efforts in Mexico, in addition to ordinary maintenance of the zones in question. With the help of 364 of our employees, their family members, suppliers, and other collaborators, four hectares were reforested with 4,000 native trees in the locality of San José Contadero. Another 151 employees participated in the maintenance of the Nevado de Toluca reforested zones, bringing the total number of volunteers in this activity to 515.



## EMISSIONS

For two years in a row, we have received assistance from expert consultants on measuring the greenhouse gas emissions (GHG emissions) generated directly or indirectly by our business activities. In addition to determining our carbon footprint, this monitoring has allowed us to lay the foundations for planning and managing efficiency measures in energy consumption and transport, the main factors that contribute to GHG emissions.

<i>Aventones Report</i>	
ACCUMULATED FIGURES	2013
REGISTERED USERS	326
RIDES PUBLISHED	644
TRIPS CONFIRMED	9,837
CO <sub>2</sub> SAVED (KG)	19,575
MONEY SAVED	375,785

One result of our interest in reducing CO<sub>2</sub> emissions is the Aventones car pool program, which encourages employees to share their automobiles to get to and from work. The program, which uses a system whereby the rides are programmed and controlled, showed the results indicated in the adjacent table as of the end of 2013.

Also, the first Compartamos Micro-Entrepreneur Fair was held in Tuxtla Gutiérrez, Chiapas, in 2013, as well as an event at which our Social Responsibility and Sustainability results were presented. Both were zero-emission events. For each of them, 27 carbon bonds (54 in total) were purchased from the Carboin project of *Integradora de Comunidades Indígenas y Campesinas del Estado de Oaxaca (ICICO)*, duly verified by the *Asociación de Normalización y Certificación, A.C. (ANCE)*, in compliance with the standards currently in effect in the area.

### CO<sub>2</sub> emissions (TONS)

	2012	2013	VAR. %
GENTERA	988.1	879.6	-10.9%
COMPARTAMOS BANCO	6,055.1	7,892.2	30.3%
YASTÁS	74.8	170.1	127.4%
ATERNA	39.2	15.1	-61.6%
COMPARTAMOS S.A.	302.7	230.8	-23.7%
COMPARTAMOS FINANCIERA	292.5	946.9	223.7%
TOTAL	7,752.3	10,134.7	30.7%

### CO<sub>2</sub> emissions (TONS)

	2012	2013	VAR. %
TOTAL GHG EMISSIONS (TONS OF CO <sub>2</sub> )	7,752	10,135*	30.7%
DIRECT GHG EMISSIONS (TONS OF CO <sub>2</sub> )	1,608	3,720	131.3%
INDIRECT GHG EMISSIONS (TONS OF CO <sub>2</sub> )	6,144	6,415	4.4%

\*IN 2013 WE WERE ABLE TO COMPILER ACCURATE INFORMATION FROM EACH COMPANY ABOUT ITS CONSUMPTION AND WERE THEREFORE NOT REQUIRED TO PRORATE IN ORDER TO MEASURE. IN THE CASE OF DIRECT EMISSIONS, THE GASOLINE CONSUMED FROM JANUARY TO DECEMBER OF 2013 WAS TAKEN INTO ACCOUNT, WHEREAS IN 2012 ONLY CONSUMPTION FROM JANUARY TO OCTOBER WAS CONSIDERED

## MATERIALS

2013 CONSUMPTION		
	Net 2013	Per employee
GASOLINE (L.) *	1,648,749	85
PAPER (BOXES OF 5,000 SHEETS)*	32,563	1.6
ELECTRONIC EQUIPMENT (PIECES)	6,440	0.33
AIRPLANE FLIGHTS (NUMBER) *	10,050	0.51

\* FOR THE FIRST TIME, INCLUDES ALL GENTERA COMPANIES. IN 2012, ONLY DATA FROM COMPARTAMOS BANCO AND THE SERVICE AREAS WAS REPORTED.

We are progressing in our process of monitoring consumption in order to identify savings possibilities that will impact positively on our process and make us more efficient in both economic and environmental terms. One example is a reduction in the use of plastic bags, from 16 to 2, to manage payments of *Crédito Mujer* loans at Compartamos Banco.

Also, all of the printers in our main offices print on both sides of the sheet and we only purchase tickets, in so far as it is possible, for flights that use biofuel. All of our used electronic equipment that cannot be donated is recycled or properly disposed of by expert and certified suppliers.

## RESPONSIBLE ENVIRONMENTAL AWARENESS

We foster environmental awareness in all our companies and all along our value chain, through our Ethics Code for Suppliers. This Code details the specific environmental measures and protections that we expect from our suppliers.

Among our Mexican credit clients, through the Compartamos Micro-Entrepreneurs Award, we acknowledge business initiatives with positive environmental impact and involve the children of our clients in contests and activities that help raise their environmental awareness through the children's section (*Chavitos*) of our webpage.\*

Through internal communication campaign and the Green Agents program, we encourage our employees and members of communities where Compartamos Banco is present to adopt a proactive environmental attitude, involving them in various programs developed both inside and outside the company.

The Green Agents program is aimed at raising environmental awareness in local communities. In order to do so, Compartamos Banco employees offer online courses and spread knowledge through talks at schools and among their fellow workers.

In 2013 the program enrolled 144 employees who raised awareness of issues such as ecology, climate change, carbon footprints, and responsible consumption among their fellow employees and local communities in general.

\* This is a program whereby clients and their children can spend time together learning and having fun through exclusive activities such as games, contests, and special events. It also constitutes a support for parents in educating their children in areas such as financial education, the environment, health, and values.



# ABOUT THIS REPORT

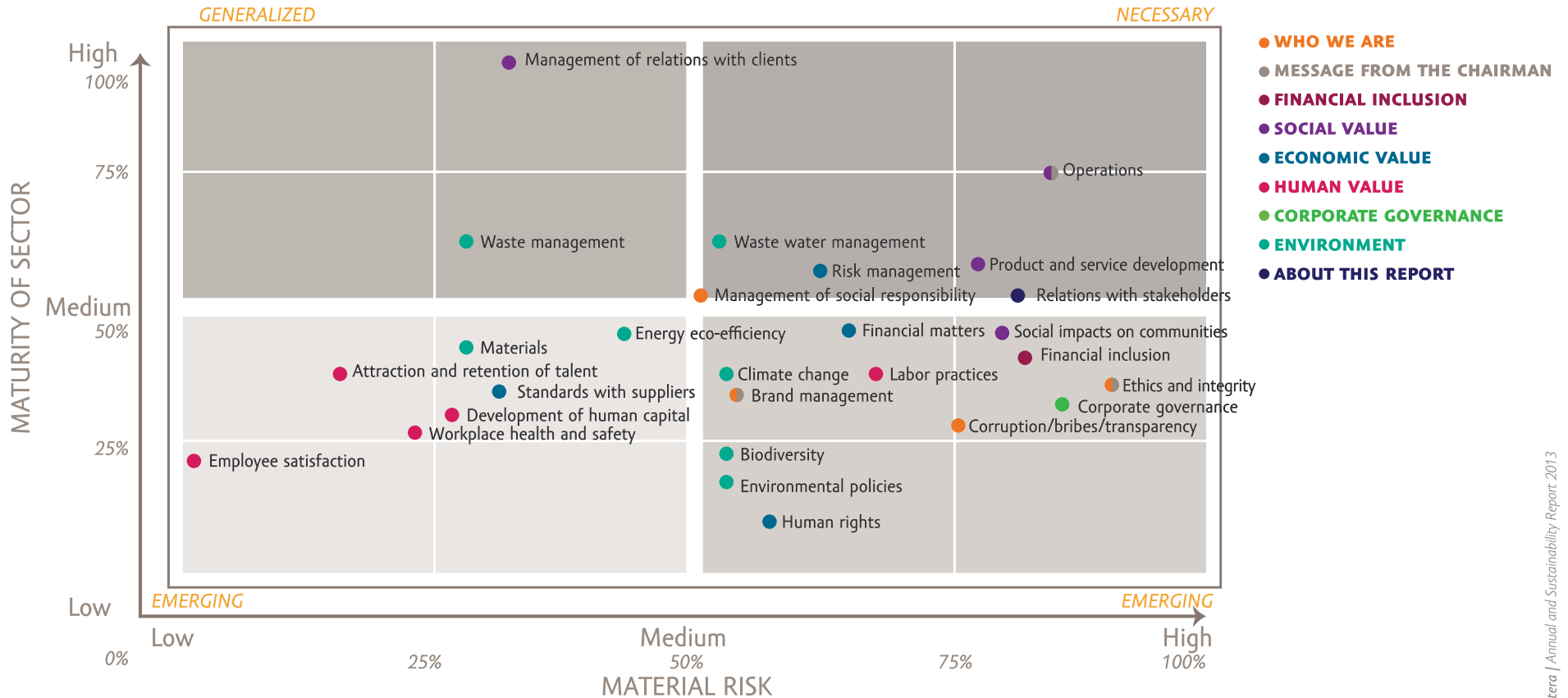
**WE ARE COMMITTED  
TO TRANSPARENCY IN  
ALL OUR ACTIVITIES  
AND RELATIONS WITH  
STAKEHOLDERS.**



## MATERIALITY

A study of materiality is a process whereby the social, economic, environmental, and ethical aspects relevant to a company –in this case, Gentera– are identified, both intrinsically and in terms of their effect on the company’s stakeholders.

We carried out this study in collaboration with specialized consultants of the agency KPMG, in the aim of even more closely aligning our sustainability strategy with the needs and expectations of our stakeholders and of identifying the priority public matters to be dealt with in this annual and sustainability report. The results of the study are presented in the following graph.



## STAKEHOLDERS

We maintain communications and information media at the disposal of our stakeholders in order to offer prompt responses to their needs and requests.

STAKEHOLDERS				
Stakeholders	Medium of communication	Frequency of contact	Expectations	Response
CLIENTS	TELEPHONE LINES	CONSTANT	AVAILABILITY, SAFETY, AND SPEED IN THE SERVICES AND PRODUCTS OFFERED.	<b>CREDIT:</b> COMPARTAMOS BANCO (MEXICO), COMPARTAMOS S.A. (GUATEMALA), AND COMPARTAMOS FINANCIERO (PERU). <b>INSURANCE – ATERNA.</b> CORRESPONDENT BANKS – YASTÁS. FINANCIAL EDUCATION AND SAVINGS PRODUCTS.
	INTERNET AND EMAIL	CONSTANT		
	SUGGESTION BOX	CONSTANT		
	CONSULTANT	CONSTANT		
	SATISFACTION SURVEYS	ANNUAL		
	SOCIAL NETWORKS – FACEBOOK	CONSTANT		
	IN-HOUSE MAGAZINES AND PUBLICITY	PERIODICAL		
EMPLOYEES	INTERNAL COMMUNICATIONS MEDIA	CONSTANT	FAIR COMPENSATION, BALANCE BETWEEN WORK, FAMILY LIFE, AND PERSONAL LIFE, AND TRAINING FOR PROFESSIONAL DEVELOPMENT.	WE HAVE A COMPENSATION SYSTEM SUPERIOR TO THAT REQUIRED BY LAW, LEADERSHIP PROGRAMS, HUMAN TRAINING, PROFESSIONALIZATION TRAINING, AND RETENTION OF HUMAN TALENT.
	COMPLAINTS THROUGH ETHICS AND CONDUCT CODE	CONSTANT		
	PRINCIPLES SURVEY	ANNUAL		
	ENCOUNTERS	ANNUAL		
	INTEGRATION MEETINGS	MENSUAL		
	SOCIAL NETWORKS – TWITTER	CONSTANT		
	PERFORMANCE EVALUATION	ANNUAL		
INVESTORS	INVESTOR RELATIONS DEPARTMENT	CONSTANT	PROFITABILITY AND TRANSPARENCY IN THE MANAGEMENT OF THE BUSINESS.	WE ARE MEMBERS OF THE ASOCIACIÓN MEXICANA DE RELACIÓN CON INVERSIONISTAS, A.C. (AMERI, THE MEXICAN ASSOCIATION OF INVESTOR RELATIONS), MICROFINANCE INFORMATION EXCHANGE, MIX MARKET MICROFINANCE NETWORK, AND ARE ON THE BENCHMARK INDEX (IPC) AND SUSTAINABILITY INDEX OF THE MEXICAN STOCK EXCHANGE, COMPLYING WITH ALL LEGAL PROVISIONS THAT GOVERN US AS A PUBLIC COMPANY.
	WEBPAGE: WWW.GENTERA.COM.MX/WPS/PORTAL/GENTERA/RELACIONINVERSIONISTAS/INFORMACIONINVERSIONISTAS	CONSTANT		
	TELEPHONE LINE: 5276 7379	CONSTANT		
	EMAIL: INVESTOR-RELATIONS@GENTERA.COM.MX	CONSTANT		
	FINANCIAL AND SUSTAINABILITY REPORTS	ANNUAL AND QUARTERLY		
SUPPLIERS	TRANSPARENCY MAILBOX: WWW.GENTERA.COM.MX/ WPS/PORTAL/GENTERA/ACERCA/CODIGOETICA TELEPHONE LINE: GUATEMALA: 1800 8350 388 MEXICO: 01800 506 12 64 PERU: 08000 0903 EMAIL: DENUNCIA@GENTERA.COM.MX	CONSTANT	FAIR TREATMENT, TRANSPARENCY, AND TIMELY COMMUNICATION.	IN 2013 WE CREATED AN ETHICS CODE FOR SUPPLIERS, ACCOMPANIED BY AN ACCEPTANCE LETTER, IN WHICH BOTH PARTIES UNDERTAKE TO ABIDE BY GENTERA'S PHILOSOPHY AND PRINCIPLES.



Stakeholders	Medium of communication	Frequency of contact	Expectations	Response
AUTHORITIES	WE PARTICIPATE IN THE MEETINGS IN THE FINANCIAL SECTOR TO WHICH WE ARE INVITED IN EACH COUNTRY OF OPERATION AND WE CONSTANTLY MONITOR THE REQUIREMENTS OF THE AUTHORITIES THAT DEAL WITH OUR OPERATIONS AND THE REGULATORY AGENTS OF OUR SECTOR IN THE COUNTRIES WHERE WE OPERATE.	PERIODICAL	COMPLIANCE WITH STANDARDS APPLICABLE IN EACH COUNTRY OF OPERATION.	WE ARE MEMBERS OF THE ASOCIACIÓN DE BANCOS DE MÉXICO (ABM) AND THE ASOCIACIÓN DE BANCOS DE PERÚ (ASBANC).
COMMUNITY	WEBPAGE: WWW.GENTERA.COM.MX EMAIL: CONTACTO@GENTERA.COM.MX	CONSTANT	TO CONTRIBUTE TO THE MOST PRESSING SOCIAL AND ENVIRONMENTAL NEEDS OF LOCAL COMMUNITIES.	FUNDACIÓN GENTERA SOCIAL RESPONSIBILITY ALLIANCES. CORPORATE VOLUNTEER WORK. COMPARTAMOS CON LA FAMILIA OPEN CALL. COMPARTAMOS CON LA COMUNIDAD DAY.
	SUSTAINABILITY REPORT	ANNUAL		
CIVIL SOCIETY ORGANIZATIONS	WEBPAGE: WWW.GENTERA.COM.MX	CONSTANT	SUPPORT FOR SOCIAL INITIATIVES WHICH IMPROVE THE HEALTH, EDUCATION, AND WELLBEING OF LOCAL COMMUNITIES.	SOCIAL RESPONSIBILITY ALLIANCES. COMPARTAMOS CON LA FAMILIA OPEN CALL.
	WORKSHOPS	ANNUAL		
	EMAIL	CONSTANT		
COMPETITORS	WE PARTICIPATE IN MICROFINANCE EVENTS AND ASSOCIATIONS IN THE COUNTRIES WHERE WE OPERATE.	PERIODICAL	FREE COMPETITION, TRANSPARENCY, AND CLIENT PROTECTION.	CLIENT PROTECTION INDEX WE PARTICIPATE IN: ASOCIACIÓN DE INSTITUCIONES DE MICROFINANZAS DEL PERÚ (ASOMIF), PRODESARROLLO FINANZAS Y MICROEMPRESA, A.C., AND THE SMART CAMPAIGN.
FUTURE GENERATIONS	WEBPAGE: HTTP://WWW.COMPARTAMOS.COM.MX/WPS/ PORTAL/BANCO/LEALTAD/CHAVITOSCOMPARTAMOS	CONSTANT	NEUTRAL OR POSITIVE CARBON FOOTPRINT AND CONTRIBUTION TO THE DEVELOPMENT OF MEXICO.	WEBPAGE CHAVITOS: 7,004 PARTICIPANTS. CONTESTS FOR CHILDREN OF CLIENTS: : 57,466 PARTICIPANTS. FAMILY DAY: MORE THAN 25,000 PARTICIPANTS. LIFE PROJECT WITH FUNDACIÓN NEMI
	ACTIVITIES WITH CHILDREN OF CLIENTS	ANNUALES		
MEDIA	POSITIONING CAMPAIGNS IN THE MEDIA WEBPAGE: WWW.GENTERA.COM.MX/WPS/ PORTAL/GENTERA/PRENSA/BOLETINES/ EMAIL: MEDIOS@GENTERA.COM.MX	CONSTANT	TRANSPARENCY, EQUITY, AND PROMPTNESS IN PROVIDING INFORMATION.	WE DEVELOP COMMUNICATION, MANAGEMENT, AND CRISIS PREVENTION PLANS IN THE COMMUNICATIONS MEDIA, APPOINT AND TRAIN SPOKESPEOPLE, HOLD PRESS CONFERENCES, AND PERFORM MEDIA ANALYSIS.
STRATEGIC ALLIES	ATTENTION AREA	CONSTANT	PROFITABILITY, CONVENIENCE, AND EFFICIENCY IN COMMERCIAL RELATIONS.	AGREEMENTS WITH AND CONSTANT SUPPORT FOR ALLIES IN THEIR REQUESTS AND PROJECTS ON THE PART OF THE OPERATIONS AREA.

## PARAMETERS OF THE REPORT

This report, which deals with both financial results and sustainability, details the results, actions, and progress achieved by Genera S.A.B. de C.V., formerly Compartamos S.A.B. de C.V., in the course of 2013.

The structure and contents of the report were determined by the materiality study carried out during the year reported on by KPMG. The following areas of the company are covered: economic and financial matters, relations with stakeholders, relevant operations in Mexico, Guatemala, and Peru, the principal dimensions of the companies that make up Genera (Compartamos Banco, Yastás, Aterna, Compartamos S.A. –Guatemala–, and Compartamos Financiera –Peru), the environment, social actions, and community links,

The report has been prepared in line with version 3.1 of the international methodology of the Global Reporting Initiative, a methodology which has been used by the company in reporting annually since 2008.

All of the figures and information presented has been obtained through interviews, meetings, and surveys with the different areas involved. The report has been validated in collaboration with Genera's internal audit department and collated with the data of the companies audited financial statements in order to ensure that the information reported is accurate and consistent, year over year, and that no significant changes in coverage or scope exist with respect to the data reported in 2012. The entire process has been carried out with the support of McBride SustainAbility.

The report was externally verified, as regards correct application of the methodology, by REDES SOCIALES S.A. DE C.V.



**Report on the independent review of 2013 Sustainability and Annual report, “We work for financial inclusion”, by Genera**

**Scope of our work**

The present independent verification consists of a review of the contents and performance indicators presented in the Genera Sustainability and Annual report, “We work for financial inclusion”.

Our work consisted in an examination of the report content regarding the performance indicator hedging, according to the materiality definition and fulfilling with the Global Reporting Initiative, GRI, version 3.1.

**Standards**

For issuing this verification examination, Redes Sociales considered the following international standards as reference:

- a. ISAE 3000 independence ethics principles
- b. GRI Sustainability Reporting Guidelines

**Summary of activities**

Actions carried out by Redes Sociales for the examination are the following:

- Analysis of the information gathering and verification process
- Verification of core indicators included in the report.
- Verification of quantitative and qualitative information based on a GRI indicator’s selection
- Interviews with the staff involved in the process.
- Verification of 2013 report against 2012 regarding programs follow-up, depth of information and indicator’s reported increase.

**Conclusions**

There is no evidence of errors in the examined indicators included in the report herein, as well as the processes and actions related to sustainability of Genera.

The examination process shows that selected indicators are included herein in a timely and balanced way.

Sustainability and Annual report, “We work for financial inclusion” of Genera has been prepared in accordance with the Sustainability Reporting Guideline of the Global Reporting initiative, version G3.1 with a B+ application level.

**Recommendations**

As a result of our examination we herein submit the following recommendations:

- Present information about water treatment and recycling processes.
- Consolidate performance indicators in compliance with materiality analysis.
- As a result of organisation’s maturity to defines materiality, to consider GRI G4 Reporting Guidelines to the 2014 Sustainability Report.



**Mariana Martínez Valerio**  
Redes Sociales en LT S.A. de C.V

T. (55) 54 46 74 84 / [contacto@redsociales.com](mailto:contacto@redsociales.com)

The external verification of the contents of the Sustainability Report constitutes a review that can in no way be understood as an audit report, since we assume no responsibility for the internal control and management systems and processes by which the information was obtained. The self-declaration of the level of application in accord with version 3.1 (G31) of the GRI Guide is the responsibility of Genera.



## G3.1 CONTENT INDEX

APPLICATION LEVEL		REPORTED	CROSS REFERENCE/ DIRECT ANSWER	EXPLANATION
<b>1. Strategy and Analysis</b>				
I.1	STATEMENT FROM THE MOST SENIOR DECISION-MAKER OF THE ORGANIZATION.	FULLY	23 - 24	
I.2	DESCRIPTION OF KEY IMPACTS, RISKS, AND OPPORTUNITIES.	FULLY	16 - 21, 23 - 24, Y 56	
<b>2. Organizational Profile</b>				
2.1	NAME OF THE ORGANIZATION.	FULLY	COVER	
2.2	PRIMARY BRANDS, PRODUCTS, AND/OR SERVICES.	FULLY	27 - 39 Y 33 - 37	
2.3	OPERATIONAL STRUCTURE OF THE ORGANIZATION, INCLUDING MAIN DIVISIONS, OPERATING COMPANIES, SUBSIDIARIES, AND JOINT VENTURES.	FULLY	10. - 15	
2.4	LOCATION OF ORGANIZATION'S HEADQUARTERS.	FULLY	12	
2.5	NUMBER OF COUNTRIES WHERE THE ORGANIZATION OPERATES, AND NAMES OF COUNTRIES WITH EITHER MAJOR OPERATIONS OR THAT ARE SPECIFICALLY RELEVANT TO THE SUSTAINABILITY ISSUES COVERED IN THE REPORT.	FULLY	27 - 29 Y 33 - 37	
2.6	NATURE OF OWNERSHIP AND LEGAL FORM.	FULLY	BACK FLAP	
2.7	MARKETS SERVED (INCLUDING GEOGRAPHIC BREAKDOWN, SECTORS SERVED, AND TYPES OF CUSTOMERS/BENEFICIARIES).	FULLY	33 - 37	
2.8	SCALE OF THE REPORTING ORGANIZATION.	FULLY	3 - 9.	
2.9	SIGNIFICANT CHANGES DURING THE REPORTING PERIOD REGARDING SIZE, STRUCTURE, OR OWNERSHIP.	FULLY	23 - 24, 10 - 15	
2.10	AWARDS RECEIVED IN THE REPORTING PERIOD.	FULLY	22	
<b>3. Report Parameters</b>				
3.1	REPORTING PERIOD (E.G., FISCAL/CALENDAR YEAR) FOR INFORMATION PROVIDED.	FULLY	100	
3.2	DATE OF MOST RECENT PREVIOUS REPORT (IF ANY).	FULLY	100	
3.3	REPORTING CYCLE (ANNUAL, BIENNIAL, ETC.)	FULLY	100	
3.4	CONTACT POINT FOR QUESTIONS REGARDING THE REPORT OR ITS CONTENTS.	FULLY	BACK FLAP	
<b>Report scope and boundary</b>				
3.5	PROCESS FOR DEFINING REPORT CONTENT.	FULLY	97 Y 100	
3.6	BOUNDARY OF THE REPORT (E.G., COUNTRIES, DIVISIONS, SUBSIDIARIES, LEASED FACILITIES, JOINT VENTURES, SUPPLIERS).	FULLY	100	
3.7	STATE ANY SPECIFIC LIMITATIONS ON THE SCOPE OR BOUNDARY OF THE REPORT (SEE COMPLETENESS PRINCIPLE FOR EXPLANATION OF SCOPE).	FULLY	100	
3.8	BASIS FOR REPORTING ON JOINT VENTURES, SUBSIDIARIES, LEASED FACILITIES, OUTSOURCED OPERATIONS, AND OTHER ENTITIES THAT CAN SIGNIFICANTLY AFFECT COMPARABILITY FROM PERIOD TO PERIOD AND/OR BETWEEN ORGANIZATIONS.	FULLY	100	
3.9	DATA MEASUREMENT TECHNIQUES AND THE BASES OF CALCULATIONS, INCLUDING ASSUMPTIONS AND TECHNIQUES UNDERLYING ESTIMATIONS APPLIED TO THE COMPILATION OF THE INDICATORS AND OTHER INFORMATION IN THE REPORT.	FULLY	100	
3.10	EXPLANATION OF THE EFFECT OF ANY RE-STATEMENTS OF INFORMATION PROVIDED IN EARLIER REPORTS, AND THE REASONS FOR SUCH RE-STATEMENT (E.G., MERGERS/ACQUISITIONS, CHANGE OF BASE YEARS/PERIODS, NATURE OF BUSINESS, MEASUREMENT METHODS).	FULLY	100	
3.11	SIGNIFICANT CHANGES FROM PREVIOUS REPORTING PERIODS IN THE SCOPE, BOUNDARY, OR MEASUREMENT METHODS APPLIED IN THE REPORT.	FULLY	100	
<b>Contents</b>				
3.12	TABLE IDENTIFYING THE LOCATION OF THE STANDARD DISCLOSURES IN THE REPORT.	FULLY	102-105	
<b>Assurance</b>				
3.13	POLICY AND CURRENT PRACTICE WITH REGARD TO SEEKING EXTERNAL ASSURANCE FOR THE REPORT.	FULLY	100	
<b>4. Governance, Commitments, and Engagement</b>				
<b>Governance</b>				
4.1	GOVERNANCE STRUCTURE OF THE ORGANIZATION, INCLUDING COMMITTEES UNDER THE HIGHEST GOVERNANCE BODY RESPONSIBLE FOR SPECIFIC TASKS, SUCH AS SETTING STRATEGY OR ORGANIZATIONAL OVERSIGHT.	FULLY	14, 80 - 84	
4.2	INDICATE WHETHER THE CHAIR OF THE HIGHEST GOVERNANCE BODY IS ALSO AN EXECUTIVE OFFICER.	FULLY	14 Y 82	
4.3	FOR ORGANIZATIONS THAT HAVE A UNITARY BOARD STRUCTURE, STATE THE NUMBER AND GENDER OF MEMBERS OF THE HIGHEST GOVERNANCE BODY THAT ARE INDEPENDENT AND/OR NON-EXECUTIVE MEMBERS.	FULLY	82	
4.4	MECHANISMS FOR SHAREHOLDERS AND EMPLOYEES TO PROVIDE RECOMMENDATIONS OR DIRECTION TO THE HIGHEST GOVERNANCE BODY.	FULLY	80 - 85	
4.5	LINKAGE BETWEEN COMPENSATION FOR MEMBERS OF THE HIGHEST GOVERNANCE BODY, SENIOR MANAGERS, AND EXECUTIVES (INCLUDING DEPARTURE ARRANGEMENTS), AND THE ORGANIZATION'S PERFORMANCE (INCLUDING SOCIAL AND ENVIRONMENTAL PERFORMANCE).	FULLY	81 - 84	
4.6	PROCESSES IN PLACE FOR THE HIGHEST GOVERNANCE BODY TO ENSURE CONFLICTS OF INTEREST ARE AVOIDED.	FULLY	9, 81 - 84	
4.7	PROCESS FOR DETERMINING THE COMPOSITION, QUALIFICATIONS, AND EXPERTISE OF THE MEMBERS OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES, INCLUDING ANY CONSIDERATION OF GENDER AND OTHER INDICATORS OF DIVERSITY.	FULLY	80 - 87	
4.8	INTERNALLY DEVELOPED STATEMENTS OF MISSION OR VALUES, CODES OF CONDUCT, AND PRINCIPLES RELEVANT TO ECONOMIC, ENVIRONMENTAL, AND SOCIAL PERFORMANCE AND THE STATUS OF THEIR IMPLEMENTATION.	FULLY	3. - 9.	
4.9	PROCEDURES OF THE HIGHEST GOVERNANCE BODY FOR OVERSEEING THE ORGANIZATION'S IDENTIFICATION AND MANAGEMENT OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL PERFORMANCE, INCLUDING RELEVANT RISKS AND OPPORTUNITIES, AND ADHERENCE OR COMPLIANCE WITH INTERNATIONALLY AGREED STANDARDS, CODES OF CONDUCT, AND PRINCIPLES.	FULLY	12 - 13 Y 79 - 83	

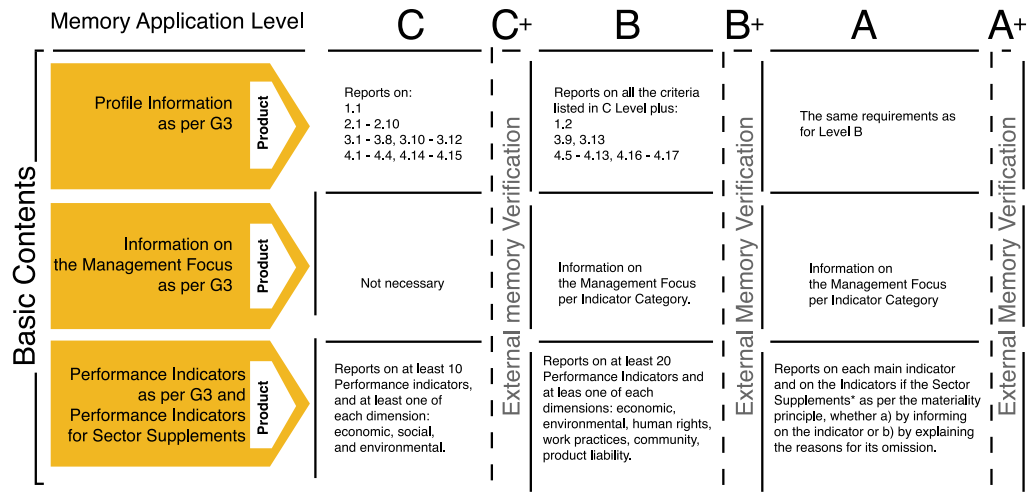
4.10	PROCESSES FOR EVALUATING THE HIGHEST GOVERNANCE BODY'S OWN PERFORMANCE, PARTICULARLY WITH RESPECT TO ECONOMIC, ENVIRONMENTAL, AND SOCIAL PERFORMANCE.	FULLY	9, 81 - 84	
<b>Commitments to external initiatives</b>				
4.11	EXPLANATION OF WHETHER AND HOW THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED BY THE ORGANIZATION.	FULLY	9, 56- 57, 72 - 73, 76 - 81, 84 - 90-5 Y 97	
4.12	EXTERNALLY DEVELOPED ECONOMIC, ENVIRONMENTAL, AND SOCIAL CHARTERS, PRINCIPLES, OR OTHER INITIATIVES TO WHICH THE ORGANIZATION SUBSCRIBES OR ENDORSES.	FULLY	45-52, 77- 78, 90-95	
4.13	MEMBERSHIPS IN ASSOCIATIONS (SUCH AS INDUSTRY ASSOCIATIONS) AND/OR NATIONAL/INTERNATIONAL ADVOCACY ORGANIZATIONS IN WHICH THE ORGANIZATION: * HAS POSITIONS IN GOVERNANCE BODIES; * PARTICIPATES IN PROJECTS OR COMMITTEES; * PROVIDES SUBSTANTIVE FUNDING BEYOND ROUTINE MEMBERSHIP DUES; OR * VIEWS MEMBERSHIP AS STRATEGIC.	FULLY	88	
<b>Stakeholder Engagement</b>				
4.14	LIST OF STAKEHOLDER GROUPS ENGAGED BY THE ORGANIZATION.	FULLY	98 -99	
4.15	BASIS FOR IDENTIFICATION AND SELECTION OF STAKEHOLDERS WITH WHOM TO ENGAGE.	FULLY	8, 97, 98 - 99	
4.16	APPROACHES TO STAKEHOLDER ENGAGEMENT, INCLUDING FREQUENCY OF ENGAGEMENT BY TYPE AND BY STAKEHOLDER GROUP.	FULLY	98 -99	
4.17	KEY TOPICS AND CONCERNS THAT HVE BEEN RAISED THROUGH STAKEHOLDER ENGAGEMENT, AND HOW THE ORGANIZATION HAS RESPONEDE TO THOSE KEY TOPICS AND CONCERNS	FULLY	97, 98 -99	
<b>Economic performance</b>				
EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, INCLUDING REVENUES, OPERATING COSTS, EMPLOYEE COMPENSATION, DONATIONS AND OTHER COMMUNITY INVESTMENTS, RETAINED EARNINGS, AND PAYMENTS TO CAPITAL PROVIDERS AND GOVERNMENTS.	FULLY	19	
EC2	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANIZATION'S ACTIVITIES DUE TO CLIMATE CHANGE.	FULLY	90 - 95 Y 56	
EC3	COVERAGE OF THE ORGANIZATION'S DEFINED BENEFIT PLAN OBLIGATIONS.	FULLY	91 - 45 - 52 Y 30	
EC4	SIGNIFICANT FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT.	FULLY		GENERERA RECEIVES NO FINANCIAL AID FROM THE GOVERNMENT.
<b>Market presence</b>				
EC5	RANGE OF RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE AT SIGNIFICANT LOCATIONS OF OPERATION.	PARTIAL	70 - 71	
EC6	POLICY, PRACTICES, AND PROPORTION OF SPENDING ON LOCALLY-BASED SUPPLIERS AT SIGNIFICANT LOCATIONS OF OPERATION.	FULLY	57	
EC7	PROCEDURES FOR LOCAL HIRING AND PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY AT SIGNIFICANT LOCATIONS OF OPERATION.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
<b>Indirect economic impacts</b>				
EC8	DEVELOPMENT AND IMPACT OF INFRASTRUCTURE INVESTMENTS AND SERVICES PROVIDED PRIMARILY FOR PUBLIC BENEFIT THROUGH COMMERCIAL, IN-KIND, OR PRO BONO ENGAGEMENT.	FULLY	18 - 19, 45 - 52	
EC9	UNDERSTANDING AND DESCRIBING SIGNIFICANT INDIRECT ECONOMIC IMPACTS, INCLUDING THE EXTENT OF IMPACTS.	FULLY	23 - 24, 27- 29, 38 - 39, 55 - 64	
<b>Environmental Indicators</b>				
<b>Environmental Indicators</b>				
<i>Energy</i>				
EN1	MATERIALS USED BY WEIGHT OR VOLUME.	FULLY	95	
EN2	PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS.	PARTIAL	92 Y 95	GENERERA MAIN OFFICES ONLY.
EN3	DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE.	FULLY	92	ONLY SOURCE OF ENERGY IN THE CFE.
EN4	INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE.	FULLY	92	ONLY SOURCE OF ENERGY IN THE CFE.
EN5	ENERGY SAVED DUE TO CONSERVATION AND EFFICIENCY IMPROVEMENTS.	FULLY	92	
EN6	INITIATIVES TO PROVIDE ENERGY-EFFICIENT OR RENEWABLE ENERGY BASED PRODUCTS AND SERVICES, AND REDUCTIONS IN ENERGY REQUIREMENTS AS A RESULT OF THESE INITIATIVES.	FULLY	95	
EN7	INITIATIVES TO REDUCE INDIRECT ENERGY CONSUMPTION AND REDUCTIONS ACHIEVED.	FULLY	92	
<i>Water</i>				
EN8	TOTAL WATER WITHDRAWAL BY SOURCE.	FULLY	92	THE WATER USED IN THE OFFICES IS FROM A PUBLIC UTILITY.
EN9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER.	FULLY		WE DO NOT DIRECTLY AFFECT WATER SOURCES.
EN10	PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED.	FULLY	92	
<i>Biodiversity</i>				
EN11	LOCATION AND SIZE OF LAND OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS.	FULLY	93	
EN12	DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS.	FULLY	93	

EN13	HABITATS PROTECTED OR RESTORED.	FULLY	93	
EN14	STRATEGIES, CURRENT ACTIONS, AND FUTURE PLANS FOR MANAGING IMPACTS ON BIODIVERSITY.	FULLY	90 - 95	
EN15	NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE MAKE NO SIGNIFICANT IMPACT ON ENDANGERED SPECIES.
<i>Emissions, effluents and waste</i>				
EN16	TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT.	FULLY	94	
EN17	OTHER RELEVANT INDIRECT GREENHOUSE GAS EMISSIONS BY WEIGHT.	FULLY	94	
EN18	INITIATIVES TO REDUCE GREENHOUSE GAS EMISSIONS AND REDUCTIONS ACHIEVED.	PARTIAL	91 - 95	
EN19	EMISSIONS OF OZONE-DEPLETING SUBSTANCES BY WEIGHT.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE DO NOT GENERATE GASES OF ANY KIND AND MOST OF OUR AIR CONDITIONING EQUIPMENT IS UP TO DATE.
EN20	NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS BY TYPE AND WEIGHT.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE DO NOT USE GASES OF ANY KIND.
EN21	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION.	PARTIAL		WATER IS USED ONLY IN RESTROOMS AND OFFICE CLEANING AND IS DRAINED INTO THE PUBLIC SYSTEM.
EN22	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD.	FULLY	92	
EN23	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE HAVE NO RISK OF SPILLS.
EN24	WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE DO NOT TRANSPORT RESIDUES OF ANY KIND.
EN25	IDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE REPORTING ORGANIZATION'S DISCHARGES OF WATER AND RUNOFF.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, WE DO NOT MAKE A SIGNIFICANT IMPACT ON BIODIVERSITY OR HABITATS.
<i>Products and services</i>				
EN26	INITIATIVES TO MITIGATE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES, AND EXTENT OF IMPACT MITIGATION.	FULLY	90 - 95	
EN27	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY.	FULLY		GIVEN OUR ECONOMIC ACTIVITY, NEITHER THE SALE NOR PACKAGING OF MATERIALS IS SIGNIFICANT.
<i>Compliance</i>				
EN28	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS.	FULLY		WE HAVE RECEIVED NO FINES IN THE ENVIRONMENTAL AREA.
<i>Transport</i>				
EN29	SIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS USED FOR THE ORGANIZATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE.	FULLY	94 - 95	
<i>Overall</i>				
EN30	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE.	PARTIAL	91	ONLY THE SUPPORT FOR SOCIAL ORGANIZATIONS FOCUSED ON THE CARE OF THE ENVIRONMENT HAS BEEN DETAILED.
<b>Social: Labor Practices and Decent Work</b>				
<i>Performance Indicator</i>				
<i>Employment</i>				
LA1	TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION, BROKEN DOWN BY GENDER.	PARTIAL	74-75	
LA2	TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER, AND REGION.	FULLY	75	
LA3	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY MAJOR OPERATIONS.	FULLY		THERE IS A SINGLE TYPE OF WORKING DAY IN ALL PLACES OF OPERATION.
<i>Labor/management relations</i>				
LA4	PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
LA5	MINIMUM NOTICE PERIOD(S) REGARDING SIGNIFICANT OPERATIONAL CHANGES, INCLUDING WHETHER IT IS SPECIFIED IN COLLECTIVE AGREEMENTS.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
<i>Occupational health and safety</i>				
LA6	PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMS.	FULLY	72	
LA7	RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES BY REGION AND BY GENDER.	PARTIAL	73	GIVEN OUR ECONOMIC ACTIVITY, WE ARE CONSIDERED TO BE OF LOW LABOR RISK.
LA8	EDUCATION, TRAINING, COUNSELING, PREVENTION, AND RISK-CONTROL PROGRAMS IN PLACE TO ASSIST WORKFORCE MEMBERS, THEIR FAMILIES, OR COMMUNITY MEMBERS REGARDING SERIOUS DISEASES.	FULLY	72 - 73	
LA9	HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.



Training and education				
LA10	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGORY.	PARTIAL	76	BREAKDOWN BY CATEGORY OF EMPLOYEE REQUIRED.
LA11	PROGRAMS FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS.	FULLY	19, 67 - 69, 76 - 78	
LA12	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER.	FULLY	66	
Diversity and equal opportunity				
LA13	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY.	PARTIAL	86 Y 87	BREAKDOWN BY MINORITIES NOT INCLUDED.
LA14	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
LA15	RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER.	PARTIAL	73	
Social: Human Rights				
Investment and procurement practices				
HR1	PERCENTAGE AND TOTAL NUMBER OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE CLAUSES INCORPORATING HUMAN RIGHTS CONCERNS, OR THAT HAVE UNDERGONE HUMAN RIGHTS SCREENING.	FULLY	57	
HR2	PERCENTAGE OF SIGNIFICANT SUPPLIERS, CONTRACTORS AND OTHER BUSINESS PARTNERS THAT HAVE UNDERGONE HUMAN RIGHTS SCREENING, AND ACTIONS TAKEN.	PARTIAL	57	THE PURCHASE CONTRACTS ARE COVERED BY THE ETHIC CODE FOR SUPPLIERS AND, IN THE CASE OF HUMAN RIGHTS, THE CERTIFICATION PROCESS AND COMPLIANCE ANALYSIS BEGIN IN 2014. IN 2013 THE PROCESS WAS LIMITED TO AN ACCEPTANCE LETTER.
HR3	TOTAL HOURS OF EMPLOYEE TRAINING ON POLICIES AND PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED.	FULLY	9, 19 Y 76	
Non-discrimination				
HR4	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
Freedom of association and collective bargaining				
HR5	OPERATIONS AND SIGNIFICANT SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND ACTIONS TAKEN TO SUPPORT THESE RIGHTS.	PARTIAL		GIVEN THE NATURE OF OUR ACTIVITIES, THERE ARE NO SIGNIFICANT RISKS IN THIS AREA.
Child Labor				
HR6	OPERATIONS AND SIGNIFICANT SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOR.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
Prevention of forced and compulsory labor				
HR7	OPERATIONS AND SIGNIFICANT SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOR.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
Security practices				
HR8	PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANIZATION'S POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
Indigenous rights				
HR9	TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLE AND ACTIONS TAKEN.	FULLY		NO INCIDENTS OF THIS NATURE HAVE BEEN REPORTED.
Assessment				
HR10	PERCENTAGE AND TOTAL NUMBER OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS AND/OR IMPACT ASSESSMENTS.	PARTIAL		THE MATERIALIZATION OF RISK IS CONSTANTLY EVALUATED BY THE AREA RESPONSIBLE AND PREVENTED THROUGH CONSTANT TRAINING OF EMPLOYEES.
HR11	NUMBER OF GRIEVANCES RELATED TO HUMAN RIGHTS FILED, ADDRESSED AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS.	FULLY		NO TENEMOS REGISTRADOS INCIDENTES DE ESTA NATURALEZA.
Local Communities				
SO1	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS.	PARTIAL	33 - 39	
Corruption				
SO2	PERCENTAGE AND TOTAL NUMBER OF BUSINESS UNITS ANALYZED FOR RISKS RELATED TO CORRUPTION.	PARTIAL	9 Y 56	LA MATERIALIZACIÓN DE ESTE RIESGO ES CONSTANTEMENTE EVALUADA POR EL ÁREA ENCARGADA Y CONTRARRESTADA CON CAPACITACIÓN CONSTANTE A COLABORADORES.
SO3	PERCENTAGE OF EMPLOYEES TRAINED IN ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES.	FULLY	9	
SO4	ACTIONS TAKEN IN RESPONSE TO INCIDENTS OF CORRUPTION.	NOT MATERIAL		INFORMACIÓN NO CONSIDERADA EN LA MATERIALIDAD DEL INFORME.

Public Policy				
SO5	PUBLIC POLICY POSITIONS AND PARTICIPATION IN PUBLIC POLICY DEVELOPMENT AND LOBBYING.	FULLY		PUBLIC STANCES ARE TAKEN IN COLLABORATION WITH ORGANIZATIONS IN THE SECTOR.
SO6	TOTAL VALUE OF FINANCIAL AND IN-KIND CONTRIBUTIONS TO POLITICAL PARTIES, POLITICIANS, AND RELATED INSTITUTIONS BY COUNTRY.	FULLY		NO CONTRIBUTIONS TO POLITICAL INSTITUTIONS ARE MADE.
Anti-competitive behavior				
SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES.	FULLY		WE PARTICIPATE IN A VERY COMPETITIVE MARKET, WITH STRICT REGULATIONS AND NO MONOPOLIES.
Compliance				
SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS.	NOT MATERIAL		INFORMATION NOT TAKEN INTO ACCOUNT IN THE MATERIALITY OF THE REPORT.
SO9	OPERATIONS WITH SIGNIFICANT POTENTIAL OR ACTUAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES.	FULLY		GIVEN THE NATURE OF OUR ACTIVITIES, THERE ARE NO SIGNIFICANT RISKS IN THIS AREA.
SO10	PREVENTION AND MITIGATION MEASURES IMPLEMENTED IN OPERATIONS WITH SIGNIFICANT POTENTIAL OR ACTUAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES.	FULLY		GIVEN THE NATURE OF OUR ACTIVITIES, THERE ARE NO SIGNIFICANT RISKS IN THIS AREA.
Social: Product Responsibility				
Customer Health and Safety				
PR1	LIFE CYCLE STAGES IN WHICH HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES ARE ASSESSED FOR IMPROVEMENT, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICES CATEGORIES SUBJECT TO SUCH PROCEDURES.	FULLY	38 - 40	
PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES.	FULLY		COMPARTAMOS PRODUCTS AND SERVICES DO NOT AFFECT THE HEALTH OR SAFETY OF CLIENTS.
Product and service labelling				
PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY PROCEDURES, AND PERCENTAGE OF SIGNIFICANT PRODUCTS AND SERVICES SUBJECT TO SUCH INFORMATION REQUIREMENTS.	FULLY	33 - 40	
PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING, BY TYPE OF OUTCOMES.	FULLY		WE HAVE RECEIVED NO FINES FOR FAILURE TO COMPLY IN THIS ASPECT.
PR5	PRACTICES RELATED TO CUSTOMER SATISFACTION, INCLUDING RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION.	FULLY	38 - 44	
Marketing Communications				
PR6	PROGRAMS FOR ADHERENCE TO LAWS, STANDARDS, AND VOLUNTARY CODES RELATED TO MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP.	FULLY	38 - 39	
PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP BY TYPE OF OUTCOMES.	FULLY		WE HAVE RECEIVED NO FINES FOR FAILURE TO COMPLY IN THIS ASPECT.
PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA.	FULLY		WE HAVE RECEIVED NO FINES FOR FAILURE TO COMPLY IN THIS ASPECT.
Compliance				
PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES.	FULLY		WE HAVE RECEIVED NO FINES FOR FAILURE TO COMPLY IN THIS ASPECT.



\*Final version Sector Supplement

# 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 Genera, 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 Genera, 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-*

Genera S. A. B. de C. V. (formerly Compartamos, S. A. B. de C. V.) (Genera), 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, Genera 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 Genera 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 Genera 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", Genera 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 Genera and its subsidiaries mentioned below. All significant balances and transactions between Genera and the subsidiaries have been eliminated upon consolidation.

<i>Entity</i>	<i>Equity</i>	<i>Functional currency</i>
<b>BANK</b>	<b>99.98%</b>	<b>MEXICAN PESOS</b>
<b>COMPARTAMOS GUATEMALA</b>	<b>99.99%</b>	<b>QUETZALES</b>
<b>FINANCIERA COMPARTAMOS</b>	<b>84.20%</b>	<b>SOLES</b>
<b>COMPARTAMOS SERVICIOS</b>	<b>99.99%</b>	<b>MEXICAN PESOS</b>
<b>CONTROLADORA AT <sup>(1)</sup></b>	<b>50.00%</b>	<b>MEXICAN PESOS</b>

<sup>(1)</sup> CONTROLADORA AT IS CONSOLIDATED FROM AUGUST 1, 2012, AS GENERA 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 Genera’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 Genera 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, Genera 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.

Genera 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 Genera 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 Genera 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, Genera’s manuals and internal policies.

Loans are controlled by periodic visits to the client by Genera 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 Genera 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 Genera, and checking clients’ credit ratings with the credit bureau.

Genera 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, Genera 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.

<i>Degree of risk</i>	<i>Percentage ranges of allowance</i>
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, Genera 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:

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

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

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

Genera 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 Genera’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 Genera 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 Genera 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-*

Genera 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, Genera records the necessary provisions. When Genera 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, Certificates 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) *Comprehensive 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) Genera 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 Genera 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 Genera 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 Genera 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
<b>CASH ON HAND</b>	\$ 62	39
<b>MEXICAN BANKS</b>	530	706
<b>FOREIGN BANKS</b>	302	511
<b>RESTRICTED FUNDS:</b>		
<b>MONETARY REGULATION DEPOSIT WITH THE CENTRAL BANK</b>	204	204
<b>BANK LOANS WITH MATURITY UP TO THREE DAYS</b>	849	822
<b>OTHER FUNDS</b>	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 Genera'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, Genera has no precious metals, coins or position in foreign bills and coins.

## (7) Investment securities-

Cash surpluses resulting from Genera 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 Genera 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
<b>TRADING SECURITIES</b>		
<b>DEBT SECURITIES:</b>	\$ -	400
<b>PROMISSORY NOTES TO BE SETTLED AT MATURITY</b>		
<b>GOVERNMENT SECURITIES:</b>		
<b>CETES</b>	-	100
	-	\$ 500
<b>AVAILABLE-FOR-SALE SECURITIES</b>		
<b>GOVERNMENT SECURITIES:</b>		
<b>DEPOSIT CERTIFICATES OF THE     REPUBLIC OF PERU'S CENTRAL BANK</b>	22	-
	\$ 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, Genera 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-**

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

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

<i>Interest income (note 22)</i>		<i>2013</i>	<i>2012</i>
<b>COMMERCIAL LOANS:</b>			
<b>BUSINESS AND COMMERCIAL</b>	\$	<b>79</b>	<b>59</b>
<b>CONSUMER LOANS</b>		<b>12,390</b>	<b>9,921</b>
<b>RESIDENTIAL MORTGAGES</b>		<b>6</b>	<b>6</b>
	\$	<b>12,475</b>	<b>9,986</b>
<i>Commissions income (note 22)</i>		<i>2013</i>	<i>2012</i>
<b>CONSUMER LOANS</b>	\$	<b>340</b>	<b>233</b>

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

<i>Economic activity</i>	<i>2013</i>		<i>2012</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<b>COMMERCE</b>	\$ 16,777	81	15,051	83
<b>CONSTRUCTION</b>	20	-	87	-
<b>PROFESSIONAL SERVICES</b>	1,950	9	668	4
<b>AGRICULTURE</b>	129	1	129	1
<b>CATTLE RAISING</b>	201	1	154	1
<b>MANUFACTURING</b>	532	3	354	2
<b>OTHER</b>	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		
	<i>In Mexico:</i>	<i>Current</i>	<i>Past-due</i>	<i>Current</i>	<i>Past-due</i>
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
<b>TOTAL MEXICO CARRIED FORWARD</b>	<b>\$</b>	<b>15,711</b>	<b>436</b>	<b>14,219</b>	<b>385</b>

	2013		2012	
	Current	Past-due	Current	Past-due
<b>TOTAL MEXICO BROUGHT FORWARD</b>	\$ 15,711	436	14,219	385
<b>ABROAD:</b>				
<b>GUATEMALA</b>	178	7	109	2
<b>PERU</b>	3,807	149	2,989	100
<b>TOTAL ABROAD</b>	3,985	156	3,098	102
<b>ACCRUED INTERESTS</b>	365	53	321	36
<b>TOTAL PORTFOLIO</b>	\$ 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 to 180 days	181 to 365 days	1 to 2 years	More than 2 years	Total
<b>COMMERCIAL LOANS:</b>					
<b>BUSINESS AND COMMERCIAL</b>	\$ 4	4	5	-	13
<b>CONSUMER LOANS</b>	469	117	45	-	631
<b>RESIDENTIAL MORTGAGES</b>	-	-	-	1	1
	\$ 473	121	50	1	645
<b>2012</b>					
<b>COMMERCIAL LOANS:</b>					
<b>BUSINESS AND COMMERCIAL</b>	\$ 4	2	2	2	10
<b>CONSUMER LOANS</b>	280	205	15	12	512
<b>RESIDENTIAL MORTGAGES</b>	-	-	-	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
<b>PAST DUE LOANS AT THE BEGINNING OF THE YEAR</b>	\$	523	383
<b>PLUS:</b>			
<b>TRANSFER FROM CURRENT LOANS</b>		1,844	1,045
<b>LESS:</b>			
<b>WRITE OFFS</b>		1,359	632
<b>COLLECTIONS</b>		348	267
<b>TRANSFER TO CURRENT LOANS</b>		6	6
<b>EXCHANGE RATE FLUCTUATION</b>		9	-
<b>PAST-DUE LOANS AT YEAR-END</b>	\$	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
<b>CURRENT LOANS:</b>			
<b>BUSINESS AND COMMERCIAL</b>	\$ 79	-	79
<b>CONSUMER LOANS</b>	12,383	340	12,723
<b>RESIDENTIAL MORTGAGES</b>	6	-	6
	12,468	340	12,808
<b>PAST DUE LOANS:</b>			
<b>CONSUMER LOANS</b>	7	-	7
	\$ 12,475	340	12,815

	2012		
	Interest	Commissions	Total
<b>CURRENT LOANS:</b>			
<b>BUSINESS AND COMMERCIAL</b>	\$ 59	-	59
<b>CONSUMER LOANS</b>	9,916	233	10,149
<b>RESIDENTIAL MORTGAGES</b>	6	-	6
	9,981	233	10,214
<b>PAST DUE LOANS:</b>			
<b>CONSUMER LOANS</b>	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
<b>TOTAL</b>	<b>291,509</b>	<b>\$ 724</b>	<b>39</b>	<b>763</b>

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
<b>TOTAL</b>	<b>\$ 366</b>	<b>20,295</b>	<b>45</b>	<b>20,706</b>

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
<b>TOTAL</b>	<b>\$ 17</b>	<b>1,209</b>	<b>2</b>	<b>1,228</b>

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 Genera 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
<b>TOTAL</b>	<b>\$ 27</b>	<b>997</b>



**(10) Other accounts receivable -**

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

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

**(11) Property, furniture and equipment -**

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

	2013			
	<i>Original Cost</i>	<i>Depreciation and amortization annual rate</i>	<i>Accumulated depreciation</i>	<i>Net value</i>
<b>LAND</b>	\$ 4	-	-	4
<b>CONSTRUCTIONS</b>	18	5	(6)	12
<b>OFFICE FURNITURE AND EQUIPMENT</b>	195	10	(55)	140
<b>TRANSPORTATION EQUIPMENT</b>	112	25 Y 20	(50)	62
<b>COMPUTER EQUIPMENT</b>	652	30, 25 Y 15	(367)	285
<b>OTHERS:</b>				
<b>LEASEHOLD IMPROVEMENTS</b>	464	*	(130)	334
<b>TELECOMMUNICATIONS EQUIPMENT</b>	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 Genera does not have any burden or restriction for its use or disposal.

Genera 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
<b>OFFICE FURNITURE AND EQUIPMENT</b>	\$	5	2
<b>COMPUTER EQUIPMENT</b>		199	175
<b>TRANSPORTATION EQUIPMENT</b>		10	5
	\$	214	214
<b>LESS ACCUMULATED DEPRECIATION</b>		92	29
	\$	122	153

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

	2013			2012		
	<i>Future minimum payments</i>	<i>Discounted interest</i>	<i>Present value</i>	<i>Future minimum payments</i>	<i>Discounted interest</i>	<i>Present value</i>
<b>LESS THAN ONE YEAR</b>	\$ 78	(6)	72	66	(9)	57
<b>BETWEEN ONE AND FIVE YEARS</b>	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, Genera 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				
<i>Cebures</i>	<i>Amount of program</i>	<i>Date of issuance</i>	<i>Date of maturity</i>	<i>Interest rate</i>	<i>Balance</i>	
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				
<i>Cebures</i>	<i>Amount of program</i>	<i>Date of issuance</i>	<i>Date of maturity</i>	<i>Interest rate</i>	<i>Balance</i>	
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, Genera had contracted the following loans in Mexican and in soles translated to pesos, as follows:

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

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	
<i>Institution</i>	<i>Line of credit recived</i>	<i>Unused portion</i>
<b>FIDEICOMISOS INSTITUIDOS EN</b>		
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, SOCIÉTÉ EN COMMANDITE PAR ACTIONS (S.C.A.)	24	-
	\$ 12,375	6,425

2012

<i>Institution</i>	<i>Line of credit received</i>	<i>Unused portion</i>
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, Genera 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, Genera 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. Genera'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.

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

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

<i>CNP</i>	<i>Pre-retirement severance payment</i>		<i>Pre-retirement seniority premium</i>		<i>Seniority premium at retirement</i>	
	2013	2012	2013	2012	2013	2012
<b>LABOR COST OF THE CURRENT SERVICE</b>	\$ 5	8	3	2	2	2
<b>FINANCIAL COST</b>	2	1	-	-	1	2
<b>ACTUARIAL (EARNINGS) LOSS</b>	2	3	-	-	-	-
<b>AMORTIZATION OF THE TRANSITION LIABILITY</b>	-	1	-	-	-	-
<b>TOTAL</b>	\$ 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



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

**(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, Genera 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
<b>BANK (IT)</b>	\$ 1,093	5	979	16
<b>FINANCIERA COMPARTAMOS</b>	50	(6)	49	(2)
<b>RED YASTÁS</b>	-	33	-	(31)
<b>COMPARTAMOS SERVICIOS (IETU AND IT, IN 2013 AND 2012, RESPECTIVELY)</b>	55	3	131	(89)
<b>CONTROLADORA AT, S.A.P.I.</b>	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
<b>INCOME BEFORE IT</b>	<b>\$ 3,594</b>	<b>3,046</b>
<b>IT AT 30% RATE ON INCOME</b>		
<b>BEFORE IT</b>	<b>\$ (1,078)</b>	<b>(914)</b>
<b>PLUS (LESS) THE EFFECT OF IT ON:</b>		
<b>DEDUCTIBLE ANNUAL INFLATION ADJUSTMENT</b>	<b>71</b>	<b>59</b>
<b>ALLOWANCE FOR LOAN LOSSES</b>	<b>(411)</b>	<b>(246)</b>
<b>DEDUCTION OF 2.5% OF THE GLOBAL LOSS RESERVE</b>	<b>122</b>	<b>105</b>
<b>DEDUCTION FROM THE LOAN PORTFOLIO SALE</b>	<b>228</b>	<b>-</b>
<b>OTHER NON-DEDUCTIBLE OR TAXABLE ITEMS, NET</b>	<b>(15)</b>	<b>17</b>
<b>CURRENT IT</b>	<b>(1,083)</b>	<b>(979)</b>
<b>IT PAID IN 2013 CORRESPONDING</b>		
<b>TO PRIOR YEAR</b>	<b>(10)</b>	<b>-</b>
<b>DEFERRED IT</b>	<b>(5)</b>	<b>(16)</b>
<b>IT EXPENSE</b>	<b>\$ (1,098)</b>	<b>(995)</b>
<b>EFFECTIVE IT RATE</b>	<b>30%</b>	<b>33%</b>

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

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

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

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

(\*) 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
<b>SHORT TERM: ESPS</b>	\$ 44	22	44	-	22
<b>SUNDRY PROVISIONS</b>	\$ 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
<b>A CORTO PLAZO: PTU</b>	\$ 106	43	105	-	44
<b>PROVISIONES DIVERSAS</b>	\$ 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
<b>PERFORMANCE BONUS</b>	\$	259	221
<b>COMMISSIONS</b>		29	22
<b>OTHER</b>		44	29
<b>TOTAL PROVISIONS</b>	\$	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 Genera \$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 reconstitute 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, Genera 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 Genera. As a result of the Exchange Offering, Genera owns 99.98% of the Bank's capital stock.

Genera 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 Genera, 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 Genera, 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 Genera 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.

Genera'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
"UNIQUE"	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 Genera 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 <sup>1</sup>. 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%

<sup>1</sup> 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:

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

<sup>2</sup> 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:

$$\text{RBC1} = (\text{Basic Capital 1} / \text{Weighted Assets subject to Total Risks}) / \text{ICAPM}$$

$$\text{RBC} = [(\text{Basic Capital 1} + \text{Basic Capital 2}) / \text{Weighted Assets subject to Total Risks}] - / \text{ICAPM}$$

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:

<i>Item</i>	<i>Amount of the equivalent positions</i>		<i>Capital requirement</i>	
	2013	2012	2013	2012
<b>OPERATIONS AT NOMINAL RATE IN LOCAL CURRENCY</b>	\$ 1,954.5	1,514.4	156.4	121.2
<b>POSITIONS IN FOREIGN CURRENCY OR WITH RETURN INDEXED TO EXCHANGE RATES</b>	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:

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

Genera 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 Genera has a grace period of six months to condition the property for its use beginning on October 1, 2012. To date Genera 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 Genera'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 Genera, 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 Genera 60 days prior to expiration of the agreement to conduct the renewal.

Genera 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.

Genera 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 Genera 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.

Genera'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 Genera 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 Genera agreed an option to purchase/sale shares as follows: (i) Genera 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 Genera participation in 84.20% leaving the minority stockholders with 15.80%.

**(21) Balances and operations with related parties-**

During the normal course of operations, Genera 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 Genera'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 Genera 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, Genera 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:

<i>Expenses</i>	<i>2013</i>	<i>2012</i>
<b>DONATIONS</b>	<b>\$ 8</b>	<b>13</b>
<b>ADVISORY AND SERVICES</b>	<b>2</b>	<b>2</b>



## (22) Additional information from segments-

Genera 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:

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

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

*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:

<i>Interest income</i>	2013		2012	
	<i>Current</i>	<i>Past-due</i>	<i>Current</i>	<i>Past-due</i>
<b>COMMERCIAL LOANS:</b>				
<b>BUSINESS AND COMMERCIAL</b>	\$ 79	-	59	-
<b>CONSUMER LOANS</b>	12,383	7	9,916	5
<b>RESIDENTIAL MORTGAGES</b>	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
<b>COMMISSIONS AND FEES INCOME:</b>		
<b>CONSUMER LOANS</b>	\$ 340	233
<b>INSURANCE OPERATIONS</b>	165	127
<b>OTHER</b>	256	77
	\$ 761	437
<b>COMMISSIONS AND FEES EXPENSE:</b>		
<b>BANK FEES</b>	\$ 214	282
<b>BROKERS</b>	307	42
<b>INSURANCE OPERATIONS</b>	77	102
<b>OTHER</b>	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:

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

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

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

2012 Subsidiarias								
	Genera	Banco	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	Total
<b>INTEREST INCOME</b>	\$ 2	9,159	58	873	-	10	-	10,102
<b>INTEREST EXPENSE</b>	(1)	(503)	-	(214)	-	-	-	(718)
<b>FINANCIAL MARGIN</b>	1	8,656	58	659	-	10	-	9,384
<b>FINANCIAL MARGIN ADJUSTED FOR CREDIT RISK</b>	1	7,837	50	495	-	10	-	8,393
<b>OPERATING INCOME BEFORE INCOME TAXES</b>	(45)	6,972	(8)	154	(37)	(3,971)	9	3,074
<b>NET RESULT</b>	\$ (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 according 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 liability 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

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

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

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

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

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

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%.

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

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.

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

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

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

<i>Value at Risk, 1 day (VaR) on December 31, 2013</i>				
<i>Portafolio</i>	<i>Market value</i>	<i>VaR al 99%</i>	<i>% Position</i>	<i>Use of limit (%)<sup>1</sup></i>
<b>TOTAL POSITION</b>	<b>849</b>	<b>0.002</b>	<b>0.0002%</b>	<b>0.18%</b>
<b>MONEY<sup>2</sup></b>	<b>849</b>	<b>0.002</b>	<b>0.0002%</b>	<b>0.18%</b>
<b>PURCHASE OF SECURITIES</b>	-	-	-	-
<b>CALL MONEY</b>	<b>849</b>	<b>0.002</b>	<b>0.0002%</b>	<b>0.18%</b>
<b>DERIVATIVES<sup>3</sup></b>	-	-	-	-
<b>FOREIGN EXCHANGE</b>	-	-	-	-
<b>EQUITY</b>	-	-	-	-
<sup>1</sup> 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.				
<sup>2</sup> THE POSITIONS SUBJECT TO MARKET RISK REFERRED TO ARE CALL MONEY OPERATIONS.				
<sup>3</sup> 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:

<i>Value at Risk, 1 day (VaR) on December 31, 2012</i>				
<i>Portafolio</i>	<i>Market value</i>	<i>VaR al 99%</i>	<i>% Position</i>	<i>Use of limit (%)<sup>1</sup></i>
<b>TOTAL POSITION</b>	<b>1,322</b>	<b>0.03</b>	<b>0.002</b>	<b>0.3</b>
<b>MONEY<sup>2</sup></b>	<b>1,322</b>	<b>0.03</b>	<b>0.002</b>	<b>0.3</b>
<b>PURCHASE OF SECURITIES</b>	<b>500</b>	<b>0.03</b>	<b>0.002</b>	<b>0.3</b>
<b>CALL MONEY</b>	<b>822</b>	<b>0.00</b>	<b>0.000</b>	<b>0.0</b>
<b>DERIVATIVES<sup>3</sup></b>	-	-	-	-
<b>FOREIGN EXCHANGE</b>	-	-	-	-
<b>EQUITY</b>	-	-	-	-
<sup>1</sup> 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.				
<sup>2</sup> THE POSITIONS SUBJECT TO MARKET RISK REFERRED TO ARE CALL MONEY OPERATIONS AND PURCHASE OF PRLV AND CETES.				
<sup>3</sup> 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  $\pm 100$  base points in rates or risk factors. Whereas to generate stress scenarios, movements of  $\pm 150$  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.

<i>Sensitivity analysis as of December 31, 2013</i>				
	<i>Market value</i>	<i>VaR at 99%</i>	<i>Sensitivity +100 pb</i>	<i>Estrés +150pb</i>
<b>TOTAL POSITION</b>	<b>849</b>	<b>0.002</b>	<b>0.047</b>	<b>7.08</b>
<b>MONEY</b>	<b>849</b>	<b>0.002</b>	<b>0.047</b>	<b>7.08</b>
<b>PURCHASE OF SECURITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CALL MONEY</b>	<b>849</b>	<b>0.002</b>	<b>0.047</b>	<b>7.08</b>

<i>Sensitivity analysis as of December 31, 2012</i>				
	<i>Market value</i>	<i>VaR at 99%</i>	<i>Sensitivity +100 pb</i>	<i>Estrés +150pb</i>
<b>POSICIÓN TOTAL</b>	<b>1,322</b>	<b>0.10</b>	<b>0.4</b>	<b>0.6</b>
<b>MONEY</b>	<b>1,322</b>	<b>0.10</b>	<b>0.4</b>	<b>0.6</b>
<b>PURCHASE OF SECURITIES</b>	<b>500</b>	<b>0.10</b>	<b>0.4</b>	<b>0.6</b>
<b>CALL MONEY</b>	<b>822</b>	<b>0.01</b>	<b>0.1</b>	<b>0.1</b>

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.

<i>Income from treasury operations</i>				
		<i>2013</i>	<i>2012</i>	<i>Variation (%)</i>
<b>INCOME FROM TREASURY OPERATIONS</b>	<b>\$</b>	<b>75</b>	<b>81</b>	<b>-8</b>
<b>TOTAL INCOME</b>	<b>\$</b>	<b>11,883</b>	<b>9,555</b>	<b>24</b>
<b>INCOME FROM TREASURY OPERATIONS (%)</b>		<b>0.7%</b>	<b>0.9%</b>	

### 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:

<i>Analysis of liquidity gaps (accumulated) 2013</i>			
<i>Bucket</i>	<i>Gap</i>	<i>Limit*</i>	<i>Use of limit (%)</i>
<b>1-30 DAYS</b>	<b>5,473</b>	<b>76%</b>	<b>0%</b>
<b>31-60 DAYS</b>	<b>9,746</b>	<b>136%</b>	<b>0%</b>
<b>61-90 DAYS</b>	<b>12,178</b>	<b>170%</b>	<b>0%</b>
<b>91-120 DAYS</b>	<b>13,397</b>	<b>187%</b>	<b>0%</b>
<b>121-180 DAYS</b>	<b>14,464</b>	<b>201%</b>	<b>0%</b>
<b>181-270 DAYS</b>	<b>15,349</b>	<b>214%</b>	<b>0%</b>
<b>271-360 DAYS</b>	<b>15,510</b>	<b>216%</b>	<b>0%</b>
<b>361-720 DAYS</b>	<b>13,140</b>	<b>183%</b>	<b>0%</b>
<b>721-1,080 DAYS</b>	<b>11,566</b>	<b>161%</b>	<b>0%</b>
<b>1,081-1,440 DAYS</b>	<b>9,390</b>	<b>131%</b>	<b>0%</b>
<b>1,441-1,800 DAYS</b>	<b>676</b>	<b>9%</b>	<b>0%</b>

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

<i>Analysis of liquidity gaps as of December 31, 2013</i>			
<i>Bucket</i>	<i>Gap</i>	<i>Limit*</i>	<i>Use of limit (%)</i>
<b>1-30 DAYS</b>	<b>5,473</b>	<b>76%</b>	<b>0%</b>
<b>31-60 DAYS</b>	<b>4,273</b>	<b>136%</b>	<b>0%</b>
<b>61-90 DAYS</b>	<b>2,432</b>	<b>170%</b>	<b>0%</b>
<b>91-120 DAYS</b>	<b>1,219</b>	<b>187%</b>	<b>0%</b>
<b>121-180 DAYS</b>	<b>1,068</b>	<b>201%</b>	<b>0%</b>
<b>181-270 DAYS</b>	<b>885</b>	<b>214%</b>	<b>0%</b>
<b>271-360 DAYS</b>	<b>160</b>	<b>216%</b>	<b>0%</b>
<b>361-720 DAYS</b>	<b>(2,370)</b>	<b>183%</b>	<b>0%</b>
<b>721-1,080 DAYS</b>	<b>(1,574)</b>	<b>161%</b>	<b>0%</b>
<b>1,081-1,440 DAYS</b>	<b>(2,176)</b>	<b>131%</b>	<b>0%</b>
<b>1,441-1,800 DAYS</b>	<b>(8,714)</b>	<b>9%</b>	<b>0%</b>

**\*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:

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

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

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

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

\*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:

<i>VaR Liquidity, 10 days 2013</i>			
	<i>Value</i>	<i>Position (%)</i>	<i>limit (%)*</i>
<b>VAR LIQUIDITY AT 99%</b>	<b>0.0059</b>	<b>0.0007%</b>	<b>0.17%</b>
<b>MONEY</b>	<b>0.0059</b>	<b>0.0007%</b>	<b>0.17%</b>
<b>REPURCHASE OF SECURITIES</b>	-	-	-
<b>CALL MONEY</b>	<b>0.0059</b>	<b>0.0007%</b>	<b>0.17%</b>
* 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:

<i>VaR Liquidity, 10 days 2012</i>			
	<i>Value</i>	<i>Position (%)</i>	<i>limit (%)*</i>
<b>VAR LIQUIDITY AT 99%</b>	<b>0.10</b>	<b>0.007%</b>	<b>0.3%</b>
<b>MONEY</b>	<b>0.10</b>	<b>0.007%</b>	<b>0.3%</b>
<b>REPURCHASE OF SECURITIES</b>	<b>0.10</b>	<b>0.020%</b>	<b>0.3%</b>
<b>CALL MONEY</b>	<b>0.01</b>	<b>0.002%</b>	<b>0.0%</b>
*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.

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

**Carlos Labarthe Costas**  
*Chief Executive Officer*

**Patricio Diez de Bonilla García Vallejo**  
*Chief Financial Officer*

**C.P.C. Oscar Luis Ibarra Burgos**  
*General Internal Auditor*

**C.P.C. Marco Antonio Guadarrama Villalobos**  
*Sudirector of Financial Information*



## SHAREHOLDER INFORMATION

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Ticker Bolsa Mexicana de Valores 2013



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### Independent auditor

KPMG, Cárdenas Dosal, S.C.

New ticker symbol as of 2014



The present annual and sustainability report contains certain statements related to the general information of Gentera, S.A.B. de C.V. (Gentera) with regard to its activities in 2013. It includes a summary of information about Gentera and its subsidiaries that does not claim to include all possible information about said subsidiaries or Gentera. The information has been included with a view to providing specific guidance to investors. Some statements contained in the present report reflect the current vision of Gentera regarding future events and are subject to certain risks, premises, and uncertain aspects. Many factors could cause Gentera's future results, performance, or challenges to be different than those expressed or assumed in said statements. If one or several of these risks should materialize, or if the premises or estimates should prove to be incorrect, the future results could vary significantly from those described, anticipated, assumed, estimated, expected, or presupposed. Gentera makes no attempt and assumes no obligation to bring up to date the statements presented in this document. Some of these statements contain words such as "we believe," "we consider," "we expect," "we claim," "we anticipate," "we estimate," "strategy," "plans," "we generate," "calculation," "should," and other similar ones, though these words are not the only means of identifying said statements.



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