



Leaders in Financial Inclusion

GENTERA



ANNUAL AND SUSTAINABILITY REPORT 2015



 **25**
YEARS
WORKING FOR
FINANCIAL
INCLUSION



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Our Leadership G4-6

We celebrate 25 years as the leading entrepreneurial group that works for financial inclusion at the bottom of the pyramid. We have presence in Mexico, Peru and Guatemala and focus on the generation of shared value. The three types of value we aim to generate are:

SOCIAL

We offer inclusion opportunities to the largest number of people in the shortest time possible, and foster the development of the communities we operate in

HUMAN

We trust people and their willingness to grow, self-realize and improve

ECONOMIC

We build commercial innovative, efficient and profitable models



G4-17

CORPORATE STRUCTURE



COMPARTAMOS

It is the specialized entity on financial solutions for people at the bottom of the pyramid who require short-term financing for working capital and/or business investment. With a client-friendly service, it offers credit, insurance, savings and means of payment to its clients in Mexico, Peru and Guatemala, enabling their development and a better quality of life.

COMPARTAMOS BANCO

It is the leading institution in Latin America specialized in granting working capital credits to Mexican entrepreneurs and micro-businessmen at the bottom of the pyramid.

It provides financing for productive activities and offers credits for housing improvement, life insurance and savings products.

Main products:

- Crédito Mujer
- Crédito Adicional
- Crédito Crece y Mejora
- Crédito Individual
- Crédito Comerciante
- Mis Ahorros Compartamos
- Seguro Mujer
- Seguro Comerciante
- Seguro Individual

COMPARTAMOS FINANCIERA

It is the Peruvian financial institution committed to financial inclusion that grants credits and provides consultancy to small businesses, attending their requirements for working capital, investment and consumption with individual and group credits. In addition, it provides savings and insurance services as a complementary offer to its clients.

Main products:

- Crear Pyme
- Crear Fácil
- Crear Fijo
- Crear Warmi
- Line of Credit
- Crear Cash
- Crear Construye
- Crédito Súper Mujer
- Crear Efectivo
- Fixed-term deposits
- Savings accounts
- Ahorro Súper Mujer
- Seguro Grupal
- Seguro Individual

COMPARTAMOS S.A.

In Guatemala, it is the institution that offers working capital credits and life insurance to businesswomen.


Product:

- Crédito Mujer



ATERNA*

It is the insurance agency specialized in prevention services for the bottom of the pyramid that designs and operates products and services through its partners in Mexico and the rest of Latin America.

*In partnership with 

Main products:

- Life insurance
- Health insurance
- Liability insurance



YASTÁS

It is the banking correspondent administrator that provides convenient access to financial operations, service payments and cell phones airtime to people at the bottom of the pyramid where banking infrastructure is limited or non-existent.



Main products:

- Water service payment
- Multi-level payment
- Telephone service payment
- Electricity payment
- Cable/satellite TV service payment
- Cell phone airtime
- Financial operations



INTERMEX

It is the payer of family remittances in Mexico; leader in providing a convenient, reliable and secure service. Its operation is linked to remittance companies in the United States to offer an efficient service to its clients.

Main products:

- Payment of international remittances
- Payment of national remittances between branches
- Cell phone airtime
- National and international courier and parcel services
- Currency exchange*

*Operation through Compartamos Banco, at branches that have Intermex branding.



FUNDACIÓN GENTERA

It is the non-profit organization that guides the social responsibility efforts of Gentera and its companies. Its main objective is social inclusion with education as the main driver of social value generation.

273,750 BENEFICIARIES IN 2015
THROUGH THE SOCIAL RESPONSIBILITY FUND AND OUR FOUNDATION

Message from our Chairmen

G4-1 G4-2



Esteemed investors, employees and friends:



Carlos Danel Cendoya

As part of our actions of transparency with our stakeholders, we are pleased to present our Annual and Sustainability Report 2015.

The purpose of the report is to share the goals, results and achievements of the previous year, as well as the challenges we faced and the strategy implemented for the economic and social performance of Genera and its companies.

2015 was a milestone in our history: we celebrated 25 years of operations after which we have managed to become leaders of financial inclusion for the bottom of the pyramid.

We are convinced that exclusion limits social development, so we strive to generate a positive impact. Therefore, our strategy for the future is to empower ten million people from the under-attended segment in the next ten years to improve their life with financial solutions that generate shared value. This vision, based on our purpose of eradicating financial exclusion, challenges us to develop and implement new business models that will lead us to our goal.

In 2015 we defined the strategy to be followed for the next 25 years of our company. Our efforts will be focused on developing and optimizing financial solutions in accordance to the needs of our clients and their life moment.

2015 was a remarkable year for Genera and its companies: we achieved our goals regarding clients and portfolio. Also, we exceeded the company's goals we set regarding the financial operations of Yastás and the policies placed by Aterna and Compartamos in the three countries in which we operate in –Mexico, Peru and Guatemala–.

- Compartamos Banco continues to lead the financial services for the bottom of the pyramid in America with the largest portfolio and active credit clients. It reached a disbursement of 86,566 million pesos, 14.8% greater with respect to 2014

OVER 3.2 MILLION CLIENTS, 11.6% INCREASE VS. 2014

TOTAL PORTFOLIO OF 28,496 MILLION PESOS;
A 19% INCREASE

- Regarding savings, we launched a network of channels with the construction of the first ecosystem for credit payment and saving operations in the state of Puebla. This will allow the massification of this service for our clients throughout Mexico in the short term

233,685 SAVINGS CLIENTS,
83.3% MORE THAN IN 2014

- Compartamos Financiera in Peru, massified their *Crédito Súper Mujer* product as the first group credit of this institution. On the other hand, in Guatemala, Compartamos continued with the growth of its group credit, taking full advantage of the opportunity areas provided by business operation trends
- Aterna, our insurance agent specialized in generating a culture of prevention at the bottom of the pyramid had a 16.5% increase in sold policies with respect to the previous year

MORE THAN 14 MILLION
INSURANCE POLICIES SOLD

MORE THAN 4 MILLION
ACTIVE INSURANCE POLICIES



Carlos Labarthe Costas

- Yastás, the banking correspondent administrator, is the leading credit payment channel, with 13.7 million transactions in the year, 7.9% more than in 2014

YASTÁS INCREASED ITS PRESENCE IN MEXICO BY **53.8%**

- With the acquisition of Intermex, we broadened our financial services offer and paid out 3.95 million family remittances, in addition to offering more transaction points to Compartamos Banco clients

70,495 CREDIT PAYMENTS BY COMPARTAMOS BANCO, EQUAL TO

603 MILLION PESOS

True to our roots, we continue to work for social inclusion in the communities where we operate in through Fundación Gentera.

WE BENEFITTED 273,750 INDIVIDUALS WITH AN INVESTMENT OF OVER 77.5 MILLION PESOS

- We bolstered our donation culture, as more than 6,000 employees donated to Fundación Gentera
- We achieved the participation of more than 13,000 Gentera employees as volunteers in diverse activities related to education and community restoration
- We donated over 5 million pesos to 23 NGO's through the Call for Education

None of this would have been possible without the commitment and work of our more than 20,000 employees. We are deeply grateful to all of those who have been part of the history of Gentera and who,



throughout its 25-year history, have been part of this endeavor.

- We were ranked second by the Best Companies to Work for in Mexico of the Great Place to Work Institute in the category of companies with more than 5,000 employees
- We achieved a significant reduction in key position turnaround –promoters and consultants– in Mexico, Peru and Guatemala

Encouraged by our productive businesses, the challenge for the future is to maintain and strengthen our leadership in the financial services sector with state-of-the-art technology, business ethics, personal integrity and focus on the person.

In 2016 we will endeavor to develop, pilot and implement new business models and financial solutions through the creation of innovative tools and technologies that will increase and improve the knowledge of our clients and market, allowing us to diversify our offer and generate greater value in the communities where we operate in. In this way we will:

- Reach a greater number of clients
- Increase the portfolio
- Streamline expenses
- Increase financial margin

We are totally confident in the capacity for success of the Group and continue to be optimistic about our leadership in the sector as we work towards the goal that has driven us for the past 25 years: financial inclusion and generation of value for all the people at the bottom of the pyramid.







CARLOS LABARTHE

Carlos Labarthe Costas
Gentera's Chairman

C. Danel

Carlos Danel Cendoya
Gentera's Chairman

25 YEARS WORKING FOR FINANCIAL INCLUSION

1990	2000	2002	2006	2007	2008	2011	2012	2013	2015
Compartamos is founded as NGO	Change to SOFOL	Compartamos issues stock exchange certificates at the Mexican Stock Exchange (BMV)	Transformation into a bank	Initial Public Offering	One million clients 	International expansion: Peru and Guatemala Yastás starts operations  2 million clients	Aterna starts operations 	Evolution to Gentera 	Intermex Acquisition 
								Fundación Gentera launch 	

3 MILLION CLIENTS REACHED

We celebrate **25 YEARS** of experiences, learning and shared achievements



Generation of Social Value

We offer inclusion opportunities to the largest number of people in the shortest time possible. Our goal is to foster development for the communities we operate in.

Indicators	2014	2015	Variation
Disbursed amount in our financial operation (millions)	83,204	96,279	15.7%
Number of disbursements	8'321,000	8'750,615	5.2%
Number of clients / benefitted households	2'874,488	3'207,852	11.6%



Leaders in financial inclusion

We are a successful group which for the past 25 years has provided client-friendly financial solutions to satisfy the needs of individuals. This has favored us with sustained growth and the opportunity to generate continuous economic, social and human value for millions of people.

WE CELEBRATE OUR 25TH ANNIVERSARY WITH:

- 3.2 MILLION CLIENTS
- 6 COMPANIES AND ONE FOUNDATION
- PRESENCE IN THREE COUNTRIES



G4-4 G4-8



COMPARTAMOS BANCO IS THE LEADER IN THE MEXICAN MARKET WITH THE LARGEST PORTFOLIO AND ACTIVE CREDIT CLIENTS ACCORDING TO THE BENCHMARK DONE BY PRODESARROLLO FINANZAS Y MICROEMPRESA, A.C.

<http://www.prodesarrollo.org/>

CREDIT

INCREASE OF
11.6% IN CLIENTS
WITH RESPECT TO 2014,
MORE THAN 3.2 MILLION CLIENTS

BRANCHES*

Compartamos Banco **21.1%** growth

Compartamos Financiera **7.1%** growth

Compartamos S.A. **10.7%** growth

758 BRANCHES, 19.4% INCREASE WITH RESPECT TO 2014

*Rate of growth in the number of branches with respect 2014.



Indicators	Mexico	Peru	Guatemala	Total
Employees	17,272	2,379	528	20,179
Clients	2'861,721	270,644	75,487	3'207,852
% female clients	88.2%	77.6%	100%	87.6%
% male clients	11.8%	22.3%	0%	12.4%
% legal entity clients*	N/A	0.10%	N/A	0.10%
Client retention index	84.0%	69.1%	71.3%	82.4%
Insured clients	2'312,419	270,644	75,487	2'658,550
Average disbursed credit	10,815	15,161	7,347	11,003
Number of disbursements	8'004,013	541,067	205,535	8'750,615
Disbursed amount (million pesos)	86,566	8,203	1,510	96,279
% annual disbursement growth	4.3%	21.3%	1.6%	5.2%
Default rate	2.86%	4.18%	2.23%	3.09%
Overdue portfolio (million pesos)	653	219	9	881

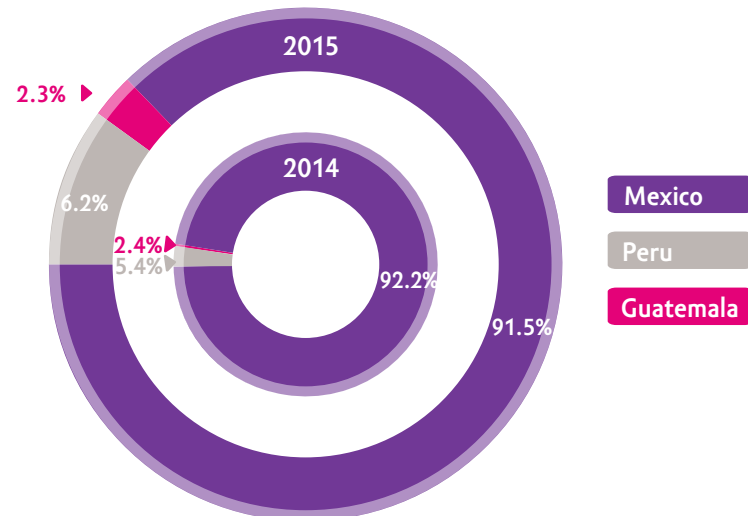
*A legal entity is an organization with rights and obligations, created by one or more physical persons in order to fulfill a social purpose with or without profit aims.

Client rate by gender



DISBURSEMENTS

Disbursement Rate



96,279
MILLION PESOS DISBURSED,
15.7% INCREASE WITH RESPECT
TO 2014

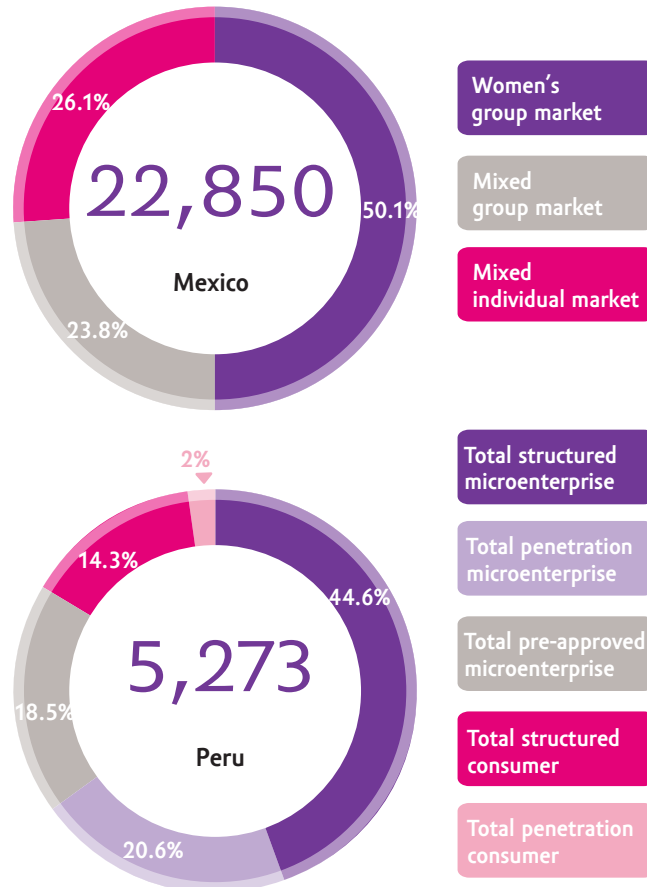
MORE THAN 2.6
MILLION INSURED CLIENTS,
19.3% INCREASE WITH RESPECT
TO 2014

FS7

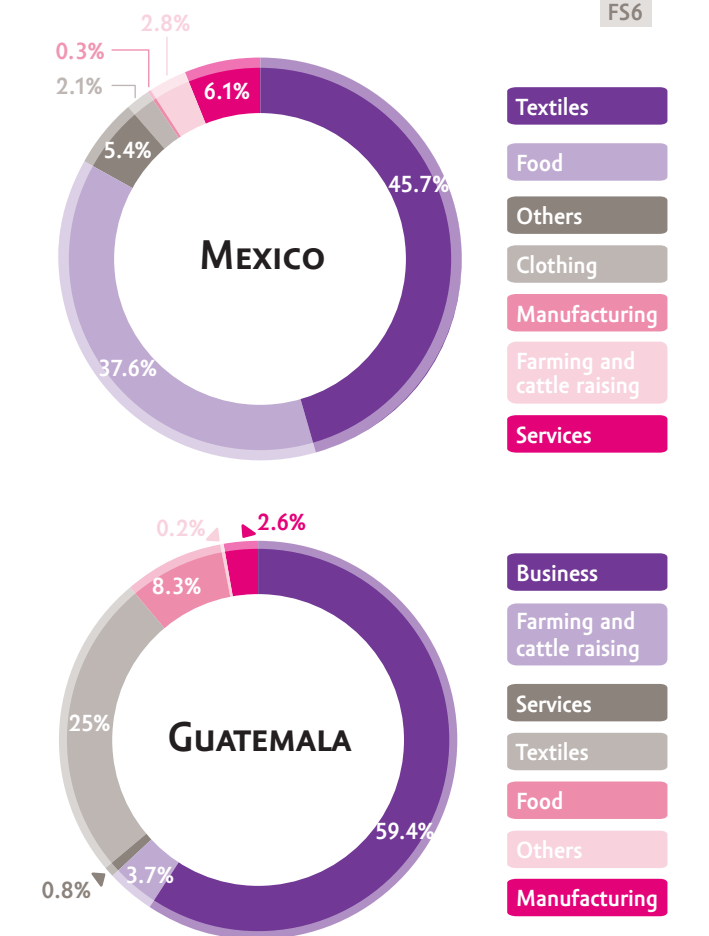
CREDIT CLIENTS MEXICO					
Market	Total clients	Products	Clients per product	Rate of clients with respect to served market	Portfolio (million pesos)
Women's group market	1'788,165	Crédito Mujer	1'788,165	62.5%	11,448
Mixed group market	915,831	Crédito Comerciante	915,831	32.0%	5,434
		Crédito Individual	126,765	4.4%	2,334
Mixed individual market	157,725	Crédito Crece y Mejora CCR*	6,522	0.2%	545
		Crédito Adicional*	158	0.0%	82
		Crédito Crece y Mejora CM*	24,280	0.9%	3,007
			2'861,721	100.0%	22,850

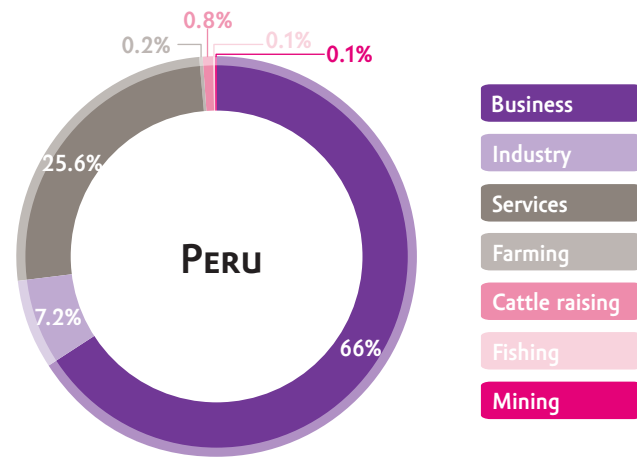
*Single clients.

Credit portfolio by market (million pesos)



Client distribution by industrial sector





CRÉDITO SÚPER MUJER,
THE FIRST GROUP CREDIT OF OUR OPERATION
IN PERU, WAS MASSIFIED IN 2015
THROUGHOUT THE COUNTRY

Note: Compartamos Financiera provides products for 29 mid-size businesses (0.01%); 223,468 micro-businesses (82.57%); 24,207 small businesses (8.94%); 22,939 non-revolving consumption (8.48%) and 1 mortgage credit (0.0%).

IN 2015, ATERNA REACHED
2 MILLION
VOLUNTARY INSURANCE POLICIES



SAVINGS

Savings accounts in Mexico



11 BANK BRANCHES AND
233,685
SAVINGS ACCOUNTS, 83.3% INCREASE
WITH RESPECT TO THE PREVIOUS YEAR

AN INTEGRAL CHANNEL NETWORK WAS LAUNCHED IN 2015 THROUGH A SUCCESSFUL PILOT PROGRAM IN PUEBLA, BUILDING THE FIRST CREDIT PAYMENT AND SAVINGS TRANSACTIONS ECOSYSTEM THAT PROVIDED OPERATIONS SYSTEMS AND PROCESSES FOR THE COMPARTAMOS AND INTERMEX BRANCHES, YASTÁS BROKERS AND INTERMEX CORRESPONDENTS



2016 goal:
• Launch of mobile functionality for savings accounts

Aterna guarantees that all of its products adequately cover the needs and characteristics of the clients of every partner, allowing the protection of detected susceptibilities regarding ideal life moment, vulnerability feelings, accident impact and the strategies to confront them, as well as family, personal and material aspects.

Aterna aims its products at low-income individuals, located in marginal urban or rural areas with limited access to financial services and a low level of prevention culture.

FS7, G4-PR1

KEY INDICATORS

8
DISTRIBUTION CHANNELS

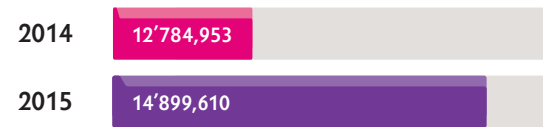
9,210
ATTENDED CLAIMS

140.5
MILLION PESOS,
INSURED AMOUNT PAID TO BENEFICIARIES; 25.4% INCREASE WITH RESPECT TO 2014

Offered client coverage:

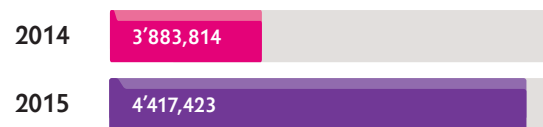
Death, cancer diagnostic, heart attack, hospitalization support, direct payment of medical accident expenses, unemployment, ATM robbery, purse or wallet robbery, assistance –medical, legal, educational, home or business–.

Sold policies



16.5% INCREASE IN THE NUMBER OF SOLD INSURANCE POLICIES WITH RESPECT TO 2014

Active insurance policies



13.7% INCREASE IN ACTIVE POLICIES WITH RESPECT TO THE PREVIOUS YEAR

FS7

Indicators	2014	2015	Variation
Employees	25	30	20.0%
Distribution channels	8	8	0.0%
Total intermediated premiums (million pesos)	495.2	625.9	26.4%

2015 ACHIEVEMENTS

COMPARTAMOS BANCO

Seguro Mujer, Seguro Comerciante and Seguro Individual increased placement of their products, reaching 76% of total clients acceptance; 7,917 claims were attended for a total insured amount of 111.2 million pesos to beneficiaries, 12% of which were for diagnosed cancer.

OTHER CHANNELS

627 claims were attended and payments were made to beneficiaries for a total insured amount of 19.9 million pesos.

COMPARTAMOS FINANCIERA

Seguro Emprendedor massified the product reaching 19.56% of total client acceptance; 524 claims attended for a total insured amount of 6.9 million pesos.

COMPARTAMOS S.A.

Provided Basic Life Insurance to Crédito Mujer clients; 142 claims were attended for a total insured amount of 2.5 million pesos.

YASTÁS

Continued with Yastás insurance program, through which prevention products are delivered to brokers selected by seniority or performance and highest insured amounts.

2016 goals:

- Implementation of a new comprehensive prevention program for clients of Compartamos Banco with Life + Health + Liability products designed for the efficient attention of their needs
- Implementation of a new technological insurance platform to allow business growth and efficiency
- Continue the learning of diverse models for open-market insurance delivery, reaching the greatest number of people in the shortest time possible



YASTÁS LEADS THE INNOVATION OF CONVENIENCE AND LAST MILE PRESENCE, OFFERING FINANCIAL OPERATIONS AND SERVICE PAYMENTS IN RURAL AND SUBURBAN AREAS



G4-EC7

The Yastás correspondent banking network is aimed at business owners (grocery stores, office supplies, hardware stores and drugstores) with a visionary profile who want to grow their businesses, providing them with payment of services as cell phone airtime and financial operations through Compartamos Banco.

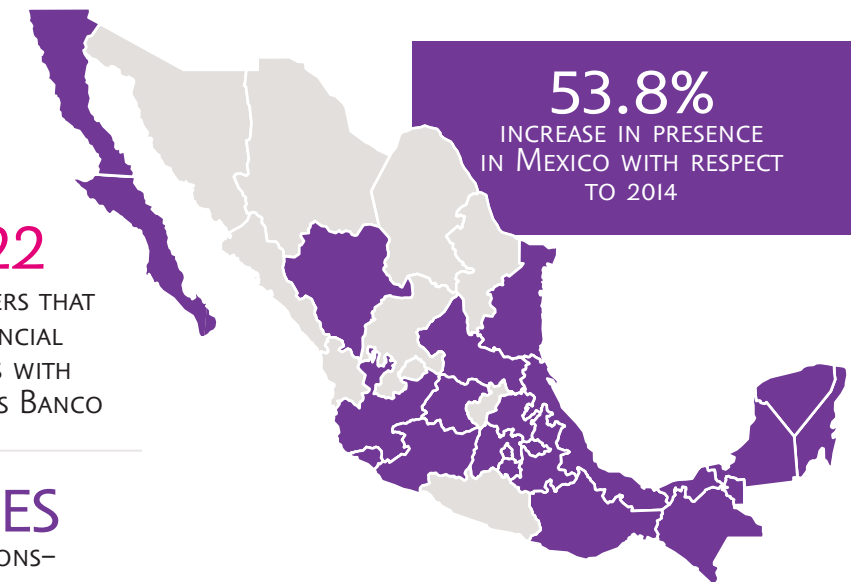
G4-13

PRESENCE

178
EMPLOYEES
2,613
ACTIVE BROKERS

2,222
ACTIVE BROKERS THAT
MAKE FINANCIAL
OPERATIONS WITH
COMPARTAMOS BANCO

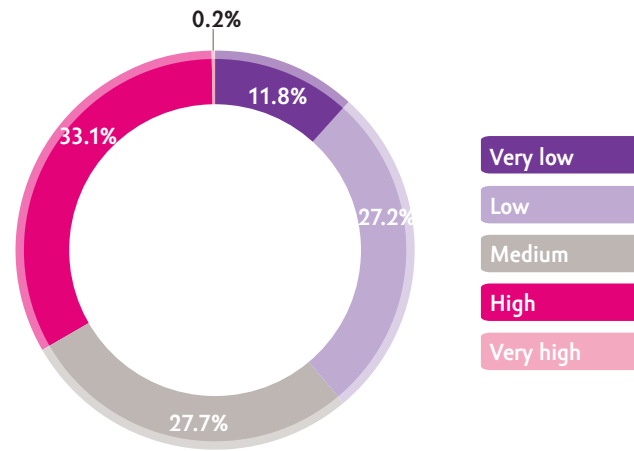
635 MUNICIPALITIES
-572 OF THEM WITH FINANCIAL OPERATIONS-
IN 20 STATES IN MEXICO*



*Note: The states with at least six financial businesses were considered.

FS13

Brokers presence in municipalities by degree of marginalization



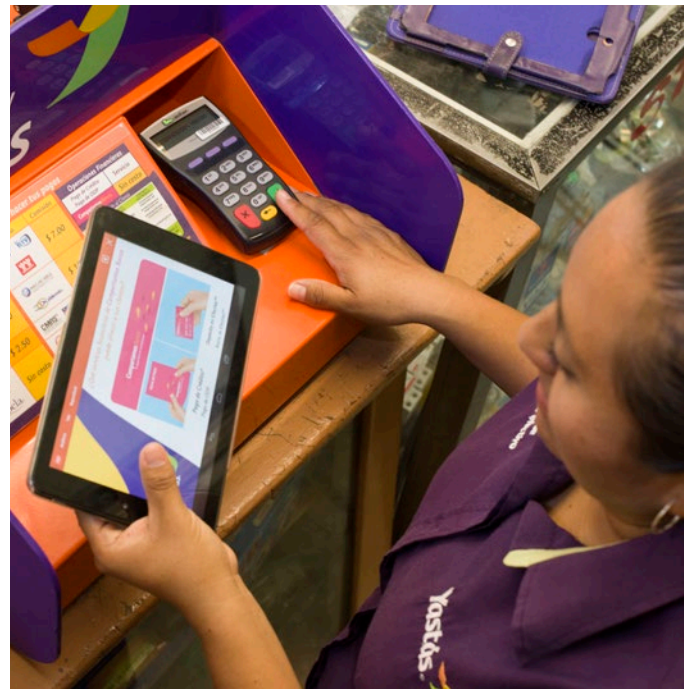
FS14

In order to offer greater facilities and access to clients in rural areas with indigenous population, Yastás elaborated and distributed flyers in the Náhuatl and Totonacan languages with information concerning the payments that can be made through its modules.

It has 405 businesses –located mainly in the southern regions of Veracruz and Puebla– enabled to carry out savings operations. These transaction points can also take deposit operations (up to \$4,000 UDIS*), accept cash withdrawals (up to \$1,500 UDIS), PIN change and print balance inquiries of *Mis Ahorros Compartamos* accounts.

YASTÁS IS THE LEADING CREDIT PAYMENT CHANNEL, RANKED THIRD IN CREDIT DISPERSION FOR COMPARTAMOS BANCO

*UDI: *Unidades de Inversión* (Investment Units – value of the UDI to December 31, 2015 according to the *Diario Oficial de la Federación*: 5.381175).



2016 goals:

- 3,000 active brokers that make financial operations
- 3 million service and remittance payment operations
- 50% of total savings operations of Compartamos Banco
- 30% of total credit operations of Compartamos Banco

13.7
MILLION FINANCIAL OPERATIONS COMPLETED;
8% INCREASE AGAINST 2014



THE IMPORTANCE OF INTERMEX LIES IN THE INNOVATION OF CAPACITIES AND THE DEVELOPMENT OF PRODUCTS TO BROADEN THE PORTFOLIO OF FINANCIAL SOLUTIONS OFFERED BY GENTERA TO THE BOTTOM OF THE PYRAMID



G4-23, FS13

In Mexico, cash remittances are a financial service widely used by the bottom of the pyramid. Households receiving remittances are located mainly in rural and mixed areas; 53.5% of them are located in municipalities of high and medium degree of marginalization.

G4-13

In this context and in addition to an understanding of the U.S. market, in April 2015 we managed to integrate Intermex to Genera.

The main objective of this Company is payment of family remittances in a convenient, reliable and secure way.

- Remittance reception increases the probability of:
- Having a savings account between 10.2% and 11.3%
 - Visiting a banking branch between 11% and 18.8%

Results obtained by Intermex in 2015 are as follows:

Concept	2015
Number of remittances*	3.95 million
Remittances paid in pesos	3.87 million
Remittances paid in USD	0.08 million
Amount of remittances*	
Amount paid in pesos	\$16,194.1 million
Amount paid in USD	\$20.8 million
Number of users or clients**	669,350
Number of states in Mexico with branches	13
Total payment points in Mexico	1,248
Compartamos Banco branches	60
Correspondents	1,188
Number of U.S. agencies	37

Notes:
* Accumulated figures in the period between January 1st and December 31, 2015.
** Total users cashing at least one remittance at the Intermex payment network.

G4-8

Intermex offers payments of national and international remittances, national and international courier and parcel service, currency exchange –operation carried out through Compartamos Banco– and cell phone airtime.

In 2015, Intermex managed to:

ENABLE
60 BRANCHES
TO RECEIVE CREDIT PAYMENTS
FROM COMPARTAMOS BANCO
CLIENTS

3.95 MILLION
REMITTANCES SENT,

EQUAL TO
16,194 MILLION
PESOS



Moreover, we started the integration of the Yastás-Intermex payment networks in order to complement services offered by commission agents. We also started the transfer of new operational capacities from Intermex to Gentera, such as the operation of bank branches and cash and currency exchange operations.

2016 goals:

- To strengthen the position of Intermex in the international remittance market, increasing its market share
- To start participation in the national remittance market
- To take financial services to those areas where banking infrastructure is limited
- Drive cross-selling of remittance payment services with clients of Compartamos Banco
- Use the capacities of Gentera to strengthen the operation and become more competitive

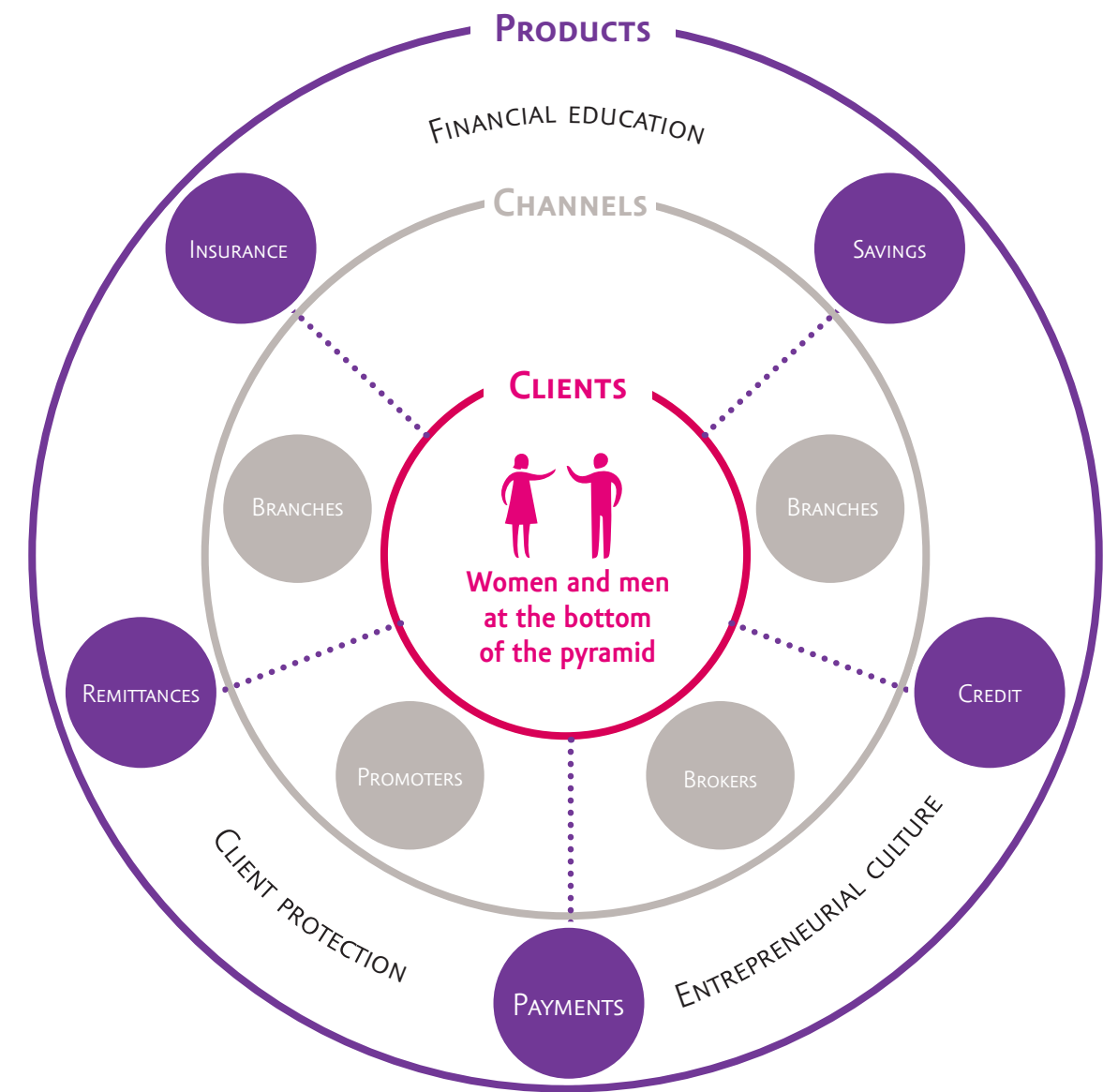
Sustainable growth

G4-4

Since our clients are the reason we exist and the heart of our operation, we provide them with financial solutions for credit, savings, insurance, remittances and payment channels. In addition, we also guarantee that these products will be used for their benefit by providing financial education, focusing on client protection and promoting an entrepreneurial culture that fosters their empowerment and self-management.

OUR OBJECTIVE IS TO INCLUDE THE LARGEST NUMBER OF PEOPLE IN THE FINANCIAL SYSTEM, ACHIEVE SOCIAL DEVELOPMENT AND IMPROVE THE QUALITY OF LIFE OF OUR CLIENTS

G4-EC8



FINANCIAL EDUCATION

G4-DMA PRODUCT AND SERVICE LABELING
(SECTOR SPECIFIC) | G4-PR1, FS16

In the past, financial education used to be a feature of our credit products. Today, it has also been incorporated to our savings and insurance product offer as a basic feature of their design process.

G4-DMA PRODUCT PORTFOLIO (SECTOR SPECIFIC)
G4-14, G4-SO1

Financial education consists of a series of conferences, workshops and messages that are imparted to our clients, employees and community through diverse means. Our objective is to guide them through the process of making a budget and calculating its payment. In addition, we encourage savings and prevention in order to create a financial culture and promote a responsible use of financial services.

IN MEXICO, OUR PRODUCTS *CRÉDITO MUJER*, *CRÉDITO COMERCIANTE* AND *CRÉDITO INDIVIDUAL* INTEGRATE FINANCIAL EDUCATION AS PART OF THEIR VALUE OFFER

In order to bolster our financial culture, in 2015 we launched the certification “¿Dónde quedó mi dinero?”, an online course aimed at all of our employees in Mexico, Peru and Guatemala. It consists of three personal finance modules we incorporated into the set of induction courses with the purpose of providing financial education training for all of our employees.

Employees certified in financial education:

97% IN MEXICO | **83%** IN PERU | **91%** IN GUATEMALA

To identify the benefits of our financial education, we carried out monitoring actions using different tools. One of these is a telephone survey of our clients carried out to find out level of message recall and usefulness of the information provided by our promoters.

The results obtained in 2015 are the following:

Benefits of financial education –2015 survey–

- 97%** of surveyed clients considered that the information provided by our sales force was clear
- 99%** of surveyed clients apply the information to the management of their own personal finances
- 89%** of the surveyed clients consider that the duration of the conferences was adequate

Note: Testimony of *Crédito Mujer* clients at the end of 2015.

G4-DMA AUDIT (SECTOR SPECIFIC)

Since financial education is a part of our financial services, it is subject to internal auditing. In the field, we verify that our sales force imparts this benefit to our clients.

2015 RESULTS

CLIENTS TRAINED IN FINANCIAL EDUCATION

Mexico

- 38.9% *Crédito Mujer* clients
- 47.0% *Crédito Comerciante* clients
- 50.9% *Crédito Individual* clients
- 5,000 brochures delivered
- 100 Training sessions (Aterna)

Peru

- 2.5% *Crédito Súper Mujer* clients, through 18 *Encuentros Súper Mujer* events

Guatemala

- 61.4% clients

EMPLOYEES TRAINED IN FINANCIAL EDUCATION (MEXICO)

- 9,982 Sales employees to balance financial educational contents of the three credit products of Compartamos Banco
- 200 Sales leaders at workshop on savings and retirement savings
- 4,204 Newly hired employees on methodology and personal finance
- 689 employees on formal savings themes, through the savings pilot in the Puebla region

One of our main objectives is the integration of financial education into all of our products to provide our clients with the necessary tools for the proper use of financial services and administration of their money, and to be able to reach the largest number of clients in the shortest time possible with a digital offer.

In addition to the efforts for financial inclusion of Genera and its companies, and to the benefit of the communities we operate in, in 2015 Fundación Genera coordinated diverse literacy and financial education programs, some of which are:

ALLIANCE WITH FUNDACIÓN NEMI

Presentation of the play “*Compartamos Aventuras*” whose objective is to contribute to reflection, constructive thinking, fostering of good habits and values, and the inculcation of savings habits in children.

83,850 BENEFITTED CHILDREN

ALLIANCE WITH ASHOKA

Mapping of initiatives for financial education to realize projects based on identified best practices.

RUTA PARQUE FINANCIERO

Supply of tools for the elaboration of a budget based on accurate and well-informed decision-making using a model part of the financial education program.

18,009 YOUNG PARTICIPANTS BETWEEN AGES OF 15 AND 23

DÍA COMPARTAMOS CON LA COMUNIDAD

Test pilot for financial education-related talks in communities.

SOCIAL PROGRAMS

Financial education on budgets and savings matters.

3,476 PARTICIPANTS



OVER **105** THOUSAND BENEFICIARIES OF FINANCIAL EDUCATION ACTIONS COORDINATED BY FUNDACIÓN GENTERA IN 2015

CLIENT PROTECTION



G4-DMA CUSTOMER HEALTH AND SAFETY

The protection of our clients and their financial health is an essential element in the generation of social, economic and human value. It is aligned with our purpose of driving an entrepreneurial vision that involves the respect for the person.

GENTERA LEADS THE MARKET AS AN EFFICIENT INSTITUTION WITH SIMPLE AND PRACTICAL PROCESSES

G4-DMA CUSTOMER HEALTH AND SAFETY (SPECIFIC) G4-14, G4-PR1

At Compartamos Banco, efforts are focused on the generation of innovative, simple, practical, inclusive, accessible, efficient and profitable products, that help avoid the over-indebtedness of our clients and support the upkeep of their quality of life; we manage this through the following tools:

ANALYSIS OF OUR CLIENTS' NEEDS

DEVELOPMENT OF PRODUCT CONCEPT

RESEARCH AND DEVELOPMENT

MARKETING AND PROMOTION

Identification of client segments.

Evaluation of possible impact at different levels: client acceptance, financial and profitability analysis in order to define new product features or re-engineering to be made.

Based on results of market and competition studies.

This is the last phase of the design stage.

Once the client profile is identified, advertising strategies are developed.

COMPARTAMOS LEADS IN QUALITY OF SERVICE AND CURRENTLY SEEKS TO POTENTIATE THIS DIFFERENTIATING FACTOR

G4-DMA PRODUCT AND SERVICE LABELING (GENERIC AND SPECIFIC), MARKETING COMMUNICATIONS, CUSTOMER PRIVACY, COMPLIANCE, PRODUCT PORTFOLIO (SECTOR SPECIFIC)

In addition to this, and in order to get to know our clients and the market we served and satisfy their needs, there are specific indicators such as satisfaction surveys, brand recall and positioning, optimization of waiting and response time, and identification of moment of truth –the point of contact at which the client manifests a positive or negative perception of the products and services.

Compartamos has different programs; one of these is “*Cliente único*”, a program which consists in finding out client information such as history, acquired products, remittances, calls, complaints and suggestions and storing it in one single location in order to have a complete data base of clients and provide them with better service.

Considering that quality service is the essential element for guaranteeing the protection of our clients, training our promoters and sales force in the knowledge of product condition and transmission of prevention is fundamental for ensuring that our clients are well-informed and that their personal data is treated in accordance to the regulations of the *Ley Federal de Protección de Datos Personales en Posesión de los Particulares*¹, and the principles of quality, consent, purpose, information, integrity, legality, proportionality and responsibility established in our internal processes.

PRODUCT INFORMATION

G4-DMA CUSTOMER HEALTH AND SAFETY, PRODUCT AND SERVICE LABELING, COMPLIANCE, PRODUCT PORTFOLIO (SECTOR SPECIFIC), G4-PR1, G4-PR3

Genera complies with all the information that is required by the *Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios*² (CONDUSEF) in contracts for the provision of our services. To achieve this, we carry out reviews of legislative requirements on financial matters while we carry out an analysis of the design process of all our products based on the identification of the needs of our clients. This allows us to get on with the process of continuous improvement and product development, raise the quality of services and secure legal certainty to our clients by informing them about the benefits and obligations they acquire. These results in well-informed decision-making, and an increase in client level of satisfaction, loyalty and trust.

¹Federal Law for the Protection of Personal Data of Individuals

²National Commission for the Protection of Users of Financial Services

Furthermore, through our advertising campaigns we have accurately informed about our products and services, which are in full compliance with Article 12 of the Law for Transparency and Ordainment of Financial Services and with Chapter IV of the general provisions in matters of transparency applicable to credit institutions and multiple purpose financial companies –a document issued by CONDUSEF.

In addition, we are in permanent contact with our clients and place at their disposal different user-friendly channels for clearing up doubts which we attend immediately and transparently.

COMPARTAMOS BANCO IS ONE OF THE LEADING FINANCIAL INSTITUTIONS IN MEXICO IN TIMELY ATTENTION OF CLIENT AND USER CLAIMS, ACCORDING TO AN EVALUATION CARRIED OUT BY CONDUSEF

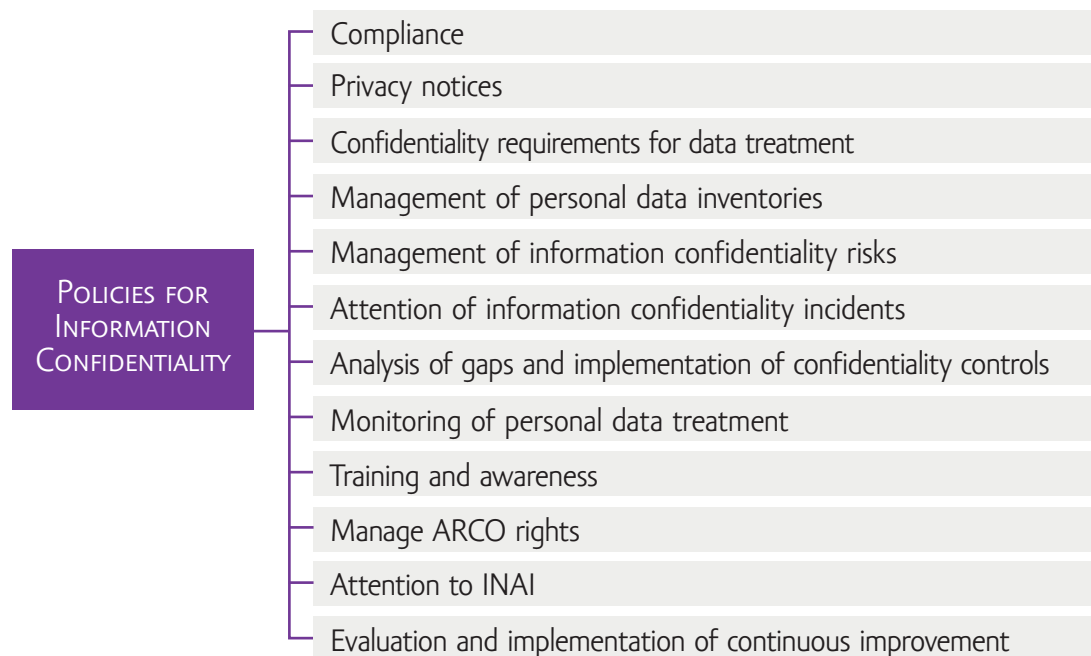
CONFIDENTIALITY

G4-DMA CUSTOMER PRIVACY, COMPLIANCE

Regarding confidentiality of personal data, we conduct our processes in compliance with current legislation, namely, the General Provisions Applicable to Credit Institutions as established by the *Comisión Nacional Bancaria y de Valores* –CNBV (in the Circular for Credit Institutions, the Law for Credit Institutions and the precepts set forth by *Comisión Nacional de Seguros y Fianzas*)–.

G4-DMA PRODUCT AND SERVICE LABELING (SECTOR SPECIFIC)

As leaders in financial inclusion and keepers of the trust of our clients, we also have the duty of guaranteeing the confidentiality of their personal data. We secure this through our Manual of Policies for Confidentiality of Information and through the implementation of internal controls which regulate proper and legitimate handling the information and data confidentiality as a priority issue of Gentera and its companies



In accordance to our strict commitment to the protection of our clients, if it were necessary we attend ARCO (Access, Rectification, Cancellation and Opposition) rights claims in order to assure certainty in the control their personal data.

LEADERSHIP RECOGNITION

In appreciation for the loyalty and trust of our clients, in 2015, Compartamos Banco implemented different outreach programs to encourage their participation and recognize their entrepreneurship.

EMPRENEDORES COMPARTAMOS AWARD

This award recognizes our best clients for their trajectory, entrepreneurial vision, dedication and effort. We reward the way in which they have used credits of Compartamos Banco and how they have contributed to the growth and consolidation of their businesses and have led them to become an example in their communities.

CHILDREN'S DRAWING COMPETITION

Since 2009 Compartamos Banco has organized this competition to increase loyalty of its clients through their children. It recognizes their work as parents and fosters values such as honesty, responsibility, respect and teamwork.

In 2015, the main theme was: How has Compartamos Banco supported my parents' and family business?

VALUE RECIPES

The purpose of this program is to reward the culinary creativity of the clients of Compartamos Banco and loyalty to their traditions; the program also recognizes family values and unity.

This year, clients entered a recipe for a dessert which contended for originality. Contestants were also required to explain the significance of the recipe for their family.

5,515 STORIES RECEIVED
343 PARTICIPANT OFFICES IN 97 REGIONS

75,659 DRAWINGS RECEIVED
561 PARTICIPANT OFFICES IN 105 REGIONS

118,915 RECIPES RECEIVED
541 PARTICIPANT OFFICES IN 103 REGIONS

Commitment with our communities



GENTERA IS A LEADING SOCIALLY RESPONSIBLE COMPANY IN MEXICO, ACCORDING TO *MUNDO EJECUTIVO'S* RANKING OF THE 50 MOST SUSTAINABLE COMPANIES

CORPORATE SOCIAL RESPONSIBILITY FUND



FUNDACIÓN GENTERA AND THE SOCIAL RESPONSIBILITY FUND GRANTED OVER
77.5 MILLION
 PESOS FOR CORPORATE SOCIAL RESPONSIBILITY ACTIONS

G4-DMA ECONOMIC PERFORMANCE, OVERALL,
 G4-EC1 SECTOR ADDITION

Our Corporate Social Responsibility Fund consists of 2% of Gentera's net annual profits. Led by Fundación Gentera, all companies carry out actions aligned with our strategy of generating social value.

Lines of action:

- Education: formal, financial, entrepreneurship
- Volunteering culture
- Donation culture
- Contingencies

G4-DMA ANTI-CORRUPTION (GENERIC AND SPECIFIC), AUDIT

According to the 2015 annual audit plan, the Internal Audit Department carried out a verification of the resources of the Fund and the processes for their use. Moreover, the annual external audit was carried out in order to validate the resources of the Fund as well as those of Fundación Gentera.

G4-EC1, G4-EC1 SECTOR ADDITION, G4-EN31

	2014	2015
Compartamos Banco Corporate Social Responsibility Fund	\$45'264,530.00	\$60'820,000.00
• Education	\$20'289,712.76	\$41'759,068.25
• Corporate responsibility and volunteering	\$10'818,630.89	\$10'832,409.86
• Environment	\$1'252,118.79	\$1'610,817.54
• Operational and administrative expenses	\$757,635.11	\$540,228.38
• Donations to Fundación Gentera	\$12'146,432.45	\$6'077,475.97
Compartamos Financial Corporate Social Responsibility Fund	\$0.00	\$2'260,000.00
Aterna Corporate Social Responsibility Fund	\$0.00	\$160,000.00

G4-EC1 SECTOR ADDITION

2015 ACTIONS:

- In order to raise awareness and reinforce values in children, their families and teachers, we partnered with Fundación Televisa and other companies to support the publishing of 200,000 books on values and 775,000 guides and calendars for teachers, as well as 18,000 books for our employees.
- Support to communities under emergencies:
 - 2,000 food disaster relief packages delivered in Colima, Jalisco, Oaxaca and Sonora
 - 35,592 water-proof bags delivered to female clients in 91 municipalities of Chiapas in flood risk
 - 674,434 risk-prevention brochures delivered in the 12 states in Mexico considered in high flood risk

793,000
PUBLICATIONS

8,400
BENEFICIARIES

71,297
BENEFICIARIES

FS11

- Donation of 598 pieces of electronic equipment to Civil Society Organizations with an investment of \$6'851,935
- Once this equipment ends its service life, it is returned to Gentera for adequate disposal
- Sustainable actions for environmental care such as recycling, waste separation, energy and paper saving and the creation of the Greenhouse Gas Inventory*; in addition to proper disposal of used electronic equipment.

*For more information about our Greenhouse Gas Inventory visit our website: <https://www.gentera.com.mx/wps/portal/gentera/responsabilidadsocial/huellaaambiental>

2016 goals:

- At least one volunteer activity per branch of Compartamos Banco
- Support for more than 4,500 people through the 2016 Call for Education*
- Maintain 40% employee donations to Fundación Gentera
- Outreach and attention to more beneficiaries

*These beneficiaries are included in the goals of the RSC 2016 strategy.



FUNDACIÓN GENTERA

G4-DMA INDIRECT ECONOMIC IMPACTS, LOCAL COMMUNITIES



IN APRIL WE LAUNCHED FUNDACIÓN GENTERA TO EXTERNAL AUDIENCES

54,135
BENEFICIARIES OF FUNDACIÓN GENTERA

G4-EC1 AND SECTOR ADDITION

True to our roots, we have endeavored to generate social inclusion in the communities where we operate in.

Fundación Gentera is the organization leading the social responsibility efforts of Gentera and its subsidiaries. In order to achieve its objectives, participation of our employees is essential, since it is them who contribute with proposals and donations that allow us to provide value to different causes.

Moreover, the foundation works to raise the awareness of our employees and communities about the social problems in the country. With this, we encourage a culture of donation in support of education, while providing humanitarian aid during natural disasters, volunteering actions and periodic initiatives to encourage participation.

AT FUNDACIÓN GENTERA WE HAVE MANAGED TO STRENGTHEN OUR DONATION CULTURE, AS OVER 6 THOUSAND OF OUR EMPLOYEES MADE DONATIONS

	2014	2015
Revenue	\$12'568,545	\$9'298,593
Corporate Social Responsibility Fund Donations	\$12'146,432	\$6'077,476
Other donations (employees and consultants)	\$26,794	\$2'892,149
Other income	\$395,319	\$328,968
Disbursements	\$6'149,991	\$20'383,597
• Dental care projects in communities where we operate in	\$1'164,878	\$818,960
• Call for Education 2015	-	\$5'664,432
• Education projects (formal, financial and entrepreneurship)		
• Alliances Education projects (formal, financial and entrepreneurship)	\$1'915,827	\$8'072,249
• Volunteering	\$897,512	\$2'654,172
• Operating management and administrative expenses	\$2'171,774	\$3'173,784

	2014	2015
Beneficiaries		
• Health	2,478	2,361
• Education*	181,803	12,113
• Volunteering	20,016	31,261
• Contingencies	-	8,400
Number of volunteers	13,672	13,535

*2015 saw a redefinition in the criteria considered for counting the number of education-related beneficiaries.

51 MILLION
 PESOS DONATED BY FUNDACIÓN GENTERA AND THE CORPORATE SOCIAL RESPONSIBILITY FUND TO DIVERSE NGO'S

EDUCATION G4-EC8

During 2015 we continued our work to promote education through our three lines of action: formal education, financial education and entrepreneurship as the factors that drive social and economic development. We achieved the objective through partnerships and donations to Civil Society Organizations (CSOs) that support sustainable projects fostering the development of Mexican families.

202,214
 BENEFICIARIES THROUGH DIFFERENT PARTNERSHIPS



FORMAL EDUCATION
 11,637 benefitted clients and community individuals

- Literacy courses
- Basic education
- Basic school reinforcement programs
- Comprehensive maintenance grants

1,167 children benefitted with school supplies

FINANCIAL EDUCATION
 105,728 benefitted individuals

- Literacy courses
- Financial education

ENTREPRENEURSHIP
 84,382 benefitted individuals

- Entrepreneurship courses

2015 CALL FOR EDUCATION

G4-DMA INDIRECT ECONOMIC IMPACTS (SPECIFIC)

We establish synergies with institutions that encourage and contribute to empowerment through the education of children, young people and adults.

We invite our employees to donate part of their salary –for every donated peso Fundación Gentera doubles the donation– or to sponsor or nominate a Civil Society Organization that works with education projects.

G4-EC1 AND SECTOR ADDITION

MORE THAN **6,000**
 EMPLOYEES JOINED THE CAMPAIGN

IN APRIL AND MAY \$5'664,432 WERE DONATED TO 23 CIVIL SOCIETY ORGANIZATIONS SELECTED IN THE CALL FOR THE EDUCATION-RELATED PROJECTS

\$2'832,216
 DONATED, DOUBLED BY THE FOUNDATION

ALLIANCES G4-15

In 2015 we managed to raise the quality of life of several families through a wide range of strategic alliances of Fundación Gentera and our Social Responsibility Fund. Some are the following:

FUNDACIÓN GENTERA

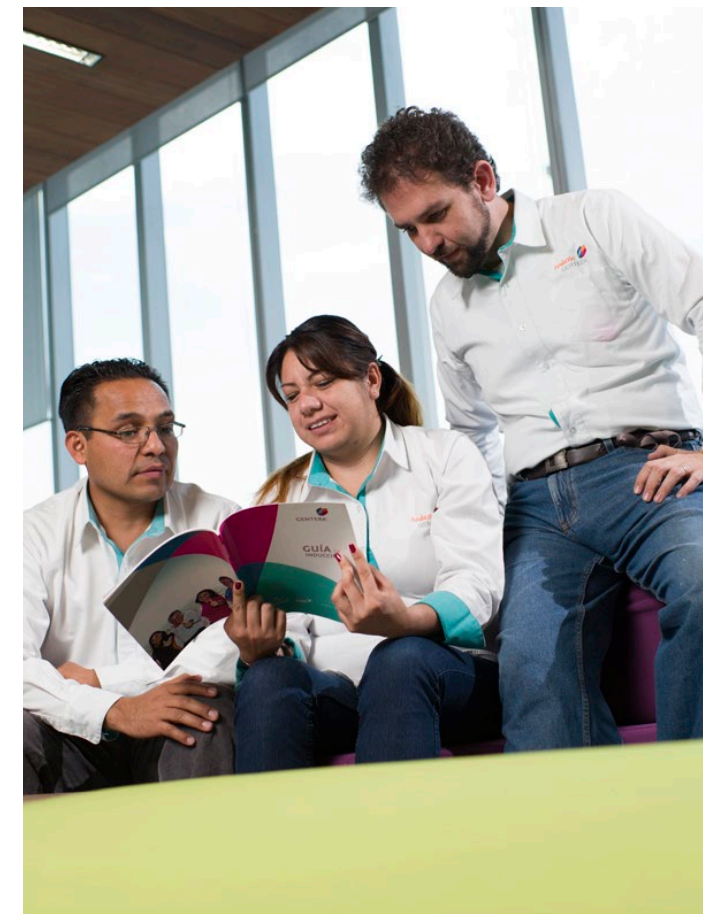
FUNDACIÓN EDUCA MÉXICO, A.C.

Start of the Aflatoun program, social and financial education.

Objective: to provide an ethical basis for the use of money in children and teenagers, contributing to their social and financial education to help them create a future patrimony.

Beneficiaries:

- 346 students
- 25 teachers
- 628 parents
- In 8 schools



TEACH 4 ALL MÉXICO, A.C.

Objective: recruit the best graduates from all careers in Mexico to have them teach for two years in schools of communities with a high degree of marginalization in Mexico.

Beneficiaries:
258 graduates

LAZOS, I.A.P.

Objective: to transform school community into education institutions which carry out educational intervention through comprehensive scholarships.

Beneficiaries:
2,945 in 5 schools

FEDERACIÓN MANO AMIGA, A.C.

Objective: scholarships for children in the Mano Amiga school network, from pre-school to high school.

Benefits:
151 scholarships in 14 states in Mexico

VER BIEN PARA APRENDER MEJOR, I.A.P.

Objective: to provide optometric care, carry out coarse-to-fine detection exams, delivery of eye glasses and frames to children in need.

Benefits:
2,532 coarse-to-fine detection tests

NUESTROS PEQUEÑOS HERMANOS, A.C.

Objective: provide maintenance grants –including housing, board, dress, medical attention, sports and cultural activities– for young high-schoolers during the school term also funded by Fundación Gentera for three consecutive years.

Beneficiaries:
37 youngsters in 3rd year of high school

CORPORATE SOCIAL RESPONSIBILITY FUND

FONABEC, A.C.

Objective: to support CODAF Centers –physical spaces in communities where middle and higher education is scarce or non-existent- and its Entrepreneurship Workshop to foster entrepreneurship and awaken capacities that allow students to start their own business or initiative.

Beneficiaries:
689 individuals –students and teachers–

INEA, IN PARTNERSHIP WITH CIVIL SOCIETY ORGANIZATIONS

Objective: to support clients in communities in the state of Puebla to finish basic school studies with the campaign: ¡Voy Por la Secundaria!, part of the pilot program for “Continuidad Educativa”.

Beneficiaries:
455 female graduates

OJOS QUE SIENTEN, A.C.

Objective: to contribute to the empowerment of adults with visual and motor disability through a comprehensive seven-course education model organized in two modules –emotional intelligence and reinforcement of work tools–.

Beneficiaries:
10 adults

PROEDUCACIÓN, I.A.P.

Objective: to raise education quality in public elementary schools through permanent learning; promotion of reading as a habit; technological development, healthy nutrition and life style; the environment, human prevention and development, and participation and citizenship.

Beneficiaries:
1,678 students
70 teachers
120 parents
In 4 elementary schools –2 in Puebla, 1 in Michoacan and 1 in Zacatecas–

FUNDACIÓN QUIERA

Objective: to support young schoolers in middle school, high school and college, in order to encourage them to continue studying.

Beneficiaries:
90 young people

BÉCALOS

Objective: to support students in middle and high school with excellence scholarships for one year.

Beneficiaries:
417 participants

CORDEM, A.B.P.

Objective: to empower women living in Escobedo, Guadalupe and Monterrey, providing them with access to higher and professional education with scholarships complemented with psychotherapeutic aid.

Beneficiaries:
76 women

WORLD FUND

Objective: to promote a profound change in school culture through training and coaching of elementary school Principals/Directors with workshops that promote significant learning through exercises, real dynamics and practical cases, in order to create group learning.

Beneficiaries:
167 people

FONABEC, A.C. –BINOMIO–

Objective: to encourage students and parents (clients) to join the Online High School program of the Centros CODAF and/or basic program according to their needs and through the “Juntos Compartamos” project. This will allow finding out if this model manages to impact permanence and graduation of students by having students and parents work together.

Beneficiaries:
50 people

AMNU JÓVENES

Objective: use socio-constructivist methodology *Ciencia para Compartir* (CpC) to bring children between 6 and 12 closer to themes such as energy, science, technology and engineering, relating global problems addressed by the Objectives of Sustainable Development (OSD) to practical and simple scientific solutions that will empower them as agents of change and allow them to improve their communities.

Beneficiaries:
828 children

SISTEMA DESEM, A.C. (IMPULSA)

Objective: to encourage the participation of people between 15 and 23 years in the Financial Education Program during the “Parque Financiero Impulsa” tour through a workshop that provides the tools for making a budget based on well-informed decision-making and a model.

Beneficiaries:
18,009 young people

OBSERVA, A.C.

Objective: to build a culture of peace through social and financial education.

Beneficiaries:
208 beneficiaries of the Aflatoun program

FUNDACIÓN NEMI, A.C.

Objective: to make children reflect on their affective experiences, raise their awareness of good and bad actions, favor constructive thinking and foster good habits and values that will make them better persons, bolstering savings as a habit through the play “Compartamos Aventuras”.

Beneficiaries:
83,850 children

FUNDACIÓN PROEMPLEO / PSM

Objective: to provide training scholarships for clients in order to make their businesses grow through the workshop “Taller Emprende” –imparted by Fundación ProEmpleo–, a benefit offered by Compartamos Banco and Yastás in alliance with Promotora Social México (PSM).

Benefits:
1,472 scholarships

AMNU JÓVENES
AMNU MÉXICO AND GUATEMALA SCALABLE PROJECT

Objective: to promote better citizenship since childhood with the educational and civics program “Deportes para compartir”, and the participation, commitment and acceptance of girls and boys as agents of change who will contribute to the solution of challenges in their communities.

Beneficiaries:
1,165 in Delegación Venustiano Carranza, in Mexico City
626 in the departments of Huehuetenango and Escuintla, in Guatemala

FUNDACIÓN PROEMPLEO PRODUCTIVO, A.C.

Objective: to provide scholarships for the *Emprende* workshop, a digital training platform with access to instructors who will solve doubts in real time.

Beneficiaries:
600 clients received the *Emprender* Workshop
45 people favored by the elaboration of methodology from *Taller Emprende* for rural training
50 people favored with online training

PROCURA, A.C.

Objective: to contribute to institutional reinforcement teaching the 100.5 course: Basic principles of fund procurement to people who contribute to civil society organizations.

Beneficiaries:
23 people

FUNDACIÓN NEMI, A.C.

Objective: to encourage middle school students to discover the need to start building a life project by identifying their personal talents and the traits that favor the development stage they find themselves in.

Beneficiaries:
78,000 middle school students

UNIVERSIDAD DEL VALLE DE MÉXICO

Objective: to benefit Compartamos Banco clients through the project *Generación Incubadora UVM* for the development of a business plan or the realization of the potential of their current business plan.

Beneficiaries:
40 clients

SISTEMA DESEM, A.C.

Objective: to impart training conferences and workshops to young people in the *Foro Internacional de Emprendedores*.

Beneficiaries:
400 young people

FUNDACIÓN TELEFÓNICA / FUNDACIÓN NEMI, A.C.

Objective: to implement an accompaniment process for middle school students realizing the potential of the activities and resources of the *Aula Fundación Telefónica* for acquisition of life skills and competences through development of learning projects.

Beneficiaries:
1,116 students

SISTEMA DESEM, A.C.

Objetivo: to achieve full development of people through the transmission of knowledge, skills, and attitudes for securing and creating a job of the *Competencias para la Vida* project.

Beneficiaries:
20 young people

VOLUNTEER WORK

WE FOSTER A VOLUNTEER WORK CULTURE THAT WILL HAVE AN IMPACT ON THE COMMUNITIES WHERE WE OPERATE IN

Consistent with our institutional values, we promote a culture of service. Our employees act as agents of change in the communities where we operate in.

G4-SO1

8 OUT OF 10 EMPLOYEES DID AT LEAST ONE VOLUNTEER ACTIVITY

All our volunteer programs are a bridge between local needs and the actions of our employees. In 2015, 100% of our Branches in Mexico participated in at least one volunteer activity. In addition, Gentera employees participated in activities such as:

- *Día Compartamos con la Comunidad*: restoration of public spaces, like parks, sports facilities and schools
- *Ser emprendedor*: young people training on entrepreneurship and financial education issues, helping them to fully understand the importance of creating a personal and business plan
- *Socios por un día*: employees onsite –at the corporate offices– support high school students by sharing their experiences, in order to help them make a career choice decision
- *Vacaciones solidarias*: activity that lasts one week in which help is given to an NGO; employees donate their vacation to construct housing for the needy in rural communities
- Volunteer work for employees of Service and Corporate Offices at social assistance institutions in the communities where we operate in. Fundación Gentera invests an amount per employee who joins any initiative to purchase materials and supplies for the chosen activity.
- Activations with cause: our employees carry out an action –physical activation or personal/professional commitments– exchangeable for tangible help for a specific cause or person by the Foundation –toy or school supply kits–.

62,436 BENEFICIARIES THROUGH 731 VOLUNTEER ACTIONS

G4-EC1 AND SECTOR ADDITION

VOLUNTEER HOURS 2015		
Country	Company	Hours
Mexico	Genera Servicios	2,963
	Compartamos Banco	57,800
	Yastás	374
	Aterna	128
Peru	Compartamos Financiera	118
Guatemala	Compartamos S.A.	1,691
Genera hours		63,074

MORE THAN **80%** OF OUR EMPLOYEES PARTICIPATED IN VOLUNTEER ACTIONS

DÍA COMPARTAMOS CON LA COMUNIDAD

G4-DMA INDIRECT ECONOMIC IMPACTS, LOCAL COMMUNITIES | G4-EC8



Compartamos, the Genera subsidiary with most clients, works for the rehabilitation of public spaces like parks, schools and sports centers in order to foster family coexistence in decent spaces and strengthen the social network; moreover, we also provide preventive health services to the communities.

G4-DMA INDIRECT ECONOMIC IMPACTS (SPECIFIC), LOCAL COMMUNITIES (SPECIFIC), AUDIT, G4-SO1

In 2015, together with Fundación Hogares, we implemented a new model for the *Día Compartamos con la Comunidad*. We started a six-month work plan as part of a social cohesion diagnostic and study to measure the impact of the program. During 2016 we will validate this methodology and will later reinforce community intervention with more *Días Compartamos* under the *Hogares* model.

6 OF 26 *DÍAS COMPARTAMOS CON LA COMUNIDAD* IN MEXICO WERE CARRIED OUT UNDER THIS MODEL

WE SUPPORT THE COMMUNITIES WHERE WE OPERATE IN THROUGH ACTIONS THAT PROMOTE THE DEVELOPMENT AND WELFARE OF PEOPLE AND THEIR FAMILIES

G4-EC1, G4-EC7

MEXICO

26 *DÍAS COMPARTAMOS CON LA COMUNIDAD*

9.6 MILLION PESOS INVESTED

74,153 BENEFICIARIES OF REHABILITATED PUBLIC SPACES

17 IMPACTED STATES IN MEXICO

2,257 VOLUNTEERS + 11,285 VOLUNTEER MAN-HOURS

4,409 INDIVIDUALS ATTENDED HEALTH TALKS AND MEDICAL CONSULTATIONS

6,913 INDIVIDUALS BENEFITTED WITH FILM SHOWS

PERU

3 *DÍAS COMPARTAMOS CON LA COMUNIDAD*

1.3 MILLION PESOS INVESTED

167 VOLUNTEER EMPLOYEES + 835 VOLUNTEER MAN-HOURS

3 IMPACTED DEPARTMENTS

978 BENEFICIARIES

GUATEMALA

2 *DÍAS COMPARTAMOS CON LA COMUNIDAD*

604,825 PESOS INVESTED

116 VOLUNTEER EMPLOYEES + 169 FAMILY MEMBERS, CLIENTS AND COMMUNITY VOLUNTEERS

2 IMPACTED DEPARTMENTS

529 BENEFICIARIES

580 VOLUNTEER HOURS*
*employees

INCLUSO G4-13

The model for healthy and productive inclusion and entrepreneurship formerly called *Proyecto Jóvenes*, evolved in 2015 to provide improved attention to the needs of this segment.

Thus, there were three main objectives in the development of the platform:

- Research and study of education models and contact by digital means
- Finish the contents for the development of social-emotional competences
- Prove that the contents and the platform work (i.e. it is useful, entertaining and technically efficient)

G4-DMA LOCAL COMMUNITIES (SPECIFIC)

2015 ACHIEVEMENTS:

- We attended three congresses on the subject of gamified education and technology, as well as one about social inclusion of young people by digital means
- We finished the contents of social-emotional development competences in a lab with the participation of 15 children of clients between 13 and 21
- We built a contact platform by means of a gamified mobile application that manages content, works from the cloud, and stores detailed participant information in a data base

57% CONCLUDED THE 15 HOURS OF PLATFORM DURATION

In 2016 we will focus on having a second mobile application within the same platform; its objective will be to bolster the development of hard competences to raise the rate of entrepreneurial success of young people. We



YOUNG PEOPLE WHO FINISHED THE PROGRAM GAINED KNOWLEDGE ABOUT TECHNOLOGICAL INCLUSION, FINANCIAL EDUCATION AND DEVELOPMENT OF THE NECESSARY SOCIAL-EMOTIONAL COMPETENCES FOR THEIR INCLUSION INTO A GLOBAL AND DIGITAL SOCIETY

will strive to attract the children of Compartamos Banco clients (between 18 and 22) in order to include them in an entrepreneurial process that will provide them with a self-employment option that will take into consideration their surroundings and the new digital tools available to them; the resulting project must be viable and life-impacting.

Furthermore, we have the goal of taking the experience of developing *Misión Incluso* this year to schools, and using it as a free vocational workshop to impact a greater number of Compartamos Banco's branches.

Value chain leadership

G4-DMA EMPLOYMENT (SPECIFIC), G4-12, G4-SO4

As part of our generation of social value, we have a robust value chain aligned 100% with our Philosophy. To guarantee this, we provide our suppliers with our Code of Ethics and Conduct and evaluate the compliance of their operations with aspects such as human resources, infrastructure, service, capacities, and environmental care and transparency. In addition, we also analyze social responsibility and sustainable development aspects.

99% OF OUR SUPPLIERS ARE MEXICAN, MOST OF THEM LOCATED IN THE CENTRAL PART OF MEXICO

IN MEXICO WE HAVE CLOSE TO 3,500 SUPPLIERS, 647 OF WHOM HAD OPERATIONS WITH THE PROCUREMENT AREA



MISCELANEA

Generation of

Human Value

We trust people and their disposition for growth, self-realization and improvement.

Indicators	2014	2015	Variation
Employees	18,999	20,179	6.2%
Internal training investment (million)*	95.8	84.3	-12.0%
External training investment (million)*	11.8	15.5	31.4%
Internal training hours*	1'177,752	888,875	-24.5%
External training hours*	9,731	51,750	431.8%
Employees scholarships*	145	198	36.6%

* Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna and Yastás-. Includes technical training (workshops, courses, seminars, conferences) and grants to support study completion (bachelor degrees, diplomates, master degrees).



Leadership through service



THE BEST PLACE TO WORK

G4-DMA EMPLOYMENT

At Genera, the person is the most important factor; therefore, true to this belief we are strongly committed with our employees, providing for them the best work place conditions in order to retain the talent that currently allows us to hold the leadership in financial inclusion.

To achieve this, we have implemented strategies and internal policies whose objective is to manage change and talent, improve the productivity and well-being of our employees, and make an impact on society by generating quality jobs that offer development opportunities and balance our employees' work and family life.

These themes and their indicators are an essential part of the strategies of Genera and its companies; therefore, deriving from a year to year evolution and improvement in the performance of our organization, we have achieved full efficiency in all service areas, reached our business goals, reduced turnover, increased our staff, positioned ourselves in the wages market and have successfully implemented new lines of business and/or products.

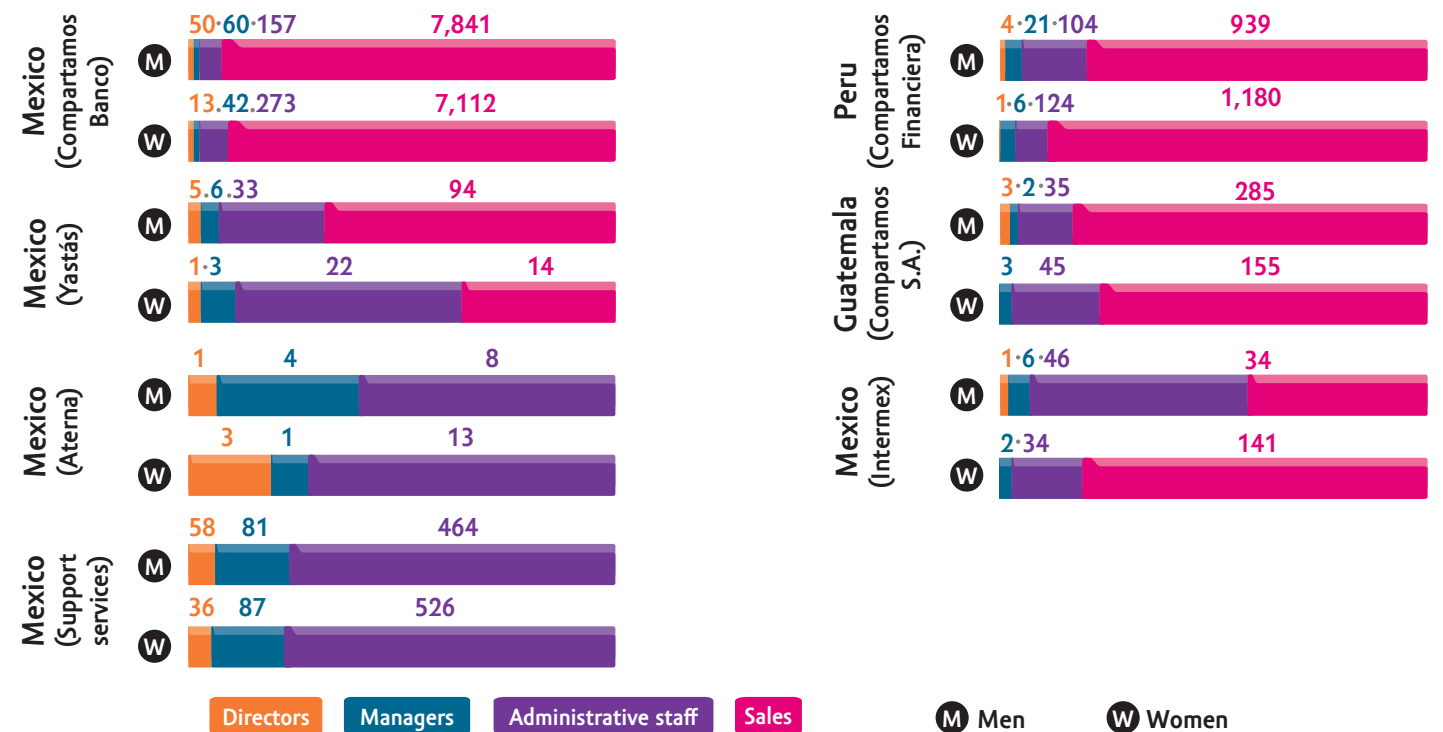
G4-10, G4-11

20,179

PERMANENT EMPLOYEES,
6.2% INCREASE IN STAFF WITH RESPECT TO 2014 OF WHICH, IN MEXICO 81.5% ARE UNIONIZED

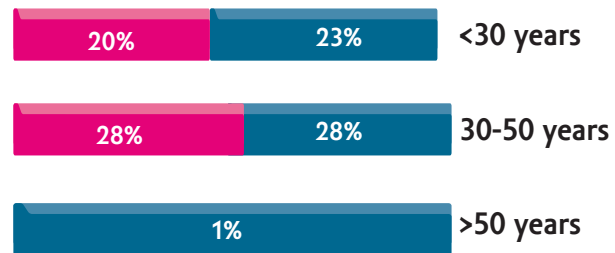
G4-LA12

STAFF BY COMPANY AND GENDER



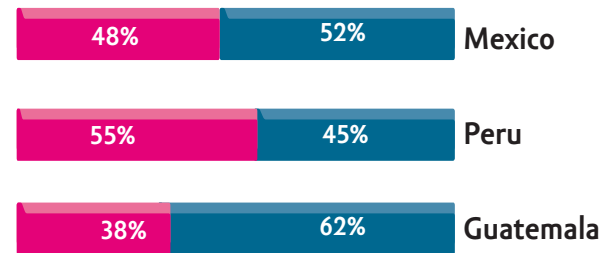


STAFF BY GENDER AND AGE

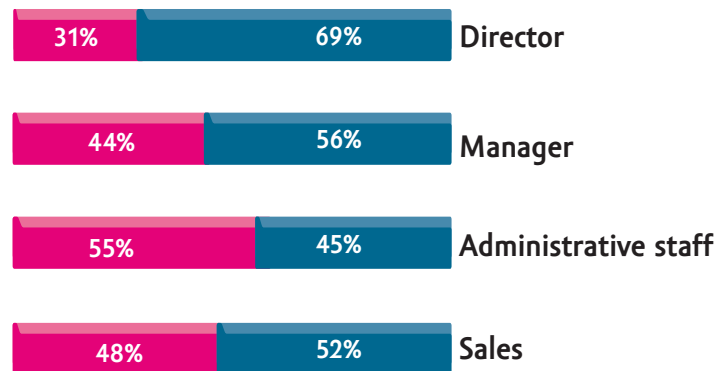


Note: This data only corresponds to Mexico.

STAFF BY GENDER AND COUNTRY



STAFF BY PROFESSIONAL CATEGORY

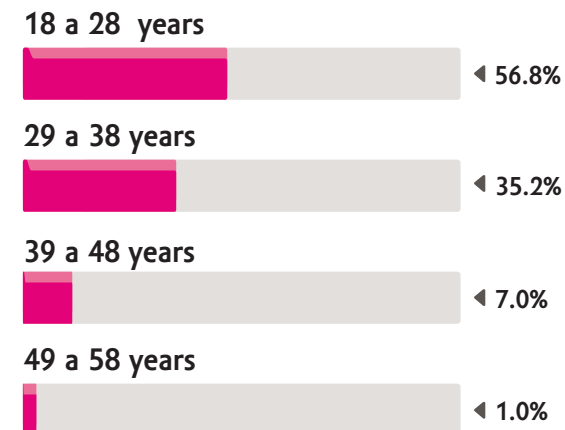


G4-LA1

IN 2015 WE HIRED
6,031
EMPLOYEES

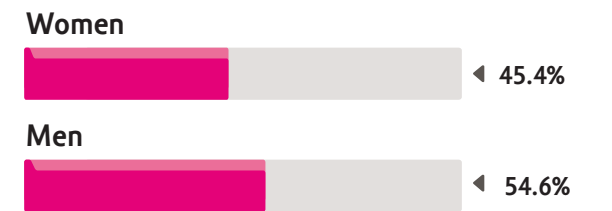
7.8%
DECREASE IN TURNOVER RATE,
REACHING 30.9% ANNUAL SALES FORCE TURNOVER

NEW STAFF BY AGE GROUP



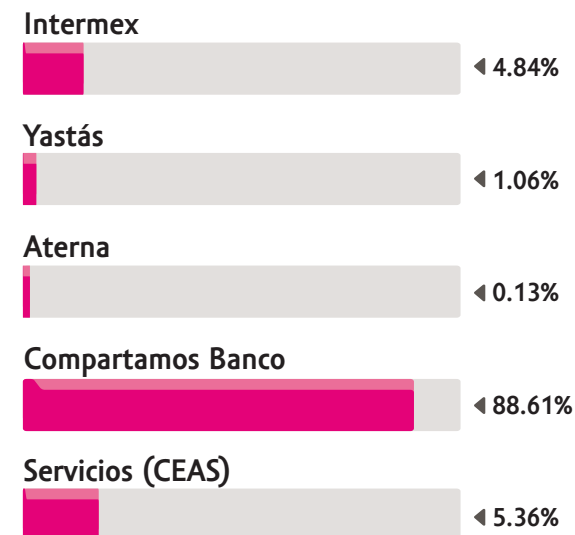
Note: This data only corresponds to Mexico.

NEW STAFF BY GENDER



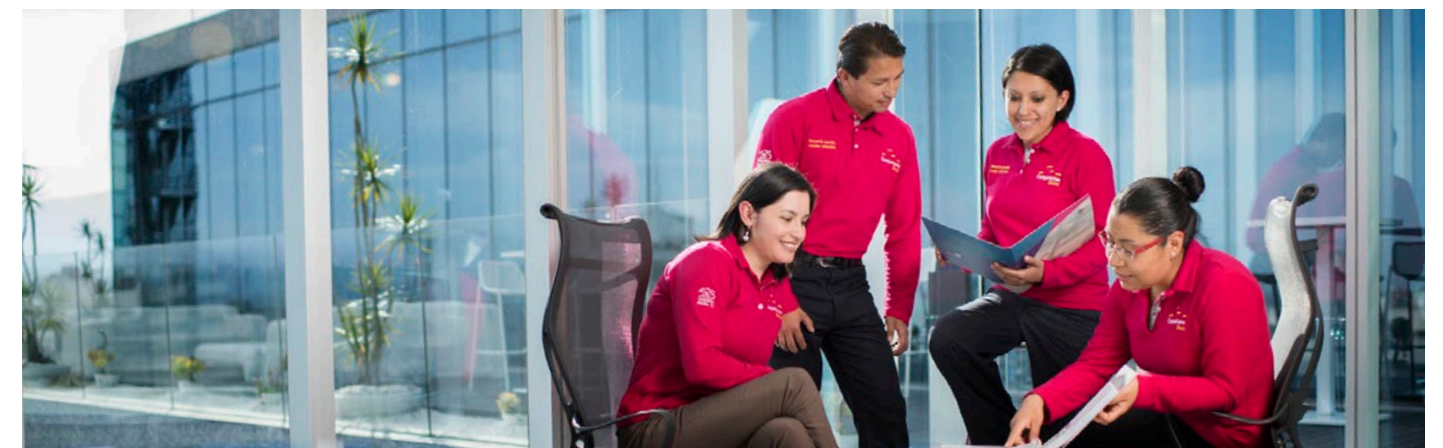
Note: This data only corresponds to Mexico.

NEW STAFF BY COMPANY



Note: This data only corresponds to Mexico.

140%
INCREASE IN
AVERAGE SENIORITY
OF CM PROMOTER
IN 2015 WITH RESPECT TO 2012, A FACTOR THAT
GENERATES A BETTER GROUP CONSOLIDATION,
AND RESULTS IN GREATER PORTFOLIO
RENOVATION AND QUALITY



G4-DMA LABOR/MANAGEMENT RELATIONS

At Genera and its companies, communication holds an important place, so we strive to strengthen the bonds of trust with our employees by keeping an open dialogue between them and management in order to find out their specific needs and implement mechanisms to fulfill them, creating a work environment that favors the achievement of institutional goals. In addition, through an open dialogue we inform our employees of the new challenges that will allow us to evolve and strengthen our commitment with the Philosophy of the organization.

With human value generation and organizational climate improvement strategies within the Group we have become one of the best companies to work for in Mexico and Latin America, according to several rankings carried out by the Great Place to Work Institute.



GENTERA, **1ST PLACE** IN MEXICO, IN THE CATEGORY OF FINANCIAL COMPANIES WITH MORE THAN 1,000 EMPLOYEES

GENTERA, **2ND PLACE** IN MEXICO, IN THE CATEGORY OF COMPANIES WITH MORE THAN 5,000 EMPLOYEES

GENTERA, **16TH PLACE** IN LATIN AMERICA, IN THE CATEGORY OF COMPANIES WITH MORE THAN 500 EMPLOYEES

COMPARTAMOS S.A., **7TH PLACE** IN GUATEMALA AND **18TH PLACE** IN CENTRAL AMERICA

We also obtained special distinctions by the Great Place to Work Institute:

"FELLOWSHIP" CATEGORY, FOR HOSPITALITY WITHIN OUR INSTITUTION, REPRESENTING A FAMILY OR TEAM

THE **"INSPIRING PRIDE"** DIMENSION, DESCRIBED BY GREAT PLACE TO WORK INSTITUTE AS THE POSSIBILITY OF FORMING TEAMS CONSISTING OF EMPLOYEES WHO ENJOY THEIR WORK AND BELIEVE IN THEIR MISSION AND DEVOTE THEMSELVES TO IT WITH CARE, ENTHUSIASM AND CREATIVITY

EQUAL OPPORTUNITY

G4-DMA DIVERSITY AND EQUAL OPPORTUNITY, EQUAL REMUNERATION FOR WOMEN AND MEN (SPECIFIC)



GENTERA OBTAINED RENEWAL OF THE 2014-2017 **FAMILY-RESPONSIBLE COMPANY DISTINCTION**, AWARDED BY THE SECRETARÍA DEL TRABAJO Y PREVISIÓN SOCIAL FOR ITS DEVELOPMENT OF BEST WORK PRACTICES FAVORING WORK-FAMILY INTEGRATION

At Genera we believe in the person and their capacity for self-fulfillment, so we value diversity as an intrinsic element of our roots. Furthermore, we believe in the importance of the role that men and women play in society, so we offer equal opportunities without gender discrimination to our clients and employees.

We currently have a specialized area to consolidate gender equality at Genera whose objective is to establish policies and processes that guarantee an inclusive culture with three action lines: offering our employees an excellent work place with equal opportunities for growth and development; attracting and retaining talent regardless of gender; and contributing to the welfare of society by driving initiatives of inclusion for employees and clients.

FOR FIFTH CONSECUTIVE YEAR WE WERE PART OF THE BEST COMPANIES TO WORK FOR IN MEXICO:
RANKED 10TH IN GENDER EQUALITY OF THE GREAT PLACE TO WORK INSTITUTE

THROUGH THE IMPLEMENTATION OF STRATEGIC LINES AND PROCESSES FAVORING EQUAL OPPORTUNITIES, NON-DISCRIMINATION AND RESPECT FOR INDIVIDUALS, WE OBTAINED **EDGE RE-CERTIFICATION**, GRANTED BY **THE GLOBAL BUSINESS CERTIFICATION STANDARD FOR GENDER EQUALITY**

WE OBTAINED THE SPECIAL **"ABSENCE OF FAVORITISM"**, RECOGNITION BY GPTW INSTITUTE FOR OUTSTANDING RESULTS IN **"MODEL IMPARTIALITY"**. THIS DISTINCTION RECOGNIZES FAIRNESS IN THE GROUP, DUE TO THE EXISTENCE OF MECHANISMS THAT ENSURE **EQUALITY AND TRANSPARENCY OF ORGANIZATIONAL PROCESSES AND DECISION-MAKING**

Our dedication to these standards and distinctions allows us to consolidate internal performance follow up mechanisms regarding gender equality and equal opportunities through the assessment of specific indicators derived from employee surveys, and the internal –including training– and external distribution of their results.



GENTERA IS THE FIRST MEXICAN COMPANY TO BE RECOGNIZED BY THE WORK & FAMILY FOUNDATION WITH THE **IFREI* INTERNATIONAL ACCREDITATION FOR CORPORATE FAMILY RESPONSIBILITY** AS A RESULT OF OUR KEEN INTEREST FOR INDIVIDUALS AND THE INTEGRATION OF THEIR WORK, PERSONAL AND FAMILY LIFE

*IESE FAMILY RESPONSIBLE EMPLOYER INDEX

COMPENSATION AND BENEFITS



G4-DMA EQUAL REMUNERATION FOR WOMEN AND MEN, G4-LA13

Regarding wages, in accordance to our Philosophy and in compliance with the Mexican Federal Work Law, at Gentera we provide equality of working conditions, regardless of gender. We also evaluate positions without distinction or discrimination; therefore, there is no salary gap between men and women.

We make sure of maintaining internal competitiveness and equality by carrying out quarterly gender evaluations to verify that there is no compensation inequality. The

range of compensation of all our employees is between 80% and 120% of the salary tabulator, a factor that together with performance evaluations, forms the matrix for determining salary raises.

G4-LA2

In order to provide our employees with the best working conditions and have a positive impact in their quality of life, we offer diverse benefits and entitlements in the three countries where we operate in:

Guaranteed fixed compensation

Mexico (Genera, Compartamos Banco, Aterna, Yastás and Intermex)	Peru (Compartamos Financiera)	Guatemala (Compartamos S.A.)
Salary ⁽¹⁾	Salary ⁽¹⁾	Salary ⁽¹⁾
Vacation ⁽²⁾	30-day vacation ⁽²⁾	Seventh weekday ⁽²⁾
IMSS ⁽²⁾	Family allowance ⁽²⁾	Vacation ⁽²⁾
INFONAVIT ⁽²⁾	Obligatory breaks ⁽²⁾	Year-end bonus ⁽²⁾
Vacation premium ⁽²⁾	Seniority compensation ⁽²⁾	Bonus 14 ⁽²⁾
Profit share ⁽²⁾	Profit sharing ⁽²⁾	IGSS, IRTRA and INTECAP ⁽²⁾
Legal breaks and holidays ⁽²⁾	National holidays and Christmas Bonus ⁽²⁾	Local holiday ⁽²⁾
Year-end bonus ⁽³⁾		National holidays ⁽²⁾
Vacations ⁽³⁾		

Benefits and bonus

Mexico (Genera benefits, optional for companies, <i>Mejora tu calidad de vida</i>)	Peru (Compartamos Financiera)	Guatemala (Compartamos S.A.)
Savings fund	School kit for employees	Life insurance
Food vouchers	Employee psychological and legal assistance	Medical insurance
Pension plan	Institutional leave	Medical family insurance
CV2	Day care center	Bank holidays
Personal accident insurance	Sports center	Birthday half holiday
Life insurance	Bank games	CV2
Major medical insurance	Agreements	Incentive bonus
Combo (insurance flexibility)	Emergency assistance	Variable salary plan
New parenthood benefits for employees	Operational bonus (sales)	
Maternity and paternity leave flexibility	Performance bonus	
	Seniority bonus	
	Annual school allowance	
	Food vouchers	
	Life insurance	
	Complements (to required life insurance)	
	Work risk complementary insurance	
	Christmas benefits (Christmas basket and others)	
	Institutional leaves	
	Agreements	
	Medical insurance	
	Integral family health insurance	
	Annual performance bonus for administrative areas	
	Monthly productivity bonus (business and operations)	

Notes.
⁽¹⁾ Basic compensation.
⁽²⁾ Legal benefits.
⁽³⁾ Benefits exceeding those required by law.

G4-LA3

During 2015 –in Mexico–, 623 women and 763 men exercised their right for maternity/paternity leave; 582 women (93.4%) and 762 men (99.9%) returned to

work at the end of the leave. Of employees returning to work, 446 women (76.6%) and 573 men (75.20%) keep their job after 12 months.

SKILL DEVELOPMENT

G4-DMA TRAINING AND EDUCATION

At Genera, training our employees is essential for their full development and for achieving the strategic goals of our operation.

We strive to get qualified employees who will help us safeguard the offer of value we provide to our clients, maintaining strategic communication between the business and operation, and being more competitive. In this way, we provide our employees with the tools that will allow us to guarantee quality in the execution of our processes and positioning the financial solutions we offer.

To guarantee that all our employees are aware of the functions inherent to their position, we have tools such as a certification process, surveys with branches managers, employees interviews, instructor feedback reports and report cards. In addition, there are indicators such as the number of trained employees, learning, service, attendance, trainee cost, training hours and pass rate, which allow us to keep informed of the progress made in the matter.

Training is based on a pedagogical model that will allow us to advance in the degree of depth until the necessary level of competence is reached. Starting from an employee’s hiring date, we have training periods of 37, 120 and 180 days, at the end of which they obtain the position certification.

In addition:

- We offer training for Promoters, Consultants, Coordinators and branches Managers under the “*Multiplicando*” program, which trains employees –online and onsite– at two moments in their first six months at Compartamos Banco
- We carry out updating and leveling through onsite workshops at the branches on specific methodology subjects, as well as reinforcement of people skills



G4-LA9

OUR EMPLOYEES RECEIVED
940,625
 TRAINING HOURS

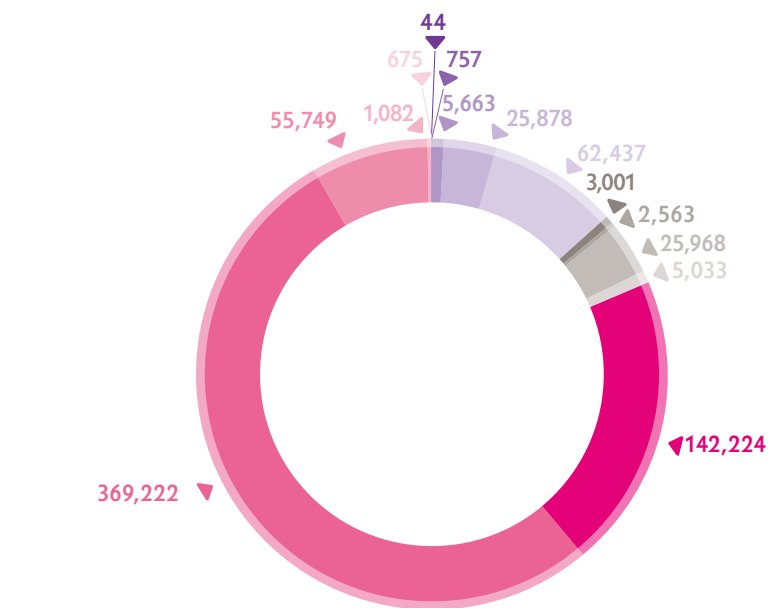


TRAINED EMPLOYEES BY GENDER*

*Information corresponds to operational courses (internal training).



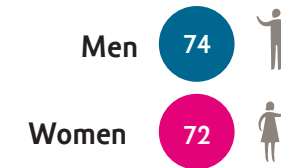
TRAINING HOURS BY PROFESSIONAL CATEGORY*



- Director
- Deputy Director
- Regional Manager
- Branch Manager
- Branch Deputy Manager
- Instructor
- Systems Administrator
- Sales and Customer Service Executive
- Auxiliary Administrative
- Credit Consultant
- Promoter
- Coordinator
- Branch opening agent
- Leader

*Information corresponds to operational courses (internal training).

AVERAGE EMPLOYEES TRAINING HOURS (GENDER)*



*Information corresponds to operational courses (internal training).



G4-LA10

Moreover, in order to improve employee competences, we imparted Career Acceleration Programs that offer an academic degree, specialization and professionalization; these programs are linked to training programs in key business activities.

We support our employees at the start and conclusion of their professional studies with an educational offer that includes certifications, diploma courses, bachelor and master degrees and seminars.



G4-LA9



We have implemented a program for Human Development focused on full development of our employees which addresses skills, knowledge, behavior and attitudes in personal, family and social environments.

Finally, whenever any of our employees ends the work relationship, we offer an outplacement program that will provide them with professional accompaniment by a third party who will support them in the preparation and transition into a new job opportunity.

PERFORMANCE EVALUATION

In addition to training and in order to enhance employees' development and improve results, we carry out a management process in our performance cycle in which we invite our employees to align their personal objectives to the strategy of the organization, monitor their own progress together with their superiors, and finally evaluate their objectives and goals with respect to institutional values.

Through a performance evaluation systematized by the Success Factors platform, we analyze four key moments:

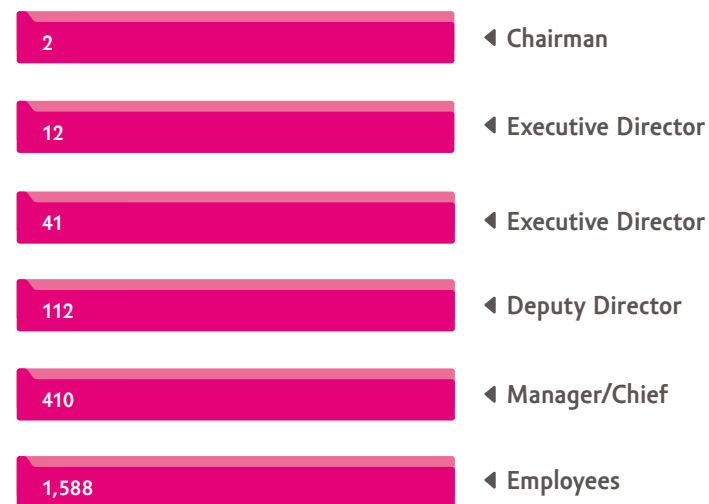


Using this tool, 2015 was the year with least turnover rate, showing we are the best company to work for.

IN 2015,
2,165
OF OUR SERVICES AREAS' EMPLOYEES
WERE EVALUATED ON THEIR PERFORMANCE

G4-LA11

PERFORMANCE EVALUATION



Mexico: 1,904 Peru: 182 Guatemala: 79

100%
OF OUR EMPLOYEES
UNDERWENT PERFORMANCE EVALUATION, SERVICES AREAS
ANNUALLY AND SALES FORCE MONTHLY

Management leaders



GOVERNANCE MODEL

At Genera, commitment with our institutional values is reflected in our corporate governance model, which fully and transparently complies with regulations of all three countries where we operate in.

Our governance model is recognized for its adherence to the best practices and standards established by corporate groups, such as the Code of Corporate Best Practices of the Consejo Coordinador Empresarial (CCE) and the Code of Professional Ethics of the Stock Market Community, which guarantee the development and sustainability of the enterprise.

Furthermore, our model is recognized by multilateral bodies and international companies which include leading Latin American companies that have adopted best practices of corporate governance and have achieved solid market presence. Such is the case of *Círculo de Empresas* –an entity to which we belong since 2011 as the only Mexican company– created by the International Finance Corporation (IFC) and the Organization for Economic Co-operation and Development (OECD), with funding and support from the Global Corporate Governance Forum.

G4-41

In addition, Genera and its companies have a policy that governs and regulates operations with related parties, that establishes the process for review and approval of this type of operations by government entities in order to avoid conflict of interest and foster transparency.

Genera is led by solid corporate governance that provides support to all of the group and its international expansion. Thus, in 2015 we introduced improvements into our governance model that were caused to permeate into the companies in order to align them to the operational strategy of new services provided to our clients. Similarly, we imparted training in recently acquired companies, such as Pagos Intermex. S.A. de C.V. with the purpose of incorporating into them the principles of corporate governance we are known for.

At the request of the auxiliary committees for risk and audit of the Management Board, we carried out an analysis of the risks to which Genera and its companies are exposed; this resulted in a redefinition of the bodies that will be in charge of their administration, management, monitoring and follow up, taking into account the classification established in the applicable Basel III regulations and criteria.

IN 2015 WE MANAGED TO CONSOLIDATE OUR OPERATIONAL SERVICE MODEL



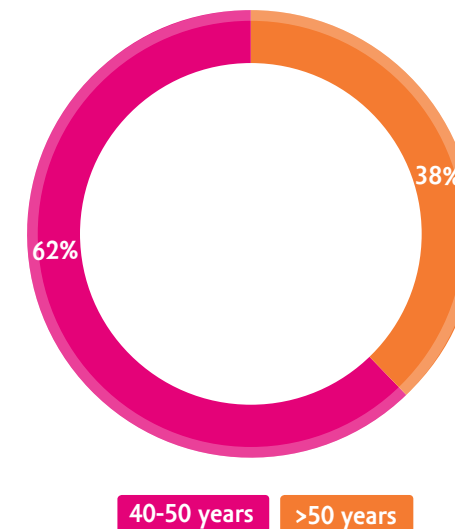
BOARD OF DIRECTORS

G4-34

Our Board of Directors consists of leaders and specialists on diverse subjects and branches, who enrich Genera's long-term corporate and strategic vision. It consists of 13 members: eight independent and five related.

The age of the members of the Board is between 45 and 76, bringing plurality, experience and innovation into the discussions.

BOARD OF DIRECTORS BY AGE



61.5% OF THE MEMBERS OF THE BOARD ARE INDEPENDENT



62.5% OF THE COMMITTEES ARE PRESIDED BY INDEPENDENT MEMBERS

G4-LA12

15.4% OF THE MEMBERS OF THE BOARD ARE WOMEN

G4-44

In 2015, we carried out the annual comprehensive evaluation of the performance of the Board of Directors and of the quality of its activity. The results were reviewed at the Board Meeting immediately following its application. In the meeting, measures are defined to improve aspects in which lower-than-expected results were obtained. The evaluation comprises:

- Self-diagnostic of every board member
- Evaluation by every member of the Board of Directors as a collegiate body
- Evaluation by every member of the performance of the Audit Committee and the Risk Committee
- Evaluation by the management of the Board of Directors



G4-40

We appoint the members of the Board of Directors in strict adherence to legal requirements and approved internal guidelines. In addition, in accordance with the commitment to consolidation of our governance

model, we continue to drive permanent training of the members of the Board, the Legal Area and the team in charge of corporate governance of Genera.

G4-34, G4-38, G4-39

Directors	Type	Board Seniority
Antonio Rallo Verdugo	Independent	9 months
Carlos Antonio Danel Cendoya	Related	15 years
Carlos Labarthe Costas	Related	15 years
Claudio Xavier González Guajardo	Independent	4 years
Francisco Javier Arrigunaga Gómez del Campo	Independent	9 months
John Anthony Santa María Otazúa	Independent	7 years
José Ignacio Ávalos Hernández	Related	15 years
José Manuel Canal Hernando	Independent	12 years
Juan Ignacio Casanueva Pérez	Related	5 years
Juan José Gutiérrez Chapa	Related	14 years
Luis Fernando Narchi Karam	Independent	14 years
Martha Elena González Caballero	Independent	9 years
Rose Nicole Dominique Reich Sapire	Independent	2 years

Chairman of the Board
Carlos Antonio Danel Cendoya
Secretary
Manuel de la Fuente Morales
Alternate secretary
Mariel Eloina Cabanas Suárez

OUR BOARD OF DIRECTORS' WORK IS SUPPORTED BY EIGHT COMMITTEES

BOARD OF DIRECTORS COMMITTEES

Audit Committee

It is a subsidiary body of the Board of Directors whose objective is to provide it with support for the fulfillment of its responsibility of watching over the integrity of financial and operation statements and reports; approval of policies criteria and accounting practices; the performance of internal and external audit; the design and follow up of internal control and the Code of Ethics and Conduct of the Group.

OUR AUDIT COMMITTEE CONSISTS OF THREE MEMBERS, ALL OF THEM INDEPENDENT AND PRESIDED BY A WOMAN

Corporate Practices Committee

It is a subsidiary body of the Board of Directors whose objectives are to oversee the management, conduction and execution of the businesses of Genera and its companies; review the policies for compensation of relevant executives; comment on operations with related individuals requiring the approval of the Board of Directors; to review policies for performance assessment, compensation plans and structure changes of the society, all done within the sphere of its respective competences and according to social statutes and regulation.

G4-14, G4-45, G4-46

Commercial Strategy Committee

It is a subsidiary body of the Board of Directors whose objective is to support in the definition and follow up of mid-term and long-term commercial and operational strategies based on a profound understanding of the market, competition, consumer needs, and the application of different technologies, which as a whole will assure the best competitive positioning of Genera and its companies.

Executive Committee

It is a subsidiary body of the Board of Directors whose objective is to follow up the established strategy, support management in the analysis and discussion of strategic or highly relevant matters, and serve as a link that favors better communication between the Board and Management.

Planning and Finance Committee

It is a subsidiary body of the Board of Directors whose objective is to support it in the definition of the long-term strategic vision and the mechanisms for identification, control, and revealing of financial risks. In addition, it validates the policies and guidelines presented by management related to -among others- the strategic plan, investments, financing, the annual budget, and its control system.

Risk Committee

It is a subsidiary body of the Board of Directors whose objective is to make recommendations and follow up on the management of risks affecting Genera's activities, within the framework set by the management and risk control system in accordance to the law and the regulations approved by the Board of Directors.

Information and Technology Systems Committee

It is a subsidiary body of the Board of Directors whose objective is to support it in the definition and follow up of mid-term and long-term technology strategies of Genera and its companies.

G4-48

External Relations and Social Responsibility Committee

It is a subsidiary body of the Board of Directors whose objective is to support it in the definition of strategic vision and validation of policies and guidelines related to public positioning, identity, social responsibility and sustainability of Genera and its companies, promoting the creation of favorable environment for the development of a business model through solid and permanent external relations and the promotion of sustainable development and social responsibility.

MEMBERS OF THE BOARD OF DIRECTORS

Antonio Rallo Verdugo

Marine Biologist, graduate from University of California at San Diego. He is the current Executive Chairman of IDE45- Start UP, a company focused on the development of scalable-platform technology companies. For the last 10 years and until 2014, he was Strategy and Technology Vice-president of Grupo Televisa. He previously held different positions such as: co-founder and chairman of the board of NCubo Holdings, an incubator of technology companies like Kionetworks.com. Founder and executive chairman of iWeb, a company focused on technology development projects on the Internet. Founder and executive chairman of Digital Media Studio. Regional director of Tecnologías Multimedia for Apple's division in Europe. For the past five years, advisor to the American School Foundation; advisor to Kionetworks and member of the information and technology systems committee of Banco Compartamos, S.A. Institución de Banca Múltiple.

Carlos Antonio Danel Cendoya

Architect; graduate of Universidad Iberoamericana; holds a Master's Degree on Business Administration from the Instituto Panamericano de Alta Dirección de Empresa (IPADE) and has studies on Microfinance in The Economist Institute (Boulder) and Harvard Business School. He is current Chairman of the Board of Directors of Banco Compartamos, S.A. Institución de Banca Múltiple, and board member of Compartamos, S.A. (Guatemala), Red Yastás, S.A. de C.V., Aterna, Agente de Seguros y Fianzas, S.A. de C.V., Controladora AT, S.A.P.I. de C.V. and Fundación Gentera, A.C.

Carlos Labarthe Costas

Industrial Engineer, graduate of Universidad Anáhuac; has studies in business and microfinance from The Economist Institute (Boulder) and SENIOR Management from the Instituto Panamericano de Alta Dirección de Empresa (IPADE). Has participated in diverse microfinance program courses at The Economic Institute in Boulder and the Harvard Business School. In the academic field he has taught at the Universidad Iberoamericana, the Consorcio Latinoamericano para Capacitación en

Microfinanciamiento (COLCAMI) and at the Curso de Formación Social (CUFOSO) de la Unión Social de Empresarios de México (USEM). He is currently Chairman and board member of Banco Compartamos, S.A. Institución de Banca Múltiple and board member of Compartamos, S.A. (Guatemala), Compartamos Financiera, S.A., Red Yastás, S.A. de C.V., Aterna, Agente de Seguros y Fianzas, S.A. de C.V., Compartamos Servicios, S.A. de C.V., Controladora AT, S.A.P.I. de C.V., Fundación Gentera, A.C., Worldfund, Advenio and Vista Desarrollos, IGNIA. Also, he is Chairman of the Board of Directors of Promoción Escolar S.C. and Grupo Kipling.

Claudio Xavier González Guajardo

Lawyer; graduate of Escuela Libre de Derecho, with a Master's degree on Law and Diplomacy and a Ph.D. in Law and International Relations from the Fletcher School of Law and Diplomacy, of Tufts University. He is current chairman and co-founder of Mexicanos Primero, A.C., an organization dedicated to increasing the quantity and quality of education in Mexico, and Visión 2013, A.C. He is co-founder and member of the Technical Committee of BÉCALOS, co-founder and honorary chairman of the Trust of the Unión de Empresarios para la Tecnología en la Educación, A.C. (UNETE), Co-founder and Chairman of Mexicanos Contra la Corrupción, A.C., a citizen initiative that combats corruption and build, through diagnosis, a demand for change and improvement, and a culture of legality in Mexico. Co-founder and Chairman of the Despacho de Investigación y Litigio Estratégico, A.C. (DILE), an entity that attempts to expose and combat the more emblematic cases of corruption, impunity and destruction of rule of law in Mexico, and co-founder and former chairman of Fundación Televisa, A.C.; he is board member of Gentera, S.A.B. and of Banco Compartamos, S.A. Institución de Banca Múltiple. He specializes in creating mechanisms for citizen participation, philanthropy and improvement in education quality, from civil society.

Francisco Javier Arrigunaga Gómez del Campo

Bachelor of Law from Universidad Iberoamericana, holds a Master's Degree in Law from the University of

Columbia. Former General Director of Grupo Financiero Banamex the leading bank in Mexico (a Citigroup subsidiary), where he held diverse positions since 2002. Before joining Citi/Banamex, Javier Arrigunaga was ambassador of Mexico at the OCDE. He previously worked for 15 years at Banco de Mexico where he held different positions. He was General Director of Fondo Bancario de Protección al Ahorro where he was a member of the team responsible for negotiating the international package of aid for Mexico to face the macroeconomic crisis of 1994. Javier Arrigunaga was Chairman of the Asociación de Bancos de México 2013-2014 and has been board member of different companies and institutions, including the Bolsa Mexicana de Valores, Grupo Financiero Banamex, Comisión Nacional Bancaria y de Valores and Grupo Financiero Scotiabank Inverlat. He is current Chairman of the Board of Directors of Grupo Aeroméxico (the flagship Mexican airline) and General Director of Xokan, a company of financial consultants. He is a board member of Gentera and Compartamos, the leading financial inclusion company in Mexico, consultant to Dine y Kuo, member of the International Consultancy Board of the Banco Popular Español and Associate of the General Assembly of the Universidad Iberoamericana, his alma mater.

John Anthony Santa María Otazúa

Bachelor in Business Administration and Master in Finance from Southern Methodist University in Dallas, Texas. He is current President of Coca-Cola FEMSA and board member of Banco Compartamos, S.A. Institución de Banca Múltiple. He specializes in strategic planning.

José Ignacio Ávalos Hernández

Chairman of the Board and Co-founder of Promotora Social México, an organization of impact investment in Mexico, Chairman and co-founder of Un Kilo de Ayuda, renowned NGO that Works for early child development in Mexico. He has worked in the field of health with the COFAS Hospital system, in education as founder and board member of Mexicanos Primero, and in economic development with Mi Tienda, an innovative rural supply chain. Board member of Compartamos since its foundation.

José Manuel Canal Hernando

Public Accountant, graduate of Universidad Autónoma de México (UNAM). He is currently a board member of Banco Compartamos, S.A. Institución de Banca Múltiple; board member, commissioner and consultant of diverse companies, both private and listed in the stock market, such as FEMSA, Coca-Cola FEMSA, Grupo KUO, Grupo Industrial Saltillo, Fundación Bécalos and Estafeta. He specializes in auditing, accountancy, internal control and corporate governance.

Juan Ignacio Casanueva Pérez

Public Accountant from Universidad Iberoamericana, graduate of the Program of Corporate Governance: Effectiveness and Accountability in the Boardroom at Kellogg Northwest University and of the Senior Management Program of the IPADE. Graduate in Management Skills from Universidad Iberoamericana and has additionally studied and taken diploma courses in the Insurance sector. He is currently Chairman of the Board of Interprotección, a group formed by 20 companies specialized in different niches of the insurance sector, with presence in over 20 countries. He is a member of the board of Kio Networks, board member of Grupo AXO, board member of Finances México, board member of Banco Compartamos, S.A. Institución de Banca Múltiple, Aterna, Agente de Seguros y Fianzas, S.A. de C.V., Controladora AT, S.A.P.I. de C.V. He actively participates in altruistic, social and environmental projects; he is a member of Hombre Naturaleza A.C, Consultant to Endeavor, trust member of Mexicanos Primero, President of the Fundación Carlos Casanueva Pérez, and Chairman of the Pro-bosque de Chapultepec Trust.

Juan José Gutiérrez Chapa

Industrial and Systems engineer from Instituto Tecnológico de Estudios Superiores de Monterrey. He currently participates mainly in the microfinance sector; he is chairman of the Commission for Financial Inclusion of COPARMEX, Chairman of the Board of Directors of FOMEPADE, S.A. de C.V. SOFOM, board member of Banco Compartamos, S.A. Institución de Banca Múltiple, Compartamos Financiera, S.A. and

Compartamos, S.A. In addition, he is an investor and board member of various sectors: financial, tourist, restaurant, real estate and services. He specializes in commercial and microfinance matters.

Luis Fernando Narchi Karam

Bachelor in Business Administration from Universidad Anáhuac. He is currently vice-president of Narmex, S.A. de C.V., board member of Banco Compartamos, S.A. Institución de Banca Múltiple, founder of Happynation, S.A. de C.V., founder of Grupo La Bendición, Alimentos y Bebidas, S.A.P.I., founder of GGC Gourmet Central Restaurant, S.A. de C.V., founder of Operadora y Promotora de Restaurantes, S.A. de C.V., and member of the trust of the Instituto Nacional de Cancerología.

Martha Elena González Caballero

Certified Public Accountant from Universidad Iberoamericana; she has imparted diverse courses in the special INFONAVIT program of the IPADE. Member of the audit committee of the Infonavit and of the technical committee of the Instituto Mexicano de Contadores Públicos. She is currently board member of Banco Compartamos, S.A. Institución de Banca Múltiple, commissioner for SD Indeval, of the Contraparte Central de Valores and death fund consultant of the Colegio de Contadores Públicos de México, and other entities. She specializes in auditing in the financial sector.

Rose Nicole Dominique Reich Sapire

Bachelor in Management Computer Systems from Instituto Tecnológico y de Estudios Superiores de Monterrey; Master's Degree in Business Administration from the Instituto Tecnológico Autónomo de México; The Corporate Leader Program of the Harvard Business School of Management, Boston, MA, EUA and the Executive Program from the Graduate School of Management of Kellogg, Chicago, EUA. She is currently a board member of Cobiscorp International, Industrias Diesco, of WPO Capítulo México, of "Por lo derecho", of Construsistem S.A de C.V and board member of Banco Compartamos, S.A. Institución de Banca Múltiple. Until 2012 she was executive vicepresident and CEO of Grupo Financiero Scotiabank México and Scotiabank Internacional. She is currently Chief Executive Officer of BNP Paribas Cardif México.

True to our beliefs

OUR PHILOSOPHY

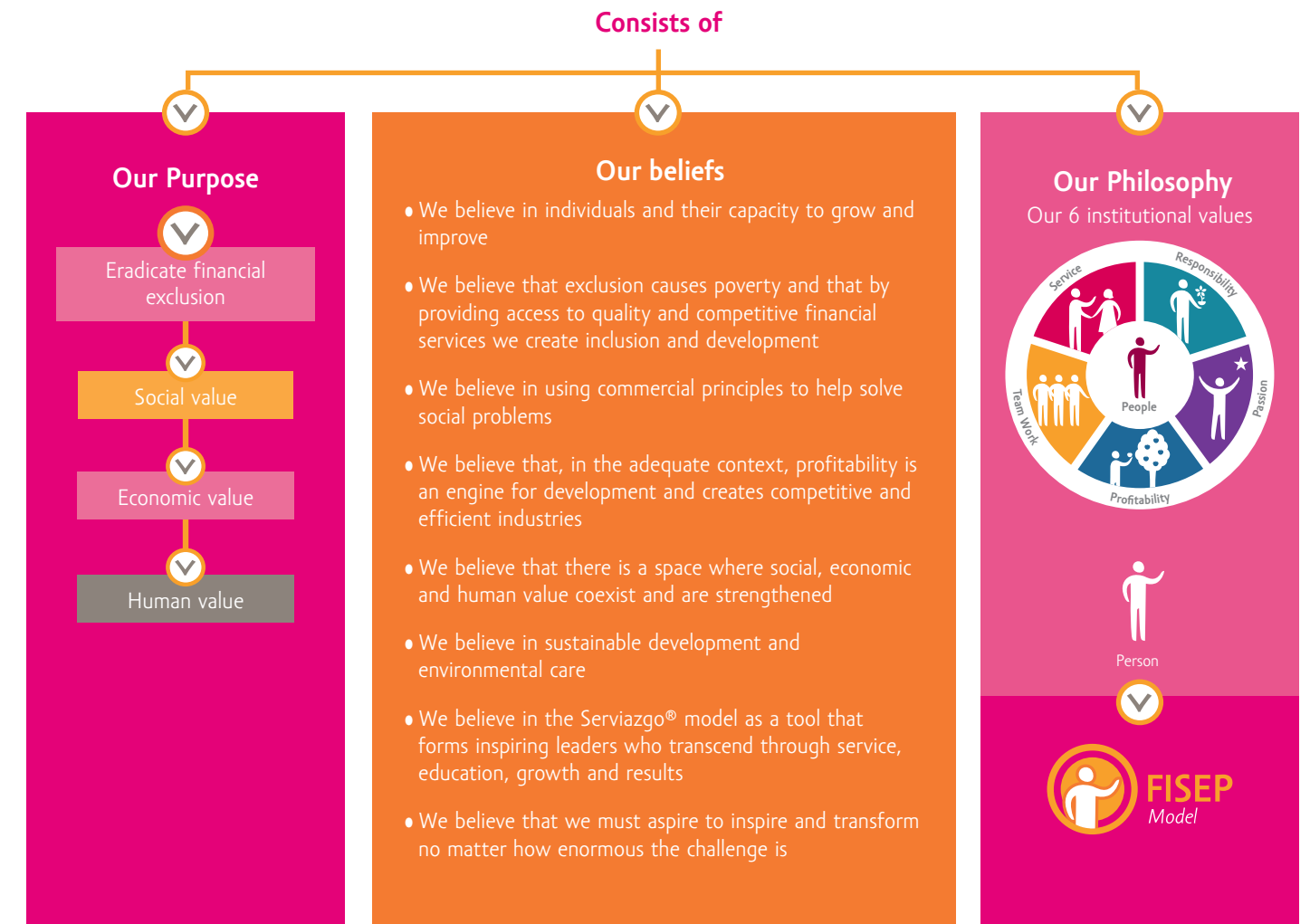
G4-56, G4-57, G4-58

Throughout our 25 years of history, we have continued to be true to our original values and principles. We have been led by our Philosophy, a way of life that guides everything we do, and recognizes every person as unique, respecting his dignity, rights and obligations.

OUR PHILOSOPHY IS OUR DIFFERENTIATOR; IT IS OUR WAY OF THINKING AND ACTING

Genera's Philosophy

Our way of thinking and acting



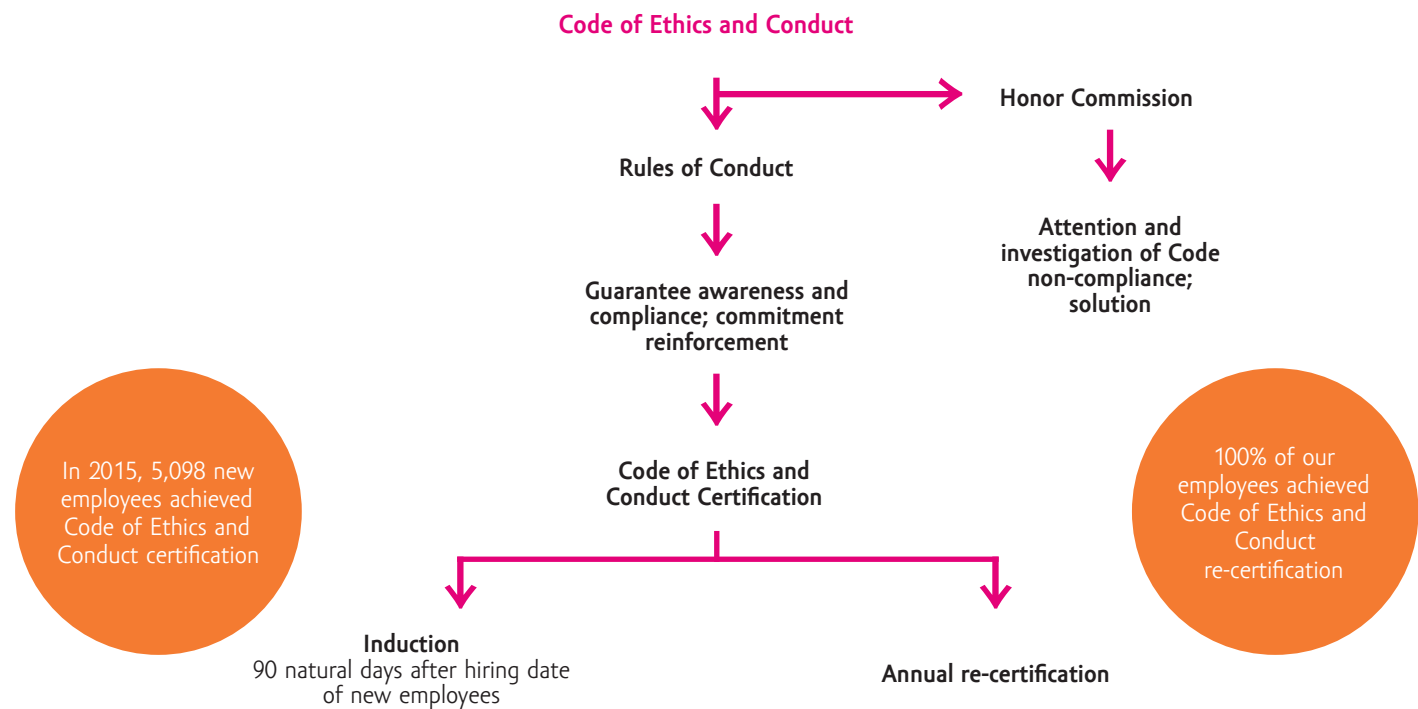
CODE OF ETHICS AND CONDUCT

G4-DMA ANTI-CORRUPTION (GENERIC AND SPECIFIC)

G4-56, G4-57, G4-58, G4-SO4

It is the instrument that communicates our Philosophy guiding our actions and daily work. It is the means through which we share our essence with all our stakeholders. It applies to our employees, consultants and commissioners, as well as to our clients and suppliers.

We convey ethical behavior through rules of conduct and behavior that foster healthy relations and protect the interests of our internal and external stakeholders giving us a high degree of credibility. The rules of conduct address themes such as interest conflict, handling of information, privileged information, corruption, harassment and work environment, among others.



In addition, every year we carry out our Philosophy survey in order to measure how our values are experienced in daily work.

To protect our philosophy and maintain our values, we have established in all our companies, a confidential means for denouncing non-compliances of the Code of Ethics and Conduct; these are attended by our Honor Commission.

For more information about our Code of Ethics and Conduct and the means of denunciation, visit our website at: <https://www.genera.com.mx/wps/portal/genera/quienessomos/codigoetica>

IN 2015, WE CONDUCTED
15,300 SURVEYS
 BETWEEN OUR EMPLOYEES, GETTING AN ANNUAL GLOBAL SATISFACTION RESULT OF 88% OF THEM EXPERIENCING OUR PHILOSOPHY

REGULATORY COMPLIANCE

G4-DMA COMPLIANCE G4-14

The main work we carry out to identify and mitigate risks regarding regulatory compliance throughout Genera and its companies, is to provide suitable legal counseling and ensuring correct and timely compliance

with the requirements of the authorities. This is duly established in our institutional procedures. The bodies that regulate the operations of our Group in the three countries where we operate in are the following:

Mexico	Peru	Guatemala
<ul style="list-style-type: none"> Comisión Nacional Bancaria y de Valores (CNBV) 	<ul style="list-style-type: none"> Superintendencia de Banca, Seguros y AFP (SBS) 	<ul style="list-style-type: none"> As a limited liability company we are governed by the regulatory bodies of industry and commerce in Guatemala
<ul style="list-style-type: none"> Comisión Nacional de Seguros y Fianzas (CNSF) 	<ul style="list-style-type: none"> Superintendencia del Mercado de Valores (SMV) 	
<ul style="list-style-type: none"> Banco de México (BANXICO) 	<ul style="list-style-type: none"> Banco Central de Reserva del Perú (BCRP) 	
<ul style="list-style-type: none"> Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (CONDUSEF) 		
<ul style="list-style-type: none"> Secretaría de Hacienda y Crédito Público (SHCP) 		
<ul style="list-style-type: none"> Servicio de Administración Tributaria (SAT) 		
<ul style="list-style-type: none"> Instituto para la Protección al Ahorro Bancario (IPAB) 		

Because Genera and its companies have a robust process to guarantee compliance with the legal provisions issued by the above institutions, we avoid any economic impact to the group or to its reputation, managing to achieve a good standing before regulators like CNBV and CONDUSEF.

Compartamos Banco fosters an organizational culture of self-control in which the role played by each one of its employees in following up and applying the control instruments is essential and inspires the trust of our clients. This is mainly due to the fact that all institutional operations are standardized and comply with current regulations.

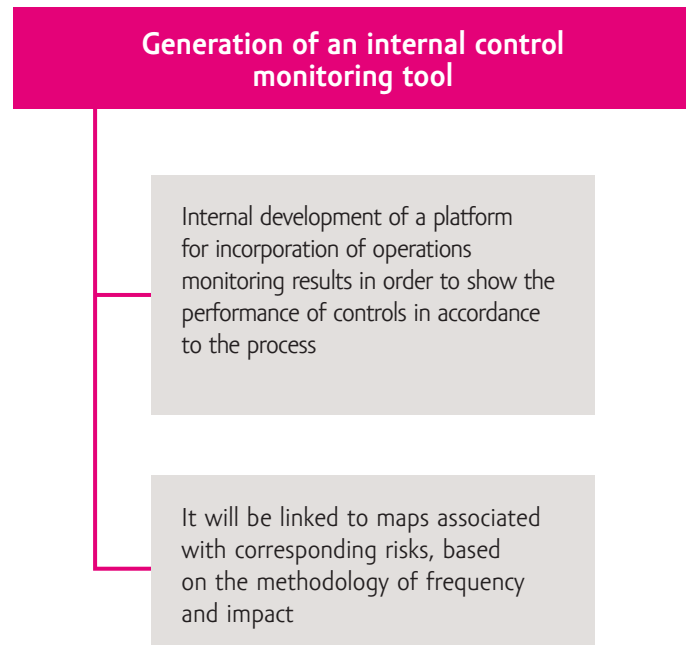
IN 2015, THE CNBV RECOGNIZED COMPARTAMOS BANCO AS A FINANCIAL INSTITUTION WITH A ROBUST INTERNAL CONTROL SYSTEM, CONSTITUTED BY POLICIES AND PROCEDURES THAT GUARANTEE THE ETHICAL CONDUCT OF ITS EMPLOYEES

Internal Control Procedure

Input	Process	Deliverables
<ul style="list-style-type: none"> • Applicable regulation (includes new regulation and changes to the existing one) • Changes to products and/or processes • Observations by the authorities and internal and external audits • Improvements suggested by monitoring of controls • Business strategy 	<ul style="list-style-type: none"> • Analysis of each one of the input aspects • Identification of risks and associated controls • Evaluation of the efficiency of existing controls • Generation of internal regulatory documents • Monitoring of relevant process-regulating controls 	<ul style="list-style-type: none"> • Compliance matrices • Control matrices • Monitor control matrices

With this process we streamline our operations, obtain reliable and opportune financial information, comply with applicable current laws and regulations,

and safeguard the resources of our institution. To achieve these objectives and consolidate our processes, we have established a priority goal:



G4-DMA AUDIT (SECTOR SPECIFIC)
G4-14, G4-47, FS9

To secure our operations are aligned with applicable regulations and our mission, we have an audit process by which we verify –conforming to activities, frequency, and scope described in the Annual Internal Audit Plan– that through standard and efficient application of the policies and procedures of our internal control, proper risk management is carried out and identification of improvement opportunities is achieved in order to renew or business model.

G4-DMA ANTI-CORRUPTION (GENERIC AND SPECIFIC)
G4-SO4

Moreover, in accordance to the International Standards for the Professional Practice of Internal Audit (issued by the Institute of Internal Auditors –1210.A2–, our auditors have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization, so we have established a Fraud Follow Up, which follows up on this type of incidents.



SECTOR PARTICIPATION

G4-DMA PUBLIC POLICY (GENERIC AND SPECIFIC), ANTI-COMPETITIVE BEHAVIOR (GENERIC AND SPECIFIC), ACTIVE OWNERSHIP

Regarding public policy, our group actively participates in sector chambers, networks and organisms in order to position our activities, inform about the way in which we manage economic, social and human value, and to share good practices with the financial sector.

Being an election year, 2015 posed several challenges due to new themes arising in the political agenda, which limited our interaction with legislative bodies and required constant monitoring of circumstances in order to identify matters that would restrict our business model and to avoid reputation risks related to the control of financial services.

G4-14

The process of managing and decreasing risks in free competition and public policy is based on close monitoring of compliance with the requirements of the authorities and adequate communication of the resulting impacts, achieving the improvement in the opinion of the Group among the stakeholders, positioning in sector chambers, and profitability of the business.

This management mode turns out to be a successful entrepreneurial project in terms of transparency and ethics due to permanent follow-up by the public in the media, biennial opinion studies and the achievement of plans and strategies defined by the External Relations and Social Responsibility Committee in order to follow up on the established objectives and goals.

2015 WAS A YEAR OF CONSOLIDATION OF ACTIVITIES RELATED TO FINANCIAL REFORM PASSED BY THE MEXICAN CONGRESS IN 2014, CREATING OPPORTUNITIES FOR THE FURTHER ASPIRATIONS OF THE GROUP

2016 GOALS

- MAINTAINING THE GRADE IN OPINION STUDIES
- CONTINUITY OF SPECIALIZED ATTENTION OF EVERY AUDIENCE



G4-16

The associations in which we actively participated as a Group are:

Mexico	Peru
<ul style="list-style-type: none"> • Asociación de Bancos de México (ABM) • Asociación Mexicana de Dirección de Recursos Humanos, A.C. (AMEDIRH) • Confederación Patronal de la República Mexicana, S.P. (COPARMEX) • Consejo de la Comunicación, A.C. • MicroFinance Network • ProDesarrollo Finanzas y Microempresa, A.C. • Red ACCION • Unión de Instituciones Financieras Mexicanas (UNIFINMEX) • Unión Social de Empresarios de México, A.C. (USEM) • Foro Económico Mundial (World Economic Forum) • Microinsurance Network • Consejo Coordinador Empresarial (CCE) 	<ul style="list-style-type: none"> • Asociación de Instituciones de Microfinanzas del Perú (ASOMIF) • Asociación de Bancos del Perú (ASBANC)

On the other hand, we are currently evaluating associations in Guatemala in order to determine which of them we will associate with in 2016.

G4-DMA PRODUCT PORTFOLIO, ACTIVE OWNERSHIP (SECTOR SPECIFIC)

Compartamos Banco is part of the Asociación de Bancos de México (ABM), and, in accordance with its established policies, it participates with voting rights in some of its committees which address specific themes related to sustainability, social responsibility and financial education.

Generation of

Economic Value

G4-EC8

We build innovative, efficient and profitable commercial models.

Indicators	2014	2015	Variation
Total portfolio (million pesos)	23,951	28,496	19.0%
Net result	3,162	3,161	0.0%
Operating efficiency	27.6%	30.00%	2.4 pp
Direct employment	18,999	20,179	6.2%
Indirect employment ⁽¹⁾	2'883,686	3'218,117	11.6%

⁽¹⁾ Number of clients at the end of the period multiplied by 1.0032 persons hired by microbusinesses, according to a national survey of microbusinesses conducted by the INEGI in 2010.

Financial performance

G4-DMA ECONOMIC PERFORMANCE

Since the Group leads in financial services for the bottom of the pyramid, and in compliance with our work to eradicate financial exclusion, we are responsible for generating constant and transparent results in order to allow our stakeholders to make better decisions.

G4-2, G4-14

Even at the risk of an increase in the default rate, in the costs of services denominated in U.S. currency, in funding costs and in the probability that some of our clients decide not to take on more credits, and together with the microeconomic and the macroeconomic context, our outstanding financial

performance brings with it positive impacts that allow our permanence as the driving group of the economy; the one providing the greatest number of people with service point infrastructure, new products and services, and job creation, in addition to the consolidation of the relationship with our funders –the commercial banks, development banks and the debt market.

We have put in place performance control processes whose objective is to maximize the positive impacts and identify possible risks, as well as to mitigate the negative impacts of the results of Genera and its companies.



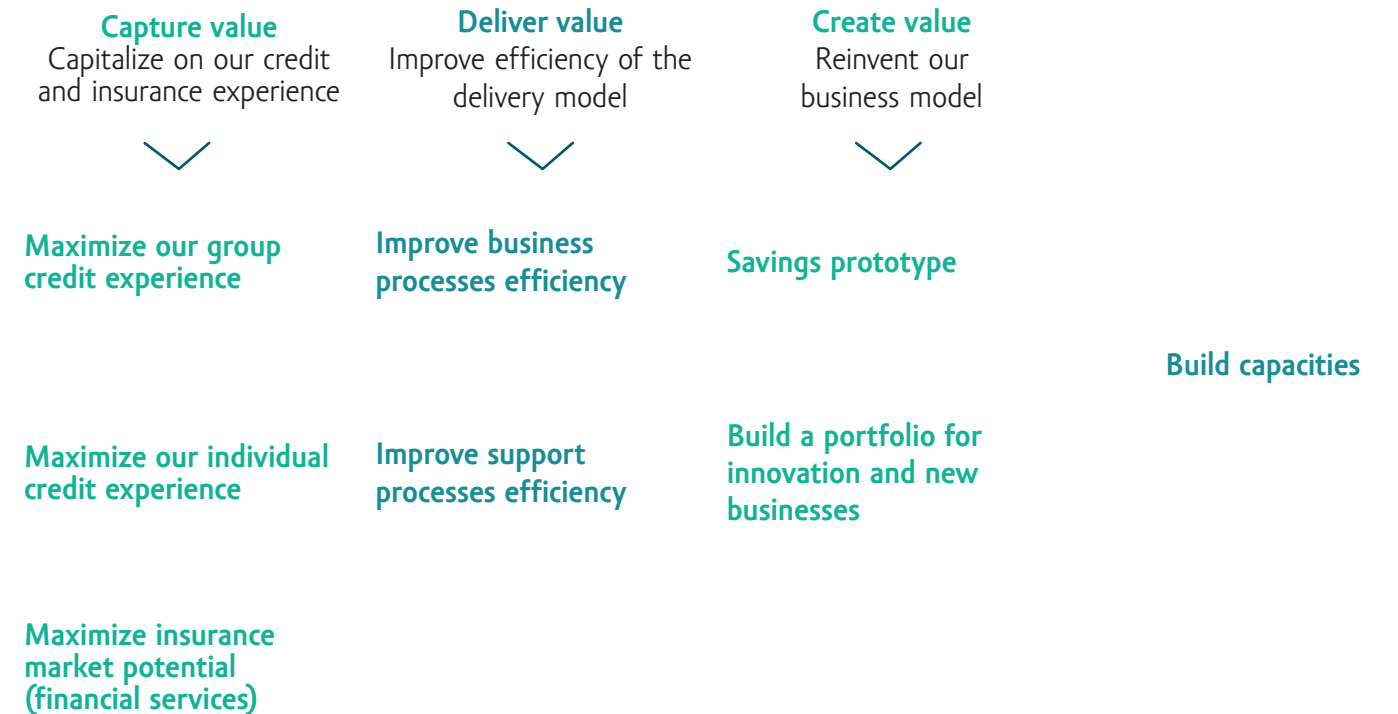
In order to manage such impacts, allow compliance of the established goals, facilitate possible deviations in the approved business plan and inform our stakeholders about these processes and results, we use the following tools:

- Monthly financial statements of all Group companies
- Monthly financial analysis
- Permanent contact with the Equity and Debt markets
- Annual Business Plan and Budget
- Board of Directors Committees which advise management as to the best practices in the industry and other countries

- Management indicators and control boards that report to the Committees and to the Board of Directors
- Reports to external entities –CNBV, BMV, SBS, rating agencies, analysts, funders, authorities and regulators–
- Report of relevant events
- Monitoring of the budget control process

OPERATING AND FINANCIAL STRATEGY G4-2

ASSETS AND CAPACITIES



19%

PORTFOLIO INCREASE

3,161

MILLION PESOS NET PROFIT

3.09%

OVERDUE PORTFOLIO

ROA

9.3%

ROE

25.1%

In conformity with these action lines, in 2015 we achieved:

- More than 3.2 million clients, increase of 333,364 clients with respect to 2014
- A portfolio of 28,496 million pesos, representing an increase of 19% with respect to 2014
- The addition of remittances to our service offer, through the acquisition of Intermex
- The acquisition of 99.99% of the stock of Compartamos Financiera in Peru
- The first issuance of debt in the Peruvian stock market
- Implementation of the new corporate ERP (SAP) in Genera

As part of our strategic renovation, we have redefined our aspirations: we aspire to empower ten million people of the under-attended segment in the next ten years, in order to improve their life through personalized digital financial solutions and generate shared value.

To achieve our aspiration, we have outlined our strategic route for the next five years; with it we intend to grow through geographical, client and financial solution diversification, bolstering the relationship with our clients and operating efficiently.

2016 GOALS

- INCREASE PORTFOLIO
- INCREASE FINANCIAL MARGIN
- REACH MORE CLIENTS
- MAINTAIN RATES
- STREAMLINE EXPENSES



FINANCIAL AND OPERATING RESULTS G4-9 G4-EC1 G4-EN31

Concept	2013	2014	2015	% variation 15/14
Clients	2'754,860	2'874,488	3'207,852	11.6%
Employees	19,339	18,999	20,179	6.2%
Branches ⁽¹⁾	577	635	758	19.4%
Portfolio (million pesos)	20,706	23,951	28,496	19.0%
Average Loan per Client	7,516	8,332	8,883	6.6%
Non-performing loans	3.12%	3.28%	3.09%	-19.0 pp
(Million pesos)				
Credit portfolio interest	12,475	14,348	17,167	19.6%
Revenue from financial investments ⁽²⁾	115	103	109	5.8%
Revenue from asset sales (tangible and intangibles)	-39	7	-15	-314.3%
Interest revenue	12,590	14,451	17,276	19.5%
Interest expenditures	818	822	885	7.7%
Financial margin	11,772	13,629	16,391	20.3%
Risk adjusted financial margin	10,164	11,937	14,185	18.8%
Operating expenditures	6,763	7,939	10,156	27.9%
Salaries and benefits ⁽³⁾	4,328	4,905	6,030	22.9%
Taxes ⁽⁴⁾	1,241	981	1,445	47.3%
Community investments (million pesos)				
Monetary donations + in kind (FRSC)	29.4	32.1	36.7	14.3%
Contributions one on one (Call for Education)	N/A	N/A	5.7⁽⁵⁾	
Volunteering (Foundation)	0.4	0.9	2.7	200.0%
Services or equipment contributions in kind	3.6	2.8	6.8	142.9%
Donation, volunteering and community programs (FRSC) management	1.4	0.8	0.5	-37.5%

Concept	2013	2014	2015	% variation 15/14
Costs and investments for environmental care (million pesos)				
Prevention and environmental management costs	0.8	1.3	1.6	23.1%
(Million pesos)				
Operating results	3,512	4,147	4,658	13.0%
Net result	2,271	3,162	3,161	0.0%
Capitalization (by terms of debt)	15,222	16,083	21,142	31.5%
Capitalization (by terms of net equity)	8,943	12,060	13,501	11.9%
Average portfolio	20,359	22,801	26,460	16.0%
Average earning assets	22,399	25,442	29,110	14.4%
Operating results/average portfolio	17.3%	18.2%	17.6%	-0.60 pp
Net result/average portfolio	11.2%	13.9%	11.9%	-2.00 pp
Operating result/average earning assets	15.7%	16.3%	16.0%	-0.30 pp
Net result/average earning assets	10.1%	12.4%	10.9%	-1.50 pp
Asset				
Availability + Security investments + repurchase debtors	2,533	3,363	3,539	5.2%
Asset	25,362	30,543	36,514	19.5%
Liquidity (availability + security investments) / total asset	10.0%	11.0%	9.7%	-1.30 pp
Total portfolio	20,706	23,951	28,496	19.0%
Overdue portfolio	645	785	881	12.2%
Fixed asset	976	921	1,087	18.0%
Liability				
Total liability	16,419	18,483	23,014	24.5%
Debt at cost	15,222	16,083	21,142	31.5%
Equity				
Earnings per share (pesos)	1.38	1.90	1.93	1.6%
Average assets	25,025	28,726	33,855	17.9%

Concept	2013	2014	2015	% variation 15/14
Average stockholders' equity	8,977	10,758	12,587	17.0%
ROA (net result/average assets)	9.1%	11.0%	9.3%	-1.70 pp
ROE (net result/average stockholders' equity)	25.3%	29.4%	25.1%	-4.30 pp
Book value per share (pesos)	5.4	7.3	8.2	12.3%
Share value by end of year (pesos)	24.4	29.7	33.35	12.5%
Total shares for UPA and PCA calculation	1,648'211,536	1,648'211,536	1,638'682,719	-0.6%

⁽¹⁾ Includes Mexico, Peru and Guatemala, and 60 Intermex branches and 11 branches of Compartamos Banco.

⁽²⁾ Figures for interest on financial loans, shareholding dividends, royalties and direct revenue from assets.

⁽³⁾ Includes salaries, bonuses, benefits and transportation bonus (fare for sales force).

⁽⁴⁾ Income tax payable and deferred.

⁽⁵⁾ In 2013 and 2014 we did not have one on one contributions. Base line for this indicator is 2015.

ECONOMIC VALUE G4-9

Share value	2013	2014	2015	COMPRAR C / Gentera share variation		
				Pesos	%	USD
Share value on last working day of year	24.4	29.7	33.4	3.7	12.5%	0.2
Exchange rate published on January 4, 2016 in DOF	13.0843	14.7414	17.2487			
Share amount	1,648'211,536	1,648'211,536	1,638'682,719			
Number of effective shareholders	5	5	3			

Credit portfolio (million pesos)	2013	2014	2015
Mexico	16,447	18,961	22,850
Peru	4,045	47,683	5,237
Guatemala	189	221	409
Total*	20,681	23,951	28,496

*In 2013, unlike the Financial Statements' portfolio, the credit portfolio does not consider a commercial portfolio loan for 25 million pesos.

Interest revenue in 2015	Million pesos	%
Mexico	15,442	89.4%
Peru	1,569	9.1%
Guatemala	265	1.5%
Total*	17,276	100.0%

Main indicators	Mexico		Peru		Guatemala	
	2015	Δ vs 2014	2015	Δ vs 2014	2015	Δ vs 2014
Overdue portfolio / total portfolio	2.86%	0.20 pp	4.18%	-1.47 pp	2.23%	-2.74 pp
Coverage rate	179.9%	4.9 pp	168.2%	19.6 pp	182.0%	64.6 pp
ROA	11.6%	-3.4 pp	2.9%	-1.5 pp	3.2%	3.4 pp
ROE	31.7%	-7.2 pp	12.5%	-21.2 pp	4.4%	4.6 pp

Percentage portfolio by region and/or business unit	Compartamos Banco	Yastás	Aterna	Genera	Compartamos Financiera	Compartamos S.A.
	(Mexico)	(Mexico)	(Mexico)	(Mexico)	(Peru)	(Guatemala)
	80.2%	0%	0%	0%	18.4%	1.4%

	Net Income (million pesos)		
	2013	2014	2015
Mexico (Compartamos Banco)	2,496	3,233	3,001
Peru	76.08	205.79	149
Guatemala	No profit yet	0.77	15.32
Genera, S.A.B. and companies	2,271	3,162	3,161



ECONOMIC VALUE - CREATED, DISTRIBUTED AND RETAINED

Concept (million pesos)	2013	2014	2015
Created direct economic value ⁽¹⁾	13,307	15,257	18,641
Distributed economic value ⁽²⁾	9,136	10,071	12,880
Retained economic value ⁽³⁾	4,171	5,186	5,761
Net result	2,271	3,162	3,161

⁽¹⁾ Created direct economic value = interest income + commissions and rates paid + intermediation income + other net operating income (expenditures).

⁽²⁾ Distributed economic value = interest expenditures + commissions and rates paid + management and promotion expenditures + participation in the results of associate + taxes - depreciation and amortization.

⁽³⁾ Retained economic value = Created direct economic value - Distributed economic value.

Concept	2013	2014	2015
Number of clients	2'754,860	2'874,488	3'207,852
Financial margin (million pesos)	11,772	13,629	16,391
Operating efficiency	27.0%	27.6%	30.0%
Operating results (million pesos)	3,512	4,147	4,658
Net income (million pesos)	2,271	3,162	3,161

FUNDING (COMPARTAMOS BANCO)

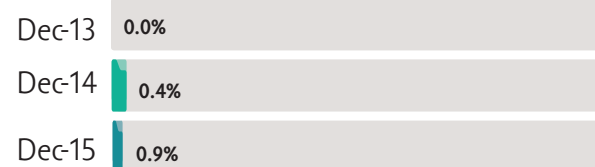
Cebures



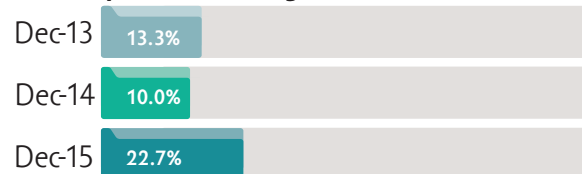
Multilateral



Commercial Banking



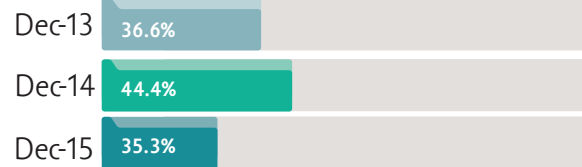
Development Banking



Collection



Equity



Compartamos Banco Data	Equity	Commercial Banking	Development Banking	Multilateral	Cebures	Collection	Total
Dec-13	36.6%	0.0%	13.3%	2.7%	47.2%	0.2%	100%
Dec-14	44.4%	0.4%	10.0%	1.0%	44.0%	0.2%	100%
Dec-15	35.3%	0.9%	22.7%	0.8%	37.9%	2.4%	100%

Peru Data ⁽¹⁾	Equity	Commercial Banking	Development Banking	Multilateral	Investment Funds	Collection	Total
Dec-13	11.0%	10.0%	30.2%	3.7%	29.4%	15.7%	100%
Dec-14	14.2%	10.6%	18.8%	7.9%	29.6%	18.9%	100%
Dec-15	26.0%	12.8%	20.0%	2.7%	20.7%	17.8%	100%

(1) In the case of Funding determination in 2013 and 2014, the structure was modified to include Funding Capture.

Genera and Mexico Data	2014		2015	
	Banco	Genera	Banco	Genera
Accumulated efficiency rate	63.0%	65.7%	68.1%	68.6%
Equity / Total Assets	41.4%	39.5%	34.0%	37.0%
ICAP	33.1%	N/A	29.1%	N/A

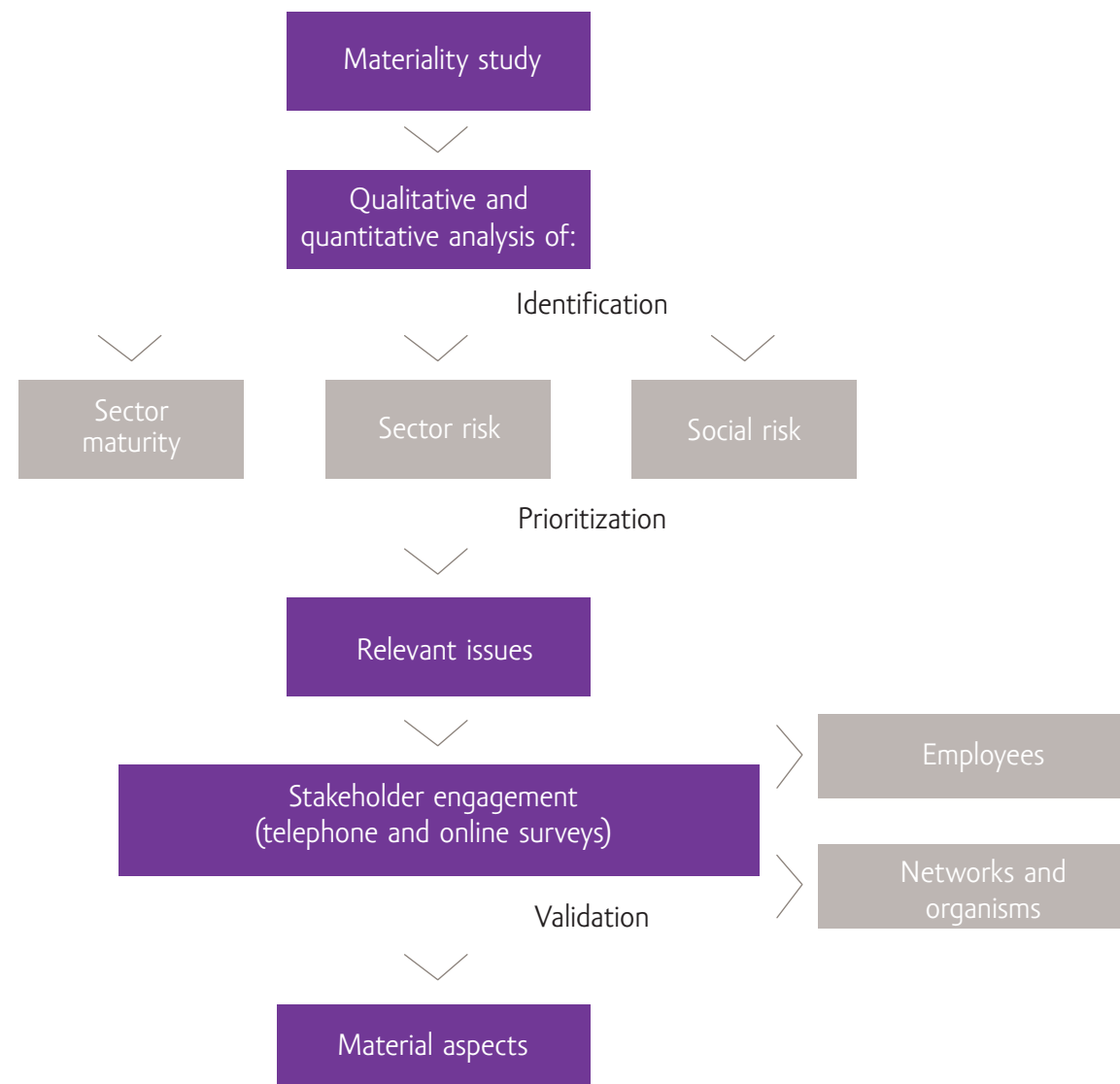
Materiality and Stakeholders



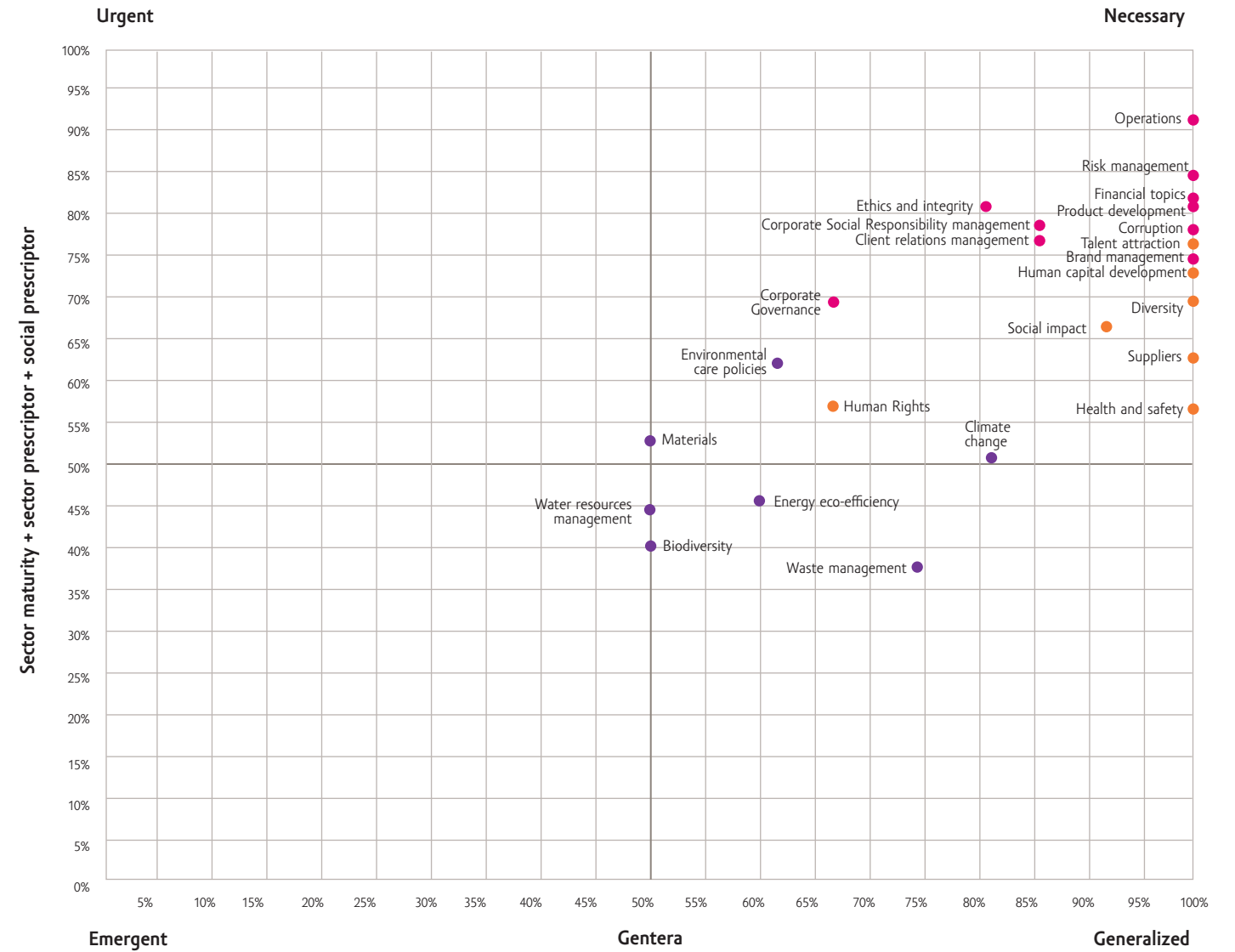
G4-18, G4-25, G4-27

In 2015 we continued to reinforce the bonds with our stakeholders, with whom we constantly interact and maintain a permanent dialogue through a range of communication channels. In addition, we consolidated our commitment with transparency by –once again– preparing our Annual and Sustainability Report based on the G4 Global Reporting Initiative Guide (GRI).

Together with milenio3genera –sustainability consultants– we carried out the renovation of our materiality study using the following methodology:



RELEVANT ISSUES FOR GENEREA



G4-26

The most important results of the engagement are the following:

EMPLOYEES

The most important issues for the group are:

- Non-discrimination
- Equal remuneration for men and women
- Diversity and equal opportunity
- Relations between employees and Management

Considered to be some of the elements Genera takes into account when focusing on the individual as a socially responsible company.

Generally, besides the Code of Ethics and Conduct, employees are not aware of the policies that address these issues; however, they are aware of Genera's initiatives to eradicate financial exclusion and empower the communities where the Group is present, the projects driven by Fundación Genera and its environmental care actions.

NETWORKS AND ORGANISMS

The issues of greatest interest to the group are:



Participants declared that to belong to an organism there is no obligation to implement social responsibility programs; nevertheless, they called attention to the proactivity of the associates in driving and exchanging best practices.

On the other hand, they point out that international trends suggest that, consistent with the commitment to operations sustainability, companies of the financial sector must establish detailed environmental and social risk analysis tools for the projects to be funded.

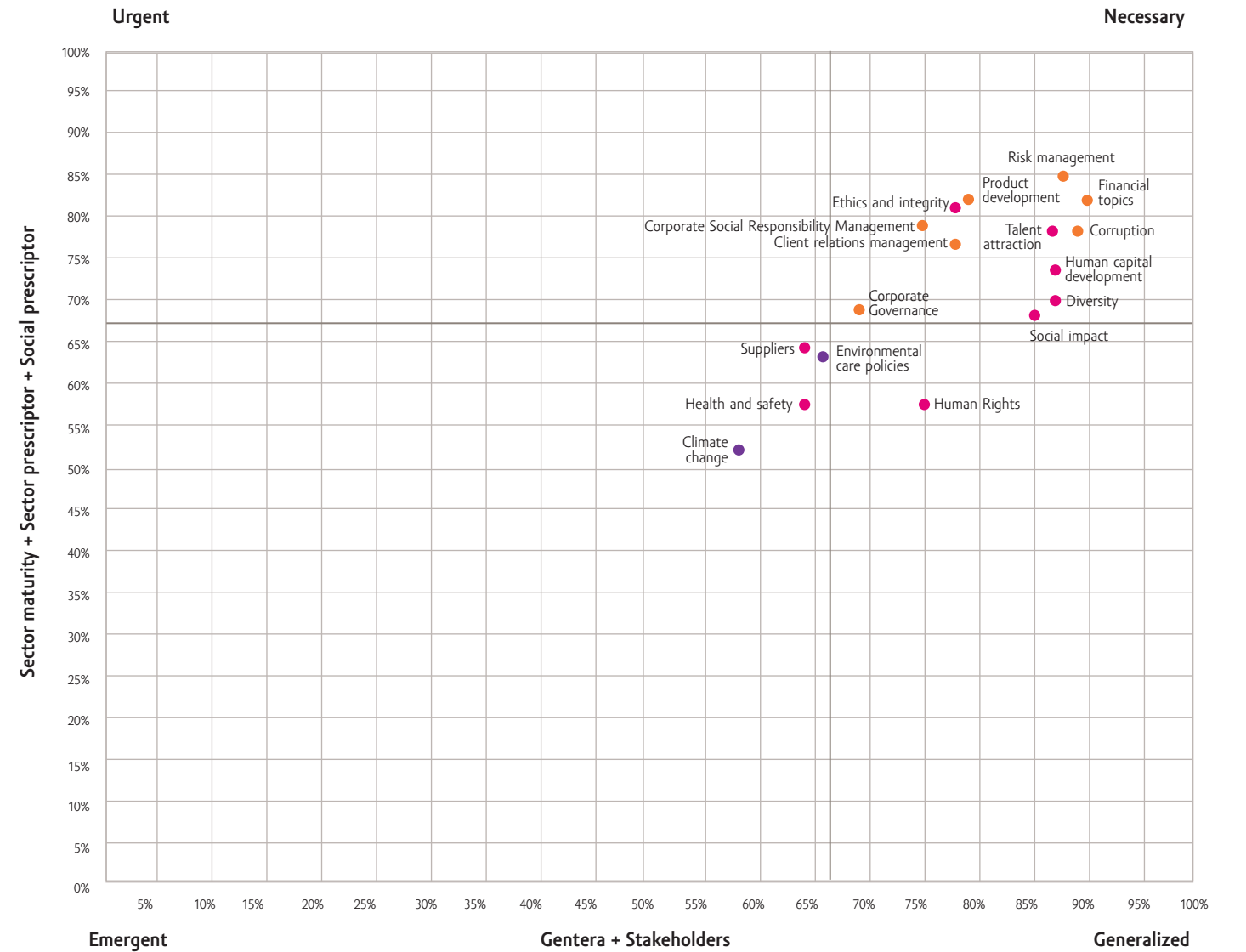
Moreover, they emphasize the importance of financial education in the sector, since they believe its importance lies in offering responsible financial services through products that are adequate for:

- Satisfying the needs of clients
- Encourage the participation of a greater number of persons in the formal financial system
- Support national economy



MATERIAL ASPECTS FOR GENEREA

Material aspects confirmed by the stakeholders in the dialogue are show in the matrix below:



G4-19

Material aspects were revised and translated into aspects established by the G4 Guide of the GRI, as shown in the following table:

Issue	GRI Aspect
Financial topics	Economic performance / Indirect economic impacts / Overall
Corruption, bribing and transparency	Anti-corruption / Public policy / Anti-competitive behavior
Risk management	Strategy and analysis / Economic performance
Talent attraction and retention	Employment / Labor-management relations
Human capital development	Training and education
Diversity and equal opportunities	Diversity and equal opportunity / Equal remuneration for women and men / Non-discrimination
Social impact	Economic performance / Indirect economic impacts / Local communities
Product and service development / product responsibility	Customer health and safety / Product and service labeling / Marketing communications / Compliance
Ethics and integrity	Ethics and integrity
Client relations management	Customer health and safety / Product and service labeling / Customer privacy
Corporate Social Responsibility management	Commitments to external activities
Corporate governance	Governance

G4-20, G4-21

Aspect boundary of every material aspect is detailed in the following table:

Material aspect	Coverage	Limit
Economic performance	● ●	Investors, employees, clients, suppliers, strategic partners and competitors
Indirect economic impacts	● ●	Clients, suppliers, communities and civil society organizations
Overall	● ●	Communities and civil society organizations

Material aspect	Coverage	Limit
Employment	● ●	Employees and communities
Labor/Management relations	● ●	Employees
Training and education	● ●	Employees
Diversity and equal opportunity	● ●	Employees, suppliers, clients and future generations
Equal remuneration for women and men	● ●	Employees
Investment	● ●	Employees, suppliers, communities and civil society organizations
Non-discrimination	● ●	Investors, employees, clients, suppliers, strategic partners, competitors, authorities, communities, civil society organizations, future generations, networks, associations and organisms, mass media and opinion leaders
Local communities	● ●	Future generations, communities and civil society organizations
Anti-corruption	● ●	Suppliers, clients, communities, employees, authorities, mass media and leaders of opinion
Public policy	● ●	Employees, strategic partners, competitors, authorities, networks, associations and organisms, mass media and opinion leaders
Anti-competitive behavior	● ●	Employees, strategic partners, competitors, authorities, networks, associations and organisms, mass media and opinion leaders
Customer health and safety	● ●	Employees, clients, authorities, networks, associations and organisms
Product and service labeling	● ●	Clients, authorities, competitors, networks, associations and organisms
Marketing communications	● ●	Employees, clients, authorities, networks, associations and organisms
Customer privacy	● ●	Employees, clients, authorities, networks, associations and organisms
Compliance	● ●	Employees, clients, authorities, networks, associations and organisms

- Material for the Group and its companies
- Material inside and outside the Groups and its companies
- Material inside the Group and its companies
- Material outside the Group and its companies

The following table shows the detail of the communication channels available to our stakeholders, as well as their expectations and the response to each of them:

G4-24, G4-26, G4-27

Stakeholder	Communication channel	Contact frequency	Expectations	Response
Clients	<ul style="list-style-type: none"> Customer service telephone lines Website Suggestion box Consultant (direct communication) Service satisfaction surveys Social networks (Facebook, Twitter and YouTube) Magazines and printed adverts 	Constant	Availability, security and speed in offered services and products, client protection features, financial education and entrepreneurship culture.	Genera offers financial services –credit, savings, payment channels and remittances- adequate, affordable and convenient for the targeted segment.
	<ul style="list-style-type: none"> Internal communication: notice board, bell, intranet, screens, e-mail, internal bulletins and magazines Mean for denouncing Code of Ethics and Conduct non-compliances 	Constant	Fair wages, balance of personal, work and family life; professional development training; volunteer activity participation.	We have a compensation system above the one required by law, leadership programs, education and training; we seek to retain human talent.
Employees	<ul style="list-style-type: none"> Integration meetings (IM) 	Monthly		
	<ul style="list-style-type: none"> Annual meetings for sales and administrative staff Philosophy annual survey (work climate) 	Annual		

Stakeholder	Communication channel	Contact frequency	Expectations	Response
Investors	<ul style="list-style-type: none"> Investor relations area Email: investor-relations@gentera.com.mx Web: https://www.gentera.com.mx/wps/portal/gentera/relacioninversionistas/informaciongeneral 	Constant	Profitability and transparency in management of the business.	We publish our results for investors in time and manner, complying with the regulations that govern us as a public Company.
	<ul style="list-style-type: none"> Quarterly reports Comments and management analysis Consolidated financial statements Notes about the consolidated financial statements Quarterly corporate presentation Conference Call Financial information package Information about financial products and derivatives Sustainable financial reports 	Quarterly		
	<ul style="list-style-type: none"> BMV (Stock Exchange) Annual Report Annual and Sustainable Report Audited financial statements 	Annual		

Stakeholder	Communication channel	Contact frequency	Expectations	Response
Suppliers	<ul style="list-style-type: none"> Procurement area for all purchases Supplier Code of Ethics and Conduct Website: https://www.gentera.com.mx/wps/portal/gentera/quienessomos/codigoetica Denounce means: <ul style="list-style-type: none"> Transparency box Telephone lines: <ul style="list-style-type: none"> Guatemala: 1800 8350 388 Mexico: 01800 506 12 64 Peru: 08000 0903 	Constant	Fair treatment, transparency and timely communication.	<p>At Gentera, procurement is carried out by the Direction of General Services and Material Resources.</p> <p>The process consists of calling for bids of the services and purchases required by other areas, sending in at least three quotes and selecting the best supplier on the basis of quality and price of the deliverable.</p> <p>To support this relationship, in 2013 we elaborated the Code of Ethics and Conduct for suppliers, which comes with a letter of acceptance in which both parties make a commitment to comply with Gentera's philosophy and principles.</p>
Authorities, regulators and legislators	<ul style="list-style-type: none"> 1x1 Meeting Field visits Business information presentations Fact sheets Website: www.gentera.com.mx Social networks (Facebook, Twitter and YouTube) 	Constant	The capacity to influence on the actors who have the power to decide on aspects of interest to the financial sector, to create an environment favorable to the business model.	<p>Gentera is a Company that complies with timely information, transparency and the regulation applicable in every country in which it operates.</p> <p>We constantly monitor the requirements of the authorities close to Gentera and its companies.</p>
Community	<ul style="list-style-type: none"> Website: www.gentera.com.mx Email: contacto@gentera.com.mx Social networks (Facebook, Twitter and YouTube) 	Constant	To have the general public find out about Gentera and its companies and the financial services they offer.	<p>Gentera is an entrepreneurial group with 25 years' experience, working for financial inclusion of the bottom of the pyramid.</p> <p>Through our companies we offer diverse financial services –credit, savings, payment channels and remittances- for the targeted segment.</p>

Stakeholder	Communication channel	Contact frequency	Expectations	Response
Civil Society organizations	<ul style="list-style-type: none"> Website: www.gentera.com.mx Fundación Gentera website: http://www.fundaciongentera.org/ Email: contacto@fundaciongentera.org Workshops for the NGOs with whom we work Employee donations 	Constant	Support social initiatives and projects in parallel to corporate social strategy to improve education and welfare of communities close the operations of Gentera and its companies.	Committed with generation of social value, Gentera has a social responsibility strategy which includes: <ol style="list-style-type: none"> The Gentera Foundation Corporate Social Responsibility at all Gentera companies.
Competitors	<ul style="list-style-type: none"> Annual and Sustainability Report Call for Education Fundación Gentera Activity Report 	Annual	Free competition and knowledge of the Gentera business model.	Gentera, leader in financial inclusion, is a transparent organization, which has contributed to the creation of the industry throughout 25 years.
Future generations	<ul style="list-style-type: none"> Public financial statements Advertising campaigns Website: www.gentera.com.mx Social networks (Facebook, Twitter and YouTube) 	Constant	Generate social value for children and Young people of the communities where we operate to contribute to the development of education in Mexico.	<p>Gentera, leader in financial inclusion, is a transparent organization, which has contributed to the creation of the industry throughout 25 years.</p> <p>Gentera aspires to generate three types of value: social, economic and human, in the communities where it operates.</p> <p>Children and young people who are part of these communities are important to Gentera and its companies.</p>
	<ul style="list-style-type: none"> INCLUSO Program Web chavitos: https://www.compartamos.com.mx/wps/portal/Banco/Clientes/ChavitosCompartamos Social networks (Facebook, Twitter and YouTube) "Tu vida, tu proyecto" conference "Compartamos Aventuras" play for children in partnership with Fundación Nemi Compartamos con la Comunidad Day 	Constant	Children's Drawing Competition	<p>Children's Drawing Competition</p> <p>Escuadrón 9/10 marketing promotion</p> <p>Family Day</p>

Stakeholder	Communication channel	Contact frequency	Expectations	Response
Media and leaders of opinion	<ul style="list-style-type: none"> Positioning campaigns in mass media Advertisements Press releases Bulletin website: https://www.genera.com.mx/wps/portal/genera/prensa/boletines/boletines2015 1x1 Interviews Media website: https://www.genera.com.mx/wps/portal/genera/prensa/medios Email: medios@genera.com.mx 	Constant	Transparency, opportunity and truthfulness in delivered information.	<p>Genera is an entrepreneurial group with 25 years' experience, working for financial inclusion of the bottom of the pyramid.</p> <p>We provide information of results and news that impact operation and are that are of interest.</p> <p>We maintain an open relationship and constant communication with financial and business news sources.</p>
Partners	<ul style="list-style-type: none"> Agreements Social partnerships 	Annual	Genera makes partnerships in two ways: some focused on the business to improve business unit efficiency, and others focused on social issues.	Genera is open to considering agreements with different organizations in terms of the business model and corporate social responsibility strategy.
Networks, associations and organisms	<ul style="list-style-type: none"> Participation in forums and committees ad hoc to specific issues related to the Business model of the group and its companies 1x1 Meeting Business information dispatches 	Constant	Transparency and cooperation with associations of the financial sector.	As part of the financial system, Genera constantly participates in associations that represent its business model.
Academia	<ul style="list-style-type: none"> Summer scholarship program, social service and professional internships Website: https://www.genera.com.mx/wps/portal/genera/carrera/becarios Email: academia@genera.com.mx 	Periodic	Link to the academic sector to share the business model.	<p>We are open to participating in academic studies that contribute with results of the industry. We also participate with lectures and presentations at university academic forums.</p> <p>Our academic relations programs, such as the one for Summer Scholarships, brings college students to projects related to the financial services we offer.</p>

About our report

G4-18, G4-22, G4-28, G4-30, G4-32, G4-33

Our Annual and Sustainability Report informs of our economic and social performance during the period between January 1 and December 31, 2015. It has been elaborated for second consecutive year based on the G4 methodology of the Global Reporting Initiative (GRI), having chosen the option <<in accordance>> Core to report.

The document herein complies with the principles to determine the content and quality of the report, since it is a communication tool that is clear, balanced, comparative, precise, specific and reliable:

SUSTAINABILITY CONTEXT	Throughout the report, we show the way in which we contribute to the generation of social, economic and human value, and to improving the quality of life of our clients, employees and the communities in which we are present.
MATERIALITY	We carried out a materiality study to determine the aspects that are important to our Company and our stakeholders; on these we focus our report.
STAKEHOLDER INCLUSIVENESS	In order to communicate our performance in this report, we considered the comments and expectations of our stakeholders regarding the issues resulting relevant in the materiality study.
COMPLETENESS	The data presented in the report reflects the performance of Genera and its companies in 2015 in a complete manner. In addition, it shows the impacts on the resulting material aspects and the scope of each one of them.

On this occasion, for the first time we reported the performance of Intermex, since we achieved its incorporation into our operations in April 2015. Moreover, we carried out a reclassification of the category for education beneficiaries with respect to 2014; it is now the concept publications for co-investment.

To reinforce our commitment with transparency and reliability of the information presented throughout our report, we have had it externally verified by Valora Cosultores.

GRI Content Index

G4-32

GENERAL STANDARD DISCLOSURES			
General standard disclosures	Page number or link	Direct response / Observations	External assurance (p. 114-115)
Strategy and analysis			
G4-1	11-15		✓
G4-2	11-15, 84-86		✓
Organizational profile			
G4-3	180		✓
G4-4	6-9, 21-30, 31		✓
G4-5	180		✓
G4-6	4		✓
G4-7	180		✓
G4-8	21-30		✓
G4-9	87, 89		✓
G4-10	55-56		✓
G4-11	55		✓
G4-12	51		✓
G4-13	27, 29, 50		✓
G4-14	8, 32, 34, 71, 77, 79, 80, 84		✓
G4-15	43-47		✓
G4-16	81		✓
Identified material aspects and boundaries			
G4-17	6		✓
G4-18	96, 107		✓
G4-19	99-100		✓
G4-20	100-101		✓
G4-21	100-101		✓
G4-22	107		✓
G4-23	29		✓
Stakeholder engagement			
G4-24	102-106		✓
G4-25	96		✓
G4-26	97-98, 102-106		✓
G4-27	96-98, 102-106		✓

General standard disclosures	Page number or link	Direct response / Observations	External assurance (p. 114-115)
Report profile			
G4-28	107		✓
G4-29		2014	✓
G4-30	107	Annual	✓
G4-31	180		✓
G4-32	107, 108-113		✓
G4-33	107, 114-115		✓
Governance			
G4-34	69-71		✓
G4-38	70-71		✓
G4-39	70		
G4-40	70		
G4-41	68		
G4-44	70		✓
G4-45	71		✓
G4-46	71		✓
G4-47	79		✓
G4-48	71		✓
G4-51		The executives on the Board of Directors did not receive compensation for this work.	
Ethics and integrity			
G4-56	75-76		✓
G4-57	75-76		✓
G4-58	75-76	171 complaints; 1,248 inquiries.	✓

SPECIFIC STANDARD DISCLOSURES						
DMA and Indicators	Page number or link	Identified omission(s)	Reason(s) for omission(s)	Explanation for omission(s)	Direct response / Observations	External assurance (p. 114-115)
CATEGORY: ECONOMIC						
Material aspect: Economic performance						
G4-DMA	39, 84-85					
G4-EC1	39, 41, 43, 48, 49, 87-89					✓
G4-EC1 Sector addition	39-43, 48					

DMA and Indicators	Page number or link	Identified omission(s)	Reason(s) for omission(s)	Explanation for omission(s)	Direct response / Observations	External assurance (p. 114-115)
G4-EC3					All employees with six months' minimum seniority may contribute a minimum and maximum percentage of their base salary to the plan, while the institution contributes an equal amount according to seniority and age -employees 2% and company 1% of the monthly base salary- (scope: Mexico -Yastás, Aterna, Intermex, branches and CEAS-).	✓
G4-EC4					Genera does not receive economic support from the government.	✓
Material aspect: Indirect economic impacts						
G4-DMA	41, 43, 48					
G4-EC7	27, 49					✓
G4-EC8	31, 42, 48, 82					✓
CATEGORY: ENVIRONMENTAL						
Material aspect: Overall						
G4-DMA	39					
G4-EN31	39, 87-88					✓
CATEGORY: SOCIAL						
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK						
Material aspect: Employment						
G4-DMA	51, 55					
G4-LA1	56-57					✓
G4-LA2	61-62					✓
G4-LA3	62					✓
Material aspect: Labor/Management relations						
G4-DMA	58					
G4-LA4					In collective agreements the minimum notice period is established: two months prior for negotiations and consultations.	✓
Material aspect: Training and education						
G4-DMA	63					
G4-LA9	63-65					✓
G4-LA10	65					✓
G4-LA11	66					✓
Material aspect: Diversity and equal opportunity						
G4-DMA	59-60					

DMA and Indicators	Page number or link	Identified omission(s)	Reason(s) for omission(s)	Explanation for omission(s)	Direct response / Observations	External assurance (p. 114-115)
G4-LA12	55, 69					✓
Material aspect: Equal remuneration for women and men						
G4-DMA	59-62					
G4-LA13	61					✓
SUB-CATEGORY: HUMAN RIGHTS						
Material aspect: Non-discrimination						
G4-DMA	59-60					
G4-HR3					No complaints were received in the Denunciation Follow Up Area of the Code of Ethics and Conduct regarding any type of discrimination.	✓
SUB-CATEGORY: SOCIETY						
Material aspect: Local communities						
G4-DMA	41, 48, 50					
G4-SO1	32, 47, 48					✓
FS13	28-29					✓
FS14	28					✓
Material aspect: Anti-corruption						
G4-DMA	39, 76, 79					
G4-SO4	51, 76, 79					✓
G4-SO5					No registered cases.	✓
Material aspect: Public policy						
G4-DMA	80					
G4-SO6					Neither Genera nor its companies make contributions, either monetary or in kind, to political parties or candidates for elected office in any of the three countries in which they operate.	✓
Material aspect: Anti-competitive behavior						
G4-DMA	80					
G4-SO7					No lawsuits regarding this concept.	✓
SUB-CATEGORY: PRODUCT RESPONSIBILITY						
Material aspect: Customer health and safety						
G4-DMA	34-36					
G4-PR1	25, 32, 34-36					✓
G4-PR2					During the reporting period no regulatory non-compliances were present relative to the impact on clients' health and safety of products and services.	✓

DMA and Indicators	Page number or link	Identified omission(s)	Reason(s) for omission(s)	Explanation for omission(s)	Direct response / Observations	External assurance (p. 114-115)
Material aspect: Product and service labeling						
G4-DMA	32, 35-36					
G4-PR3	35-36					✓
G4-PR4					During the reporting period no regulatory non-compliances were present relative to labeling of products and services.	✓
G4-PR5					Client satisfaction rate: 81%.	✓
Material aspect: Marketing communications						
G4-DMA	35					
G4-PR6					Neither Genera nor its companies offer products and services that are banned or under litigation. All of the products and services fully comply with applicable current regulations.	✓
G4-PR7					During the reporting period no non-compliances were present relative marketing communications.	✓
Material aspect: Customer privacy						
G4-DMA	35-37					
G4-PR8					There are no founded complaints; however, Genera -through the Information Confidentiality Area- responded to 89 ARCO rights claims, in accordance to what is established in article 28 of the LFPDPPP.	✓
Material aspect: Compliance						
G4-DMA	35-36,77					
G4-PR9					In 2015 banking authorities issued no administrative sanctions, as there were no regulatory non-compliances regarding client health and safety, labeling or advertising.	✓
FINANCIAL SERVICES SECTOR DISCLOSURES						
Aspect: Product portfolio						
G4-DMA	32, 35-36, 76, 81					
FS6	23-24					✓
FS7	23, 25-26					✓

DMA and Indicators	Page number or link	Identified omission(s)	Reason(s) for omission(s)	Explanation for omission(s)	Direct response / Observations	External assurance (p. 114-115)
FS8					Neither Genera nor its companies have products or services that provide environmental benefits.	✓
Aspect: Audit						
G4-DMA	32, 39, 48, 79					
Aspect: Active ownership						
G4-DMA	80-81					
FS10					In 2015, the Social Responsibility Fund and Fundación Genera worked together with 160 suppliers on social and environmental issues.	✓
FS11	40				Neither Genera nor its companies have assets that require environmental controls.	✓

G4-33

External assurance



Independent Review Report to the Directorate of Genera S.A.B. de C.V.

We conducted a review of non-financial information in "Leaders in financial inclusion: Annual and Sustainability Report 2015" (hereinafter "Report") of Genera S.A.B. de C.V. (hereinafter Genera) closed at December 31, 2015.

Scope of our work

The Directorate of Genera is responsible for the preparation and submission of the report in accordance with the Sustainability Reporting Guidelines of Global Reporting Initiative version 4.0 (G4) and the Financial Services Sector Supplement of the Global Reporting Initiative, as detailed in the G4-32 item "GRI index" of the "Report".

Our responsibility was to carry out a review intended to provide a limited level of assurance on the content of "Report" in terms of performance indicators included in the Guide for the Elaboration of Sustainability Reports of Global Reporting Initiative version 4.0 (G4) and Financial Services Sector Supplement of the Global Reporting Initiative.

Our work has been done according to the Standard ISAE3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) in order to ensure that the verification process accomplish with ethical requirements necessary to ensure the independence of our work as auditors of non-financial information. This standard requires that we plan and perform our work to obtain limited assurance about whether the report is free of material misstatement.

The scope of evidence gathering procedures performed in an engagement with a limited assurance level is less than the one performed in an engagement with a reasonable assurance level and therefore also the level of security provided. This report must not be understood as an audit report.

Summary of activities

The actions carried out to perform the review of the "Report" according to the Standard ISAE3000 were:

- Risk analysis of information to identify material events occurring during the reporting period.
- Review of the materiality assessment.
- Interviews with Genera's staff responsible for providing the information contained in the "Report".
- Analysis of gathering processes and internal controls performed over quantitative data reflected in the "Report" regarding the reliability of information, using analytical procedures and sampling review testing.



- Comparison of the report versus the previous year: monitoring programs, depth of information and increased indicators, when applicable.
- Review of the implementation of the requirements set forth in the Guide for the elaboration of Sustainability Reports of Global Reporting Initiative G4 version 4.0 (G4).
- Verifying the GRI index table of the final draft of the report, depending on the in accordance the option chosen.

The indicators revised in the "Report" during the financial year closed at December 31, 2015, were the following:

G4-1; G4-2; G4-3; G4-4; G4-5; G4-6; G4-7; G4-8; G4-9; G4-10; G4-11; G4-12; G4-13; G4-14; G4-15; G4-16; G4-17; G4-18; G4-19; G4-20; G4-21; G4-22; G4-23; G4-24; G4-25; G4-26; G4-27; G4-28; G4-29; G4-30; G4-31; G4-32; G4-33; G4-34; G4-38; G4-44; G4-45; G4-46; G4-47; G4-48; G4-56; G4-57; G4-58; G4-EC1; G4-EC3; G4-EC4; G4-EC7; G4-EC8; G4-EN31; G4-LA1; G4-LA2; G4-LA3; G4-LA4; G4-LA9; G4-LA10; G4-LA11; G4-LA12; G4-LA13; G4-HR3; G4-SO1; G4-FS13; G4-FS14; G4-SO4; G4-SO5; G4-SO6; G4-SO7; G4-PR1; G4-PR2; G4-PR3; G4-PR4; G4-PR5; G4-PR6; G4-PR7; G4-PR8; G4-PR9; G4-FS6; G4-FS7; G4-FS8; G4-FS10; G4-FS11.

Conclusions

Based on the procedures performed, as described above, on "Leaders in financial inclusion: Annual Report and Sustainability 2015" from Genera S.A.B. de C.V. financial year closed at December 31, 2015, we conclude that:

- Meets the contents needed to be in accordance with the Essential option for the development of Sustainability Reports of Global Reporting Initiative version 4.0 (G4).
- It has not been revealed attention that causes us to believe that the information contained in the "Report" was not obtained with reliability, the information is not presented properly, or that there are significant discrepancies or omissions, or that the "Report" has not been prepared in accordance with the requirements set forth in the Guide for the preparation of Sustainability Reports of Global Reporting Initiative G4 version 4.0 (G4).

Valora Sostenibilidad e Innovación S.A. de C.V
Jose Luis Madrid



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders

Gentera, S. A. B. de C. V.:

(Free Translation from Spanish Language Original)

We have audited the accompanying consolidated financial statements of Gentera, S. A. B. de C. V. (Gentera) and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, 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 of Gentera, S. A. B. de C. V. and Subsidiaries, for the years ended December 31, 2015 and 2014, have been prepared in all material respects, in accordance with the accounting criteria for credit institutions in Mexico issued by the Commission.

KPMG CARDENAS DOSAL, S. C.

Alejandro De Alba Mora

February 18, 2016.

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

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

(Free Translation from Spanish Language Original)



GENTERA®



Genera, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31, 2015 and 2014

(Millions of Mexican pesos)

Assets	2015	2014
Cash and cash equivalents (note 6)	\$ 3,378	3,143
Investment securities (note 7):		
Available for sale	25	24
Debtors on repurchase/resell agreements (note 8)	136	196
Current loan portfolio (note 9):		
Commercial loans:		
Business and commercial	547	415
Consumer loans	27,030	22,702
Residential mortgages	38	49
Total current loan portfolio	27,615	23,166
Past-due loan portfolio (note 9):		
Commercial loans:		
Business and commercial	21	23
Consumer loans	858	761
Residential mortgages	2	1
Total past-due loan portfolio	881	785
Total loan portfolio	28,496	23,951
Less:		
Allowance for loan losses (note 9)	1,560	1,294
Loan portfolio, net	26,936	22,657
Other accounts receivable, net (note 10)	1,987	587
Property, furniture and equipment, net (note 11)	1,087	921
Investment in associated company (note 3k)	124	107
Deferred income tax, net (note 16)	596	1,056
Other assets, deferred charges and intangibles, net (note 12)	2,245	1,852
Total assets	\$ 36,514	30,543

Liabilities and Stockholders' Equity	2015	2014
Liabilities:		
Deposit funding (note 13):		
Demand deposits	\$ 174	96
Time deposits:		
General public	777	878
Money market	624	-
Debt securities issued	10,014	9,273
	11,589	10,247
Bank and other loans (note 14):		
Due on demand	-	90
Short-term	3,860	2,709
Long-term	5,692	3,037
	9,552	5,836
Derivatives:		
Trading (note 3f)	7	-
Other accounts payable:		
Income tax payable	11	694
Employee statutory profit sharing payable (note 16)	35	38
Sundry creditors and other accounts payable (note 17)	1,766	1,616
	1,812	2,348
Deferred credits and prepayments	53	52
Total liabilities	23,013	18,483
Stockholders' equity (note 19):		
Paid-in capital:		
Capital stock	4,764	4,764
Additional paid-in capital	558	763
	5,322	5,527
Earned capital:		
Statutory reserves	1,045	870
Prior years' results	3,693	2,150
Cumulative translation adjustment	258	147
Net income	3,150	3,125
	8,146	6,292
Non-controlling interest	33	241
Total stockholders' equity	13,501	12,060
Commitments and contingent liabilities (note 20)		
Total liabilities and stockholders' equity	\$ 36,514	30,543

Memorandum accounts	2015	2014
Contingent assets (note 6)	\$ 1,464	1,380
Uncollected interest accrued on past due loans (note 9)	126	102
Other memorandum accounts (note 14)	23,227	20,379

The historical capital stock as of December 31, 2015 and 2014, amounts to \$4,764, in each year.

The accompanying notes are an integral part of these consolidated financial statements.

"These consolidated balance sheets were prepared in accordance with the accounting criteria for credit institution issued by the National Banking and Securities Commission based on Article 78 of "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Institution through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

"These consolidated balance sheets were approved by the Board of Directors under the responsibility of the following officers."

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
Controller

Genera, S. A. B. de C. V. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2015 and 2014
(Millions of Mexican pesos, except earning per share)

	2015	2014
Interest income (note 22)	\$ 17,276	14,451
Interest expense (note 22)	(885)	(822)
Financial margin	16,391	13,629
Provision for loan losses (note 9)	(2,206)	(1,692)
Financial margin after provision for loan losses	14,185	11,937
Commissions and fee income (note 22)	1,189	883
Commissions and fee expense (note 22)	(736)	(657)
Financial intermediation result	18	-
Other operating income (expenses), net (note 22)	158	(77)
Administrative and promotional expenses	(10,156)	(7,939)
Operating income	4,658	4,147
Equity method of associated company (note 3k)	(52)	(4)
Operating income before income tax	4,606	4,143
Current income tax (note 16)	(985)	(1,862)
Deferred income tax (note 16)	(460)	881
Net income	3,161	3,162
Non-controlling interest	(11)	(37)
Controlling interest net income	\$ 3,150	3,125
Earning per share (in pesos)	\$ 1.93	1.90

The accompanying notes are an integral part of these consolidated financial statements.

“These consolidated statements of income were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Article 78 of “General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants” applied on a consistent basis. Accordingly, they reflect the revenues and disbursements relating to the transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.”

“These consolidated statements of income were approved by the Board of Directors under the responsibility of the following officers.”

Carlos Labarthe Costas
Chief Executive Officer

Patricio Díez de Bonilla García Vallejo
Chief Financial Officer

Oscar Luis Ibarra Burgos
General Internal Auditor

Marco Antonio Guadarrama Villalobos
Controller

<https://www.gentera.com.mx/wps/portal/Gentera/Inicio>

Genera, S. A. B. de C. V. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2015 and 2014

(Millions of Mexican pesos)

	Paid-in capital		Earned capital				Non-controlling interest	Total stockholders' equity
	Capital stock	Additional paid-in capital	Statutory reserves	Prior years' results	Cumulative translation adjustment	Net income		
Balances as of December 31, 2013	\$ 4,764	763	731	207	43	2,264	171	8,943
Changes resulting from stockholders' decisions:								
Constitution of reserve for the fund to repurchase shares (note 19)	-	-	208	(208)	-	-	-	-
Repurchase of shares (note 19)	-	-	(182)	-	-	-	-	(182)
Resolutions agreed on April 24, 2014:								
Appropriation of prior year's net income (note 19)	-	-	-	2,264	-	(2,264)	-	-
Constitution of statutory reserve (note 19)	-	-	113	(113)	-	-	-	-
Total	-	-	139	1,943	-	(2,264)	-	(182)
Changes related to the recognition of comprehensive income:								
Net income	-	-	-	-	-	3,125	37	3,162
Cumulative translation adjustment of subsidiaries	-	-	-	-	104	-	-	104
Total	-	-	-	-	104	3,125	37	3,266
Non-controlling interest	-	-	-	-	-	-	33	33
Balances as of December 31, 2014	4,764	763	870	2,150	147	3,125	241	12,060
Changes resulting from stockholders' decisions:								
Resolutions agreed on April 24, 2015:								
Constitution of statutory reserve (note 19)	-	-	156	(156)	-	-	-	-
Constitution of reserve for the fund to repurchase shares (note 19)	-	-	185	(185)	-	-	-	-
Appropriation of prior year's net income (note 19)	-	-	-	3,125	-	(3,125)	-	-
Dividend payment (note 19)	-	-	-	(1,241)	-	-	-	(1,241)
Repurchase of shares (note 19)	-	-	(166)	-	-	-	-	(166)
Premium paid for change in the subsidiary participation (note 19)	-	(205)	-	-	-	-	-	(205)
Total	-	(205)	175	1,543	-	(3,125)	-	(1,612)
Changes related to the recognition of comprehensive income:								
Net income	-	-	-	-	-	3,150	11	3,161
Cumulative translation adjustment of subsidiaries	-	-	-	-	111	-	-	111
Total	-	-	-	-	111	3,150	11	3,272
Non-controlling interest	-	-	-	-	-	-	(219)	(219)
Balances as of December 31, 2015	\$ 4,764	558	1,045	3,693	258	3,150	33	13,501

The accompanying notes are an integral part of these consolidated financial statements.

"These consolidated statements of changes in stockholders' equity were prepared in accordance with the accounting criteria for credit institutions issued by the National Banking and Securities Commission based on Article 78 of "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect all the stockholders' equity account entries relating to the transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

"These consolidated statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the following officers."

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
Controller

<https://www.genera.com.mx/wps/portal/Genera/Inicio>

Genera, S. A. B. de C. V. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2015 and 2014

(Millions of Mexican pesos)

	2015	2014
Net income	\$ 3,150	3,125
Adjustment for items not requiring cash flows:		
Depreciation and amortization	394	333
Provisions	361	560
Current and deferred income tax	1,445	981
Equity investment in associated company	52	4
	2,252	1,878
Operating activities:		
Change in investment securities	(1)	(2)
Change in debtors on repurchase/resell agreements	60	146
Change in loan portfolio (net)	(4,279)	(3,179)
Change in other operating assets (net)	(1,700)	(91)
Change in deposit funding	1,342	1,006
Change in derivatives	7	-
Change in bank and other loans	3,716	(145)
Change in other operating liabilities	(1,881)	(1,219)
Net cash flows from operating activities	2,666	1,519
Investment activities:		
Increase in subsidiary's participation	(231)	-
Premium paid for change in the subsidiary participation	(205)	-
Proceeds from the disposal of furniture and equipment	6	4
Payments in the acquisition of furniture and equipment	(478)	(214)
Investment in associated company	(69)	(111)
Increase in intangibles assets	(181)	(172)
Net cash flows from investment activities	(1,158)	(493)
Financing activities:		
Payments associated to repurchase of own shares	(166)	(182)
Dividends payments in cash	(1,241)	-
Change in non-controlling interest	23	70
Net cash flows from financing activities	(1,384)	(112)
Net increase in cash and cash equivalents	124	914
Effects on changes in cash and cash equivalents	111	60
Cash and cash equivalents at the beginning of the year	3,143	2,169
Cash and cash equivalents at the end of the year	\$ 3,378	3,143

The accompanying notes are an integral part of these consolidated financial statements.

"These consolidated statements of cash flows were prepared in accordance with the accounting criteria for credit institutions, issued by the National Banking and Securities Commission, based on Article 78 of "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect the cash inflows and outflows arising from transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

"These consolidated statements of cash flows were approved by the Board of Directors under the responsibility of the following officers."

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
Controller

<https://www.gentera.com.mx/wps/portal/Gentera/Inicio>

Genera, S. A. B. de C. V. and Subsidiaries**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2015 and 2014

(Millions of Mexican pesos)

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

I. DESCRIPTION OF BUSINESS AND SIGNIFICANT TRANSACTIONS –**Description of business–**

Genera 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, 2015 and 2014, 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 in Mexico.
- 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. Compartamos Financiera, S. A. (Compartamos Financiera) 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), is an entity incorporated in Mexico, which purpose is: 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 through any other means of communication, among others.
- v. Compartamos Servicios S. A. de C. V. (Compartamos Servicios), is an entity incorporated in Mexico, which purpose is 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), is an entity incorporated in Mexico, which consolidates Aterna, Agente de Seguros y Fianzas, S. A. de C. V. (Aterna). Controladora AT has as purpose the purchase, sale, transfer, assessment, and in general the marketing in any way with shares, stocks, rights and interests in commercial corporations, and any other entities, domestic and foreign, either as a founder or by acquiring shares in companies that were previously constituted. Aterna is an entity incorporated in Mexico, which purpose is to act as insurance and bonding agent under the terms of the General Law for Insurance and Mutual Insurance Companies, Federal Bonding Institutions Act and Regulation of Insurance Agents and Bonding.

- vii. Pagos Intermex, S. A. de C. V. ("Intermex") (subsidiary beginning 2015, see fraction III of 2015 significant transactions in this note), is an entity incorporated in Mexico, which main activity is the operation of money orders from the United States of America, mainly of Mexicans to their families in different states of Mexico, which are delivered through its network of correspondents.

2015 Significant transactions–

- I. On March 23, 2015, Genera acquired remaining 15.79% of the shares of Compartamos Financiera, with this transaction Genera becomes holding of 99.99% of shares of this subsidiary. Derived from this latest acquisition, Genera recognized a charge of \$205 under the caption "Additional paid-in capital".
- II. Through official letter No. 142-4/11122/2015 dated March 27, 2015, the National Banking and Securities Commission (the Commission), authorized the Bank beginning April 16, 2015, to start foreign exchange trading transactions.
- III. On April 15, 2015, Genera concluded the acquisition process of Intermex (see fraction III of 2014 significant transactions in this note) which main activity is the operation of money orders and foreign exchange trading; this transaction represented, through the use of the Intermex infrastructure, the incorporation of sixty branches to the Bank, as well as the purchase of foreign currency positions to Intermex for subsequent sale. In addition, the incorporation of these branches represented the increase of cash and cash equivalents.
- IV. On July 28, 2015, through Board of Directors' Meeting, the investment increase in the associated Finestrella, S. A. P. I. de C. V. (Finestrella) was approved, through the subscription and payment of shares for \$66, thus at December 31, 2015, percentage of participation was increased to 43.16% of capital stock. Likewise, a funding for \$30 convertible into shares, when certain agreements and financial goals are met, was approved.
- V. At the Extraordinary Shareholders' Meeting held on November 30, 2015, the merger of Compartamos Servicios as enquirer company with its related party Pagos Genera S. A. de C. V. (formerly Monex Servicios, S. A. de C. V., see fraction III 2014 significant transactions of this note) was approved.

2014 Significant transactions–

- I. During the first half of 2014, a licitation process was undertaken to sell Bank's loan portfolio previously written-off during the years 2010, 2011 and 2013, whose amount of principal and not collected accrued interests at the time of write-off amounted to \$1,798. On March 24, 2014, as a result of this licitation, an onerous contract of assignment of loans was signed, generating to the Bank a tax loss on loan portfolio sale of \$1,797, which under current tax legislation will be deductible at the time that the book value of allowance for loan losses as of December 31, 2013 is applied; the Bank decided to take the future deduction for the loss up to the amount updated at December 31, 2013, from the remaining surplus pending to be deducted of the global preventive allowance for loan losses which amounts to \$1,193, therefore the tax loss carryforward of \$358, was realized in the year ended December 31, 2015 (notes 9 and 16).
- II. On July 28, 2014, through Board of Directors' Meeting, the investment in Finestrella was approved, which is incorporated in Mexico, the investment through the subscription and payment of shares for \$111, representing 33% of capital stock, and grating funding for \$20 convertible into shares when certain agreements and financial goals are met. Finestrella's main activity is lending through an electronic platform.
- III. On July 28, 2014, the Board of Directors' Meeting approved to enter into the business of money orders from the United States to Mexico by acquiring 100% of Intermex and Monex Servicios. On October 16, 2014, a purchase agreement was signed to acquire 100% of capital stock of Intermex and Monex Servicios for \$186. Such acquisition subject to the fulfillment of various conditions precedent common to this type of transaction and the authorization of the Commission, was concluded in 2015.

2. AUTHORIZATION AND BASIS OF PRESENTATION-

Authorization

On February 18, 2016, 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	Controller

The shareholders of Gentera are empowered to modify the consolidated financial statements after its issuance. The accompanying 2015 consolidated financial statements were authorized for issuance by the Board of Directors.

Basis of preparation

a) Statement of compliance

On March 16, 2011, 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 75% and 84% of the consolidated assets and revenues, respectively, as of and for the year ended December 31, 2015 (74% and 89% respectively, in 2014), 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 institutions 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.

b) Use of estimates and judgments

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 financial instruments, realization of deferred income tax asset and liability relating to employee benefits. Actual results may differ from these estimates and assumptions.

c) Functional and reporting currency

The financial statements of the subsidiaries have been translated 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 (\$5.0567 Mexican pesos per sol and \$2.2599 Mexican pesos per quetzal as of December 31, 2015), b) historical for stockholder’s equity and c) weighted average of the period (\$5.0494 Mexican pesos per sol and \$2.2430 Mexican pesos per quetzal) for revenues costs and expenses, translation effects are presented as part of stockholders’ equity. The exchanged rates

used in 2014 were a) month-end for monetary and non-monetary assets and liabilities (\$4.9368 Mexican pesos per sol and \$1.9409 Mexican pesos per quetzal), b) historical for stockholder’s equity and c) weighted average of the period (\$4.9109 Mexican pesos per sol and \$1.9077 Mexican pesos per quetzal) for revenues, costs and expenses, presenting translation effects as part of stockholders’ equity.

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.

d) Recognition of assets and liabilities for financial instruments

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

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.

(a) Recognition of the effects of inflation-

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

The percentage of accumulated inflation in the prior three-year period, yearly inflation and the value of UDI at each of the year end are shown as follows:

December 31	UDI	Inflation	
		Yearly	Cumulative
2015	\$ 5.3812	2.10%	10.39%
2014	5.2703	4.18%	12.38%
2013	5.0587	3.78%	11.76%

(b) Basis of consolidation-

The accompanying consolidated financial statements as of and for the years ended 31 December, 2015 and 2014, include the balances of Gentera and its subsidiaries mentioned below. All significant balances and transactions between Gentera and the subsidiaries have been eliminated upon consolidation.

Entity	Equity	Functional currency
Bank	99.98%	Mexican pesos
Compartamos Guatemala	99.99%	Quetzales
Compartamos Financiera	99.99%	Soles
Red Yastás	99.99%	Mexican pesos
Compartamos Servicios	99.99%	Mexican pesos
Controladora AT ¹	50.00%	Mexican pesos
Intermex**	99.99%	Mexican pesos

¹ Controladora AT is consolidated because Gentera has control on the financial policies and operating decisions of the subsidiary.

** Intermex is consolidated beginning April 15, 2015, due to in such date the purchase process was concluded.

(c) Cash and cash equivalents-

This caption comprises cash, bank accounts in local and foreign currencies, 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.

The foreign exchange currencies acquired and agreed to be settled at later date to the purchase/sale transaction are recognized as restricted cash (foreign currency to be received), while foreign currency sold is recorded as cash outflow (currency to be delivered). The rights and obligations arising from the foreign exchange sales and purchases are recorded in the captions "Other accounts receivable" and "Sundry creditors and other accounts payable", respectively.

Call Money operations, the saving fund of Genera's employees and guarantee deposits with financial institutions in Peru are recognized as restricted cash.

(d) Investment securities -

Investment securities consist of government and listed and unlisted banking securities, 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 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.

As of December 31, 2015 and 2014, Genera does not have investment securities for trading; likewise, Genera did not carry out purchase/sell securities transactions during the years then ended.

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 at fair value, using current prices obtained from specialists in the supply and price calculation to value securities portfolios. Fair value is the amount at which interested parties are willing to an exchange for the financial instrument, in an uninfluenced transaction. 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. Interest is recognized in the consolidated income statement in accrual basis.

Impairment of the value of a security

A security is impaired and therefore a loss is incurred from this impairment 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.

During the years ended December 31 2015 and 2014, 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) Derivatives-

Transactions with derivative financial instruments comprise those that are carried out for trading purposes. Irrespective of their purpose, the derivatives are recognized at fair value.

The valuation effect of the derivatives for trading purposes is shown in the consolidated balance sheet and consolidated statement of income under "Derivatives", in the assets or liabilities, accordingly, and "Financial intermediation income", respectively.

As of December 31, 2015, Intermex has agreed five derivative financial instruments of exchange rate "Forwards", with maturity in February and July 2016. At December 31, 2015, the loss from derivatives valuation amounts to \$7.

(g) 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 following criteria:

Commercial loans with one principal amortization and interest payment - 30 days or more after due date.

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

Residential mortgages - When the outstanding loan balance present installments not fully collected for 90 or more due days.

Consumer loans are granted based on an analysis of the customer's application and the consultations made at the credit information bureaus. In some cases, as required, 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 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, 2015 and 2014, Genera had mainly a short-term consumer loan portfolio (note 9).

In 2014 the Bank carried out a licitation process to sell loan portfolio previously written-off. The internal policy for licitation process of loan portfolio provides that participants are unrelated parties having as purpose obtaining the best possible market price. In addition economic and reputational assessment of each participant is performed to take the best decision. In 2015 there were no loan portfolio sales.

(h) 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.

Commercial loan portfolio -

Allowances for loan losses for commercial loan portfolio are based on the individual assessment of the credit risk and classification of the costumers in accordance with the "General dispositions applicable to credit institutions" (the Dispositions) issued by the Commission.

The loan portfolio with companies and individuals with business activity, with annual income or net sales less than 14 million UDIS is rated by model described in Annex 21 of Dispositions. This model is based on the expected loss, which considers the probability of default, loss given default and exposure at default.

Allowances for loan losses made at December 31, 2015 and 2014 were determined in conformity with the degree of risk and the corresponding percentage ranges of allowance as shown below:

Degree of risk	Percentage ranges of allowance
A1	0.000 to 0.90%
A2	0.901 to 1.5%
B1	1.501 to 2.0%
B2	2.001 to 2.5%
B3	2.501 to 5.0%
C1	5.001 to 10.0%
C2	10.001 to 15.5%
D	15.501 to 45.0%
E	Grater than 45.0%

Consumer loan portfolio -

The calculation of the allowance for loan losses for consumer loans is made in conformity with the current dispositions issued by the Commission, which model of expected loss establishes that the allowance for loan losses is based on the probability of default, loss given default 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) outstanding amount, 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.

The allowance for loans losses for non-revolving consumer loan portfolio as of December 31, 2015 and 2014, is determined by the degree of risk assigned to the loan, as shown below:

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

Mortgage loan portfolio -

The allowance for loan losses for residential mortgages is determined using the corresponding balances at the last day of each month. Furthermore, factors such as: i) outstanding amount, ii) payment made, iii) value of property, iv) loan balance, v) past-due days, vi) loan denomination and vii) integration of the file. The total amount of reserve for each credit assessed is the result of multiplying the probability of default for the loss given default and exposure at default.

Degree of risk and percentages of allowance for loan losses at December 31, 2015 and 2014 are as shown below:

Degree of risk	Percentage ranges of allowance
A1	0.000 - 0.50
A2	0.501 - 0.75
B1	0.701 - 1.00
B2	1.001 - 1.50
B3	1.501 - 2.00
C1	2.001 - 5.00
C2	5.001 - 10.00
D	10.001 - 40.00
E	40.001 - 100.00

Troubled loans – Commercial loans with a high probability of not being collected. As of December 31, 2015 and 2014, Genera has troubled loans for \$10 and \$7, respectively, which come from Compartamos Financiera. These loans have been fully reserved.

Write-offs – Genera has the policy to write-off consumer loan portfolio pending to be collected at 180 days after being considered past-due, given that during that period and once carried out all recovery efforts, its practical impossibility of recovery is determined. Such write-offs are conducted by cancelling the outstanding balance of the loan against the allowance for loan losses. In the event the loan balance to be written-off exceeds its corresponding reserve, prior to the write off, such reserve is increased up to the amount of the difference. In the case of commercial loans and residential mortgages the policy of write-off fits the moment once its recovery is determined to be impractical.

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 grading of the loan portfolio was conducted as of December 31, 2015 and 2014, and management considers that the allowances resulting from such grading are sufficient to absorb the portfolio’s loan loss risks.

(i) Other accounts receivable–

This caption represents, among others, receivables from employees, accounts receivable from correspondents, recoverable income taxes and items directly related to the loan portfolio, such as legal expenses, which beginning 2015 an allowance for doubtful receivables is determined based on the same percentage of risk assigned to the associated credit (during 2014 the provision was calculated according to the methodology described in the next paragraph).

For the receivables from employees, correspondents and other receivables, including, 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.

(j) 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) 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. In the case of 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 capitalized 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 captions, and its depreciation is calculated according to the term of the lease.

(k) Investment in associated –

Investment in associated companies, which Genera owns less than 50% stake in the capital stock and has no control, are accounted for using the equity method based on financial statements of the associate as of and for the years ended December 31, 2015 and 2014. At December 31, 2015 and 2014, the participation of 43.16% and 33%, respectively, in the capital stock in the associate

Finestrella amounts to \$121 and \$107. The equity investment in the associate for the year ended December 31, 2015 is a loss of \$52 (for the period from July 28 to December 31, 2014 is a loss of \$4). During 2015, Compartamos Financiera acquired an investment in the associated company “Pagos Digitales Peruanos, S. A.”, with a participation of 2.45%, whose balance as at December 31, 2015, amounts to \$3.

(l) Income tax (IT) and employee statutory profit sharing (ESPS)–

The current IT and ESPS are determined according to current tax legislation (note 16).

Deferred IT and ESPS are recognized using the assets and liabilities method, which compares their accounting and tax values. Deferred IT and ESPS (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 loss carryforwards.

Deferred IT and ESPS (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 IT and ESPS are recognized in results of the period in which they were enacted.

The current and deferred IT and ESPS are presented and classified to the results of the period, except for those originated from a transaction that was recognized in the caption of “Other Comprehensive Income” or directly in Stockholders’ equity.

Deferred asset for ESPS is reserved, 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.

(m) Other assets, deferred charges and intangibles–

This caption is mainly comprised of investment in intangibles, 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, 2015 and 2014, the charge to the consolidated income statement for amortization amounted to \$88 and \$46, respectively.

(n) 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.

(o) Deposit funding–

Liabilities arising from deposit funding including demand deposits, time deposits and debt securities issued 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.

(p) 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.

(q) 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.

(r) Employee benefits-

The benefits granted by Genera 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.

(s) Share-based payment-

In 2015, Genera established a share-based payment compensation program for its employees; as part of a package of remuneration in addition to salary and other benefits, payable in a period of 4 years (payments of 25% annually until cover 100%). The award of the shares is conditional upon performance and permanence in the institution recognizing the expense and obligation of payment when these conditions are fulfilled.

The estimated amount of the obligation is determined on the fair value of equity instruments granted, taking into consideration the timing and conditions on which the equity instruments are awarded. The plan provides that the subsidiaries of Genera acquire independently in the market, the shares of the capital of Genera on the same date of the award. As of December 31, 2015, the liability for this concept amounts to \$34, which is recorded in the year's results under the caption of "Administrative and promotional expenses".

(t) 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.

(u) 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.

(v) Cumulative translation adjustment-

Represent the difference arising from translating foreign operations from the recording and functional currency, which are the same, to the reporting currency.

(w) 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.

(x) Revenue recognition-

Interest gained from cash and cash equivalents, investments in securities and repurchase/resell agreements are recognized in income statement as they accrue, as per the effective interest 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. Commissions are recognized when earned under the caption "Commissions and fee expense" in the consolidated statement of income.

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.

(y) Interest expense-

This caption comprises interest accrued on financing received to fund the operations of Genera and the interest accrued from the demand and time deposits received, debt securities issued and bank and other loans.

(z) 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.

(aa) 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, 2015 and 2014, the earning per share is \$1.93 Mexican pesos and \$1.90 Mexican pesos, respectively.

(bb) Contributions to the Banks Savings Protection Institute (IPAB Spanish abbreviation)-

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, 2015 and 2014, amounted to \$52 and \$41, respectively, which were charged directly to results of the year.

(cc) Foreign currency transactions-

The accounting records are maintained in both Mexican pesos and foreign currencies, which for consolidated 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.

(dd) Financial intermediation income–

Arises from the difference between the exchange rate used to buy or sell foreign currencies, including the adjustment to the final position, valued at the exchange rate mentioned to in the preceding paragraph, as well as the valuation at fair value of derivative instruments.

(ee) 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.

(ff) 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–

The Mexican Board of Financial Reporting Standards (CINIF – Spanish abbreviation), issued new FRS and the document called “FRS Improvements 2015”, which contains specific modifications to current FRS, which it came into force on January 1, 2015. 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 limits 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, 2015 and 2014, the Bank had a long position of 1,681,162 dollars and 1,144 dollars, respectively, within the limits set forth by Central Bank. The net assets at December 31, 2015 of Compartamos Guatemala and Compartamos Financiera represent a long position of 22,542,912 dollars and 80,060,068 dollars, respectively (long position of 21,917,465 dollars and 48,077,641 dollars, respectively in 2014).

As of December 31, 2015 the exchange rate determined by the Central Bank and used by Genera to value its assets in foreign currency was \$17.2487 Mexican pesos per dollar (\$14.7414 Mexican pesos per dollar in 2014). On February 18, 2016, issuance date of the consolidated financial statements, the exchange rate was \$18.1439 Mexican pesos per dollar.

6. CASH AND CASH EQUIVALENTS–

At December 31, 2015 and 2014, cash and cash equivalents consist of the following:

	2015	2014
Cash on hand	\$ 260	42
Mexican banks	1,224	1,021
Foreign banks	349	437
Restricted funds:		
Monetary regulation deposit with the Central Bank*	308	308
Bank loans whit maturity up to three days*	1,150	1,072
Other restricted funds	87	263
	\$ 3,378	3,143

* Included as part of the caption “Contingent assets” in memorandum accounts.

For the years ended December 31, 2015 and 2014, interest earned from banks and other restricted funds amounted to \$42 and \$38, respectively.

At December 31, 2015 and 2014, 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, 2015 and 2014, interest obtained from monetary regulatory deposits amount to \$9 and \$7, respectively.

At December 31, 2015 and 2014, other restricted funds correspond to guarantee deposits with financial institutions in Peru incurred by Compartamos Financiera for \$81 and \$257, respectively, and the saving fund of Genera’s employees for \$6 in each year.

At December 31, 2015, the average rate of interbank loans maturing in 3 days was 2.90% (3.01% in 2014). For the years ended on December 31, 2015 and 2014, interest earned from call money transactions amounted to \$40, in both years.

At December 31, 2015 and 2014, Genera has no precious metals 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 to credit and market liquidity inherent risks.

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

At December 31, 2015 and 2014, investments in available-for-sale securities at fair value corresponding to certificates of deposit of Central Bank of the Republic of Peru for \$25 and \$24, respectively.

At December 31, 2015 and 2014, the valuation of available-for-sale securities recognized within "Earned capital" net of deferred tax represents a profit of \$18,248 Mexican pesos and \$7,220 Mexican pesos, respectively.

At December 31, 2015 and 2014, the average rates of investments were 3.73% and 3.43%, respectively. In addition, for the years ended on December 31, 2015 and 2014, interest income from investments amounted to \$2, in both years.

8. DEBTORS ON REPURCHASE/RESELL AGREEMENTS-

Genera carries out transactions of repurchase/resell agreements, acting as buyer. As of December 31, 2015 and 2014, the balance of \$136 and \$196, respectively, relates to Treasury Certificates (CETES-spanish abbreviation) in each year.

For the years ended on December 31, 2015 and 2014, the awards income arising from repurchase/resell agreements transactions in the consolidated income statement amount to \$8 and \$7, respectively.

The terms of transactions of repurchase/resell agreements as of December 31, 2015 and 2014, are two days in each year, weighted interest rates of 2.97% and 2.83%, respectively.

9. LOAN PORTFOLIO-

The loan portfolio is comprised mainly of consumer loans 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 2015 and 2014, total loan portfolio (current and past due loans) are comprised as shown:

2015	Principal	Accrued interest	Total loan portfolio
<u>Current loans:</u>			
<u>Commercial loans:</u>			
Business and commercial	\$ 539	8	547
Consumer loans	26,504	526	27,030
Residential mortgages	37	1	38
	27,080	535	27,615
<u>Past due loans:</u>			
<u>Commercial loans:</u>			
Business and commercial	19	2	21
Consumer loans	773	85	858
Residential mortgages	2	-	2
	794	87	881
Total loan portfolio	\$ 27,874	622	28,496

2014	Principal	Accrued interest	Total loan portfolio
<u>Current loans:</u>			
<u>Commercial loans:</u>			
Business and commercial	\$ 408	7	415
Consumer loans	22,259	443	22,702
Residential mortgages	48	1	49
	22,715	451	23,166
<u>Past due loans:</u>			
<u>Commercial loans:</u>			
Business and commercial	21	2	23
Consumer loans	696	65	761
Residential mortgages	1	-	1
	718	67	785
Total loan portfolio	\$ 23,433	518	23,951

Income from interest and commissions for the years ended at December 31, 2015 and 2014, segmented by type of loan are described as follows:

	2015	2014
<u>Interest income (note 22):</u>		
<u>Commercial loans:</u>		
Business and commercial	\$ 145	113
Consumer loans	17,012	14,225
Residential mortgages	10	10
	\$ 17,167	14,348
<u>Commissions income (note 22):</u>		
Consumer loans	\$ 493	387

At December 31, 2015 and 2014, the loans (current and past due loans), are broken-down by economic sector, as follows:

Economic activity	Amount	2015 %	Amount	2014 %
Commerce	\$ 23,049	81	19,364	81
Construction	40	-	38	-
Professional services	2,408	8	2,209	9
Agriculture	193	1	156	1
Cattle raising	285	1	233	1
Manufacturing	611	2	606	2
Other	1,910	7	1,345	6
	\$ 28,496	100	23,951	100

The distribution of the loan portfolio at December 31, 2015 and 2014, by geographical region is shown as follows:

	2015		2014	
	Current	Past-due	Current	Past-due
In Mexico:				
Aguascalientes	\$ 121	4	121	2
Baja California Norte	606	12	428	10
Baja California Sur	281	15	271	17
Campeche	216	4	210	10
Chiapas	1,056	33	947	34
Chihuahua	327	13	235	11
Coahuila	723	22	522	14
Colima	86	3	62	3
Distrito Federal	937	23	663	12
Durango	401	13	337	9
Estado de México	2,663	65	2,136	40
Guanajuato	623	18	492	11
Guerrero	780	15	671	10
Hidalgo	627	12	534	9
Jalisco	582	22	484	10
Michoacán	705	15	558	11
Morelos	343	9	299	10
Nayarit	205	9	178	4
Nuevo León	751	31	628	27
Oaxaca	867	14	737	13
Puebla	1,544	34	1,357	31
Querétaro	200	4	169	2
Quintana Roo	371	8	286	9
San Luis Potosí	380	10	293	4
Sinaloa	404	13	320	9
Sonora	546	19	445	14
Tabasco	894	26	800	20
Tamaulipas	983	35	800	18
Tlaxcala	583	8	521	8
Veracruz	2,456	71	2,207	75
Yucatán	307	5	246	4
Zacatecas	193	2	137	1
Total Mexico carried forward	\$ 21,761	587	18,094	462
Abroad:				
Guatemala	389	8	206	10
Peru	4,930	199	4,415	246
Total abroad	5,319	207	4,621	256
Accrued interests	535	87	451	67
Total portfolio	\$ 27,615	881	23,166	785

At December 31, 2015 and 2014, aging of the past-due loan portfolio is as follows:

2015	Aging				Total
	1 to 180 days	181 to 365 days	1 to 2 Years	More than 2 Years	
Commercial loans:					
Business and commercial	\$ 7	6	5	3	21
Consumer loans	601	196	35	26	858
Residential mortgages	1	1	-	-	2
	\$ 609	203	40	29	881
<hr/>					
2014	1 to 180 days	181 to 365 days	1 to 2 Years	More than 2 Years	Total
Commercial loans:					
Business and commercial	\$ 8	9	3	3	23
Consumer loans	540	159	36	26	761
Residential mortgages	-	-	-	1	1
	\$ 548	168	39	30	785

Following is an analysis of the movements of the past-due loans, for the years ended December 31, 2015 and 2014.

	2015	2014
Past-due loans at the beginning of the year	\$ 785	645
Plus:		
Transfer from current loans	2,179	2,024
Less:		
Write offs	1,924	1,633
Collections	152	254
Transfer to current loans	15	7
Exchange rate fluctuation	(8)	(10)
Past-due loans at year-end	\$ 881	785

Interest and commission income for the years ended December 31, 2015 and 2014, according to the type of loan is comprised as follows:

	2015			2014		
	Interest	Commission	Total	Interest	Commission	Total
<u>Current loans:</u>						
Business and commercial	\$ 145	-	145	112	-	112
Consumer loans	17,011	493	17,504	14,212	387	14,599
Residential mortgages	10	-	10	10	-	10
	17,166	493	17,659	14,334	387	14,721
<u>Past due loans:</u>						
Business and commercial	-	-	-	1	-	1
Consumer loans	1	-	1	13	-	13
	1	-	1	14	-	14
	\$ 17,167	493	17,660	14,348	387	14,735

Interest on past due loans, which by accounting criteria is recorded in memorandum accounts and applied to income until collected, as of December 31, 2015 amounts to \$126 (\$102 in 2014).

For the years ended on December 31, 2015 and 2014, the amount recovered on the previously written-off loan portfolio, net of expenses incurred for their collection, represented a profit of \$28 and \$27, respectively, see note 22.

Sale of loan portfolio 2014-

As a separate event, during the first half of 2014, an auction process was undertaken to sell Bank's loan portfolio previously written-off during the years 2013, 2011 and 2010, 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	Principal	Interest	Total
2013	376,067	\$ 1,145	94	1,239
2011	101,260	275	16	291
2010	88,421	254	14	268
Total	565,748	\$ 1,674	124	1,798

On March 24, 2014, as a result of this licitation, an onerous contract of assignment of loans was signed and a payment of \$468,467 Mexican pesos 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 carryforward on loan portfolio sale of \$1,797, which under current tax legislation will be deductible at the time in which the balance of allowance for loan losses as of December 31, 2013 is totally applied; the Bank decided to take the future deduction for the loss up to the amount updated at December 31, 2013, from the remaining surplus pending to be deducted of the allowance for loan losses which amounts to \$1,193, therefore the deductible tax loss carry forward of \$358 was realized in the year ended December 31, 2015 (note 16).

Credit losses insurance

On November 7, 2014, the Bank entered into a contract of warranty service with the Special Fund for Technical Assistance and Agricultural Credit Guarantee (Fondo Especial de Asistencia Técnica - "FEGA"), through the Central Bank, the latter in its capacity as Trustee in the schemes of second losses of some products of consumer loan portfolio of the Bank established by contract. At December 31, 2015 and 2014, the amount of the loan portfolio selected by the Bank for guarantee with the FEGA amounts to \$9,101 and \$1,537, respectively, and the commission paid for the insurance was \$21 and \$4, in 2015 and 2014, respectively, amount that was recognized in the caption "Commissions and fee paid" in the consolidated statement of income. The amount from the insured portfolio, if any, would be recovered as maximum under contractual conditions through FEGA coverage ranges between 0.1% and 1.5% of the guaranteed amount.

During the years ended on December 31, 2015 and 2014, there were no guarantees executed under the insurance as described in the previous paragraph.

At December 31, 2015 and 2014, the loan portfolio of the Bank and Compartamos Guatemala is not given as security. The Compartamos Financiera' loan portfolio at December 31, 2015 and 2014, given as security for funding received for its operation amounts to \$1,011 and \$877, respectively.

Loan management

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, 2015 and 2014, Compartamos Financiera restructured loans for \$33 and \$40, respectively; these restructurings did not include capitalized interest.

Allowance for loan losses

As of December 31, 2015 and 2014, the rating of the overall loan portfolio and the provisions created based on the actual risk tables for each year, are as follows:

Risk	2015			Total
	Commercial	Rated loan portfolio Consumer	Residential	
A - 1	\$ 337	17,619	22	17,978
A - 2	20	147	1	168
B - 1	29	2,269	1	2,299
B - 2	1	3,158	2	3,161
B - 3	42	412	1	455
C - 1	35	1,966	2	2,003
C - 2	56	754	6	816
D	29	277	4	310
E	19	1,286	1	1,306
Total	\$ 568	27,888	40	28,496

Risk	2015			Total
	Commercial	Required allowance Consumer	Residential	
A - 1	\$ 2	93	-	95
A - 2	-	4	-	4
B - 1	-	84	-	84
B - 2	-	143	-	143
B - 3	-	23	-	23
C - 1	1	132	-	133
C - 2	-	77	1	78
D	4	62	1	67
E	18	914	1	933
Total	\$ 25	1,532	3	1,560

Risk	2014			Total
	Commercial	Rated loan portfolio Consumer	Residential	
A - 1	\$ 231	14,484	26	14,741
A - 2	15	140	2	157
B - 1	21	2,059	1	2,081
B - 2	1	3,748	1	3,750
B - 3	34	457	2	493
C - 1	39	966	4	1,009
C - 2	42	325	8	375
D	32	214	5	251
E	22	1,070	2	1,094
Total	\$ 437	23,463	51	23,951

Risk	2014			Total
	Commercial	Required allowance Consumer	Residential	
A - 1	\$ 1	78	-	79
A - 2	-	4	-	4
B - 1	-	77	-	77
B - 2	-	170	-	170
B - 3	-	25	-	25
C - 1	1	65	-	66
C - 2	1	35	1	37
D	3	48	1	52
E	19	764	1	784
Total	\$ 25	1,266	3	1,294

The movements in the allowance for loan losses during the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Allowance for loan losses at the beginning of the year	\$ 1,294	1,228
Plus:		
Increase in the provision for loan losses	2,206	1,692
Less application of reserves due to write offs:		
From current loans (by death)	36	29
From past due loans	1,924	1,633
Exchange rate fluctuation	(20)	(36)
Allowance for loan losses at year-end	\$ 1,560	1,294

At December 31, 2015 the allowance for loan losses recorded by Gentera includes \$24 (\$39 in 2014), as a complement to reserve 100% of accrued interest from past-due loans at the end of these years.

10. OTHER ACCOUNTS RECEIVABLE-

At December 31, 2015 and 2014, this caption is comprised as follows:

	2015	2014
Loan portfolio accessories	\$ 147	101
Other receivables:		
Sundry debtors	281	162
Debit from transactions with correspondents	495	446
Debit by intermediation	104	-
Income tax recoverable	1,021	-
	2,048	709
Less:		
Allowance for doubtful accounts	(61)	(122)
	\$ 1,987	587

II. PROPERTY, FURNITURE AND EQUIPMENT-

At December 31, 2015 and 2014, this caption is comprised as follows:

	Original cost	Depreciation and amortization annual rate (%)	Accumulated depreciation	Net value
Land	\$ 2	-	-	2
Constructions	17	5	(8)	9
Office furniture and equipment	262	10	(90)	172
Transportation equipment	98	25 and 20	(57)	41
Computer equipment	703	30, 25 and 15	(458)	245
Others:				
Leasehold improvements	760	*	(280)	480
Telecommunications equipment	210	10	(72)	138
	\$ 2,052		(965)	1,087

	2014			
	Original cost	Depreciation and amortization annual rate (%)	Accumulated depreciation	Net value
Land	\$ 2	-	-	2
Constructions	16	5	(7)	9
Office furniture and equipment	203	10	(67)	136
Transportation equipment	108	25 and 20	(58)	50
Computer equipment	725	30, 25 and 15	(495)	230
Others:				
Leasehold improvements	560	*	(189)	371
Telecommunications equipment	169	10	(46)	123
	\$ 1,783		(862)	921

* 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, 2015, the charge to the consolidated income statement in the "Administrative and promotional expenses" caption related to depreciation and amortization amounted to \$216 and \$90, respectively (\$221 and \$66, respectively, in 2014).

Fully depreciated assets

	Original cost	
	2015	2014
Constructions	\$ 4	-
Office furniture and equipment	11	8
Transportation equipment	8	5
Computer equipment	256	200
Leasehold improvements	101	93
	\$ 380	306

The property, furniture and equipment that of Genera owns, does not have any pledge or restriction for its use or disposal.

Genera as lessee has capitalized leases for transportation equipment, mobile devices and automated teller machines with a term of 3 years and no purchase option. 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, 2015 and 2014, assets leased through capitalized leases are comprised as follows:

	2015	2014
Office furniture and equipment	\$ 7	9
Computer equipment	31	184
Transportation equipment	16	13
	54	206
Less accumulated depreciation	41	147
	\$ 13	59

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

	2015			2014		
	Future minimum payments	Discounted interest	Present value	Future minimum payments	Discounted interest	Present value
Less than one year	\$ 9	-	9	55	(2)	53
Between one and five years	6	(1)	5	12	(1)	11
	\$ 15	(1)	14	67	(3)	64

Interest expense from capitalized leases during the years ended on December 31, 2015, and 2014, was \$6 and \$8, 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, 2015 and 2014, this caption is comprised as follows:

	2015	2014
Goodwill (a)	\$ 815	757
Guarantee deposits (b)	49	56
Insurance (c)	2	9
Development of the electronic banking system (d)	1,084	903
Advance payments	405	147
Debt issuance costs	24	26
	2,379	1,898
Less:		
Accumulated amortization of electronic banking system	134	46
	\$ 2,245	1,852

- (a) It derives from the acquisition of Compartamos Financiera and Intermex (beginning 2015) which is subject to impairment testing.
- (b) Not amortizable, subject to recovery upon expiration of each leasing agreement for the respective service office.
- (c) 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, 2015 and 2014, was \$67 and \$62, respectively.
- (d) 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 began its utilization in May 2014. The estimated useful life of the intangible asset is ten years and the amortization for the year end 2015 amounts to \$88 and for the period from May to December 2014, amounts to \$46.

13. DEPOSIT FUNDING-

Deposit funding includes deposits on demand, time deposits and debt securities issued. As part of the deposit funding, \$78 and \$35 from the Bank and 19 and 12 million of soles from Compartamos Financiera at December 31, 2015 and 2014, respectively, are kept as demand deposits (equivalent to \$96 and \$61 million of Mexican pesos at December 31, 2015 and 2014, respectively) and 154 and 178 million of soles in time deposits at December 31, 2015 and 2014, respectively, (equivalent to \$777 and \$878 million of Mexican pesos, respectively), from which 7 million of soles at December 31, 2014 (equivalent to \$36 million of Mexican pesos), was managed by FIDUPERU in accordance with the purchase and sale agreement of Compartamos Financiera, which was settled in 2015.

At December 31, 2015 and 2014, the average annual interest rate on deposits on demand was 2% in each year.

At 31 December 2015, money market time deposits, correspond to Certificates of Deposit (CEDES-Spanish acronym), issued in the months of April and August 2015, for accumulated amount of principal of \$550 and 14 million of soles issued in the month of October 2015 (equivalent to \$74 million Mexican pesos), with maturities less than one year. Interest accrued of CEDES for the year ended on December 31, 2015 amounted to \$13 (see note 22).

At December 31, 2015 and 2014, 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:

Cebures	Amount of program	2015		Interest rate	Balance
		Date of issuance	Date of maturity		
COMPART 11	\$ 2,000	September 2011	March and September 2016	TIIE 28 Days + 85 bp	\$ 2,000
COMPART 12	2,000	August 2012	August 2017	TIIE 28 Days + 70 bp	2,000
COMPART 13	2,000	September 2013	August 2018	TIIE 28 Days + 60 bp	2,000
COMPART 14	2,000	June 2014	June 2019	TIIE 28 Days + 40 bp	2,000
COMPART 15	<u>2,000</u>	September 2015	August 2020	TIIE 28 Days + 50 bp	<u>2,000</u>
					10,000
Interest payable					14
Total debt issuance					<u>\$ 10,014</u>

Cebures	Amount of program	2014		Interest rate	Balance
		Date of issuance	Date of maturity		
COMPART 10*	\$ 2,000	October 2010	October 2015	TIIE 28 Days +130 bp	\$ 500
COMPART 10*	1,500	December 2012	October 2015	TIIE 28 Days + 130 bp	750
COMPART 11	2,000	September 2011	March and September 2016	TIIE 28 Days + 85 bp	2,000
COMPART 12	2,000	August 2012	August 2017	TIIE 28 Days + 70 bp	2,000
COMPART 13	2,000	September 2013	August 2018	TIIE 28 Days + 60 bp	2,000
COMPART 14	<u>2,000</u>	June 2014	June 2019	TIIE 28 Days + 40 bp	<u>2,000</u>
					9,250
Interest payable					15
					9,265
Premium carry forwards of the reopening of COMPART10					8
Total debt issuance					<u>\$ 9,273</u>

* Reopening (amortization of capital in October 2014 for \$1,250 in Compart 10 issuances)

Interest accrued by Cebures for the year ended on December 31, 2015 amounted to \$391 (\$410 in 2014), see note 22.

At December 31, 2015 and 2014, Cebures had the following maturity terms:

Concept	2015				Balance	Contractual value
	1 to 179 days	6 to 12 months	More than 1 to 2 years	Over 2 years		
Cebures	\$ 1,014	1,000	2,000	6,000	10,014	10,000

Concept	2014				Balance	Contractual value
	1 to 179 days	6 to 12 months	More than 1 to 2 years	Over 2 years		
Cebures	\$ 15	1,250	2,000	6,000	9,265	9,250

14. BANK AND OTHER LOANS—

At December 31, 2015 and 2014, Gentera had contracted the following loans in Mexican pesos and in soles translated into Mexican pesos, as follows:

	2015	2014
Due on demand	\$ -	90
Short term:		
Loans from development banks	801	250
Loans from multiple banking institutions	266	-
Public trusts loans	608	850
Other institutions	2,185	1,609
Total short-term	3,860	2,709
Long-term:		
Loans from multiple banking institutions	52	47
Loans from development banks	1,400	1,000
Public trusts loans	3,192	-
Other institutions	1,048	1,990
Total long-term	5,692	3,037
Total bank and other loans	\$ 9,552	5,836

For the year ended on December 31, 2015, the accrued interest of bank and other loans amounted to \$414 (\$352 in 2014), see note 22.

Credit facilities received by Gentera, at December 31, 2015 and 2014, as well as the unused portion are as shown in the next page.

Institution	2015 Credit facility received	2015 Unused portion*
Fideicomiso Instituido en Relación con la Agricultura (FIRA)	\$ 6,000	2,200
Nacional Financiera, S. N. C. (NAFIN)	4,000	1,800
BBVA Bancomer, S. A.	400	400
Banco Nacional de México, S. A.	845	745
HSBC México, S. A.	550	550
Banco Ve por Más, S. A.	200	50
Corporación Interamericana de Inversiones	416	200
International Finance Corporation	233	106
Banco Mercantil del Norte, S. A. (Banorte)	490	490
Banco Santander (México), S. A.	250	250
Corporación Financiera de Desarrollo S.A. (COFIDE)	1,946	1,232
FONDEMI – COFIDE	51	31
Microfinanzas puno	21	1
Banco de la Nación	253	6
FIDEICOMISO MIMDES – FONCODES	61	-
Citibank	131	-
BBVA Banco Continental	483	36
Banco Interbank	150	150
BlueOrchard Microfinance Fund	56	-
Corporación Andina de Fomento – CAF	103	47
Microfinance Growth Fund LLC	78	-
Micro, Small & Medium Enterprise Bonds SA	179	-
Pettelaar effectenbewaarbedrijf N.V.	78	-
Triodos Fair Share Fund	19	-
Triodos SICAV II – Triodos Microfinance Fund	24	-
ResponsAbility SICAV (Lux)	170	-
Credit Suisse Microfinance Fund Management	208	-
Dual Return Fund SICAV	42	-
Banco GNB Perú, S.A.	278	126
Symbiotics SICAV (Lux)	71	-
Scotiabank Peru S.A.	86	86
Citibank Perú S.A.	345	269
Banco del Bajío	500	500
Finethic Microfinance Societé en Commandite par Actions (S.C.A.)	26	-
Banco G&T Continental, S.A.	136	81
Interbanco	34	34
	\$ 18,913	9,390

* See explanation in the next page.

Institution	2014	
	Credit facility received	Unused portion*
Fideicomiso Instituido en Relación con la Agricultura (FIRA)	\$ 3,000	2,150
Nacional Financiera, S. N. C. (NAFIN)	2,500	1,250
BBVA Bancomer, S. A.	668	668
Banco Nacional de México, S. A.	1,000	1,000
HSBC México, S. A.	550	550
Banco Ve por Más, S. A.	300	300
Corporación Interamericana de Inversiones	400	200
International Finance Corporation	200	183
Banco Mercantil del Norte, S. A. (Banorte)	650	650
Banco Santander (México), S. A.	250	250
Banco Ahorro Famsa, S. A.	300	300
Corporación Financiera de Desarrollo S.A. (COFIDE)	1,217	426
FONDEMI – COFIDE	49	-
Banco de la Nación	247	182
FIDEICOMISO MIMDES – FONCODES	30	-
Citibank	128	-
BBVA Banco Continental	295	75
Banco Interbank	147	37
BlueOrchard Microfinance Fund	69	-
Corporación Andina de Fomento – CAF	88	14
Microfinance Growth Fund LLC	76	-
Micro, Small & Medium Enterprise Bonds SA	287	113
Pettelaar effectenbewaarbedrijf N.V.	88	-
Triodos Fair Share Fund	41	-
Triodos SICAV II – Triodos Microfinance Fund	132	-
ResponsAbility SICAV (Lux)	215	-
Credit Suisse Microfinance Fund Management	284	-
Dual Return Fund SICAV	41	-
Microfinance Enhancement Facility S.A., SICAV – SIF	79	-
Banco GNB Perú, S.A.	148	-
FMO	202	119
Symbiotics SICAV (Lux)	69	-
Scotiabank Peru S.A.	74	30
Instituto de Crédito Oficial del Reino de España – ICO	87	-
Corporación Interamericana de Inversiones – BID	56	29
Microfinance Loan Obligations S.A.	22	-
Finethic Microfinance Societé en Commandite par Actions (S.C.A.)	26	-
Banco G&T Continental, S.A.	117	69
International Finance Corporation – IFC	570	404
	\$ 14,702	8,999

* The amount of the credit lines not used are recognized in memorandum accounts as part of the caption "Other memorandum accounts".

At December 31, 2015, Genera had obtained resources from NAFIN and FIRA for \$2,200 and \$3,800, respectively (\$1,250 and \$850 of NAFIN and FIRA in 2014, respectively). These resources were assigned to small entrepreneurs and the amount of accrued interest for the year ended on December 31, 2015, for the loans of NAFIN and FIRA were \$70 and \$69, respectively (\$32 of NAFIN and \$28 of FIRA, in 2014).

As of December 31, 2015, borrowings accrued interest at average annual interest rates in Mexican pesos of 3.87% (4.36% in 2014), in soles of 7.21 % (8.12% in 2014) and in quetzals of 10.89% (10.5% in 2014).

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, 2015, Genera has a mixed pension plan (defined benefit and defined contribution) that covers its employees and includes: a) defined benefit, which represents the present value of the accrued benefits in accordance with the years of service provided by the employees and that Genera expects to incur at the time of retirement and (b) defined contribution, which represents an incentive of savings to the employees, where Genera make contributions equivalent to 100% of the contribution paid with a maximum limit of 6%. 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 years 2015 and 2014 for the defined contribution plan amounted to \$10 and \$9 respectively.

At December 31, 2015 and 2014, the labor liability related to recognized defined benefit 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, 2015 and 2014.

Financial position of assets and liabilities	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement		Pension plan	
	2015	2014	2015	2014	2015	2014	2015	2014
OBD at beginning of period	\$ (42)	(33)	(11)	(9)	(11)	(9)	(110)	(80)
Plus (less):								
Labor cost of current service	(6)	(6)	(4)	(4)	(3)	(3)	(18)	(17)
Financial cost	(3)	(3)	(1)	(1)	(1)	(1)	(8)	(6)
Actuarial earnings (losses) generated in the period	(52)	(28)	(1)	-	-	2	(68)	(7)
Past services recognition	(12)	-	-	-	-	-	(28)	-
Paid benefits	26	28	3	3	-	-	-	-
OBD at the end of the period	\$ (89)	(42)	(14)	(11)	(15)	(11)	(232)	(110)

- (b) The value of the acquired benefits obligations as of December 31, 2015 and 2014 was \$156,199 Mexican pesos and \$46,835 Mexican 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 sheets, as of December 31, 2015 and 2014.

Financial position of assets and liabilities	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement		Pension plan	
	2015	2014	2015	2014	2015	2014	2015	2014
OBD at December 31	\$ (89)	(42)	(14)	(11)	(15)	(11)	(232)	(110)
Plan assets	-	-	-	-	-	-	81	55
Financial position of plan	(89)	(42)	(14)	(11)	(15)	(11)	(151)	(55)
Past service pending of amortization	-	-	-	-	-	-	65	40
Actuarial loss	-	-	-	-	-	-	86	15
PNP	\$ (89)	(42)	(14)	(11)	(15)	(11)	-	-

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

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

CNP	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement		Pension plan	
	2015	2014	2015	2014	2015	2014	2015	2014
Labor cost of the current service	\$ 6	6	4	4	3	3	18	17
Financial cost	3	3	1	1	1	1	8	6
Actuarial (earnings) losses	52	28	1	-	-	-	-	-
Expected return on plan assets	-	-	-	-	-	-	(4)	(3)
Amortization of the transition liability	12	-	-	-	-	-	2	1
Total	\$ 73	37	6	5	4	4	24	21

(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, 2015 and 2014, are as follows:

Age	Death (%) Men	2015 Death (%) Women	Disability (%)	Rotation (%)
20	0.00197	0.000930	0.000760	0.606061
25	0.00230	0.000950	0.001000	0.112179
30	0.00274	0.000990	0.001120	0.068027
35	0.00332	0.001050	0.001290	0.042735
40	0.00411	0.001160	0.001640	0.027349
45	0.00517	0.001320	0.002210	0.016340
50	0.00661	0.001580	0.003470	0.009033
55	0.00859	0.001990	0.007120	0.003814
60	0.01131	0.002700	0.000000	0.000000
65	0.01512	0.003960	0.000000	0.000000

Age	Death (%)	2014	
		Disability (%)	Rotation (%)
20	0.001606	0.000760	0.606061
25	0.001828	0.001000	0.112179
30	0.002128	0.001120	0.006802
35	0.002526	0.001290	0.042735
40	0.003078	0.001640	0.027349
45	0.003823	0.002210	0.016340
50	0.004850	0.003470	0.009033
55	0.006280	0.007120	0.003814
60	0.008297	0.000000	0.000000
65	0.011214	0.000000	0.000000

	2015	2014
Discount rate	7.61%	7.35%
Rate of salary increases	5.25%	5.57%
Rate of increases to the minimum salary	3.50%	3.50%

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

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

Year	OBD	Seniority premium		Adjustments from experience OBD (%)
		Historical values	Plan situation	
		AP		
2015	\$ 29	-	29	-
2014	22	-	22	-
2013	18	-	18	-
2012	13	-	13	-
2011	7	-	7	2

Year	OBD	Severance compensation before retirement		Adjustments from experience OBD (%)
		Historical values	Plan situation	
		AP		
2015	\$ 89	-	89	-
2014	42	-	42	-
2013	33	-	33	-
2012	34	-	34	-
2011	21	-	21	-

16. INCOME TAX (IT) AND EMPLOYEE STATUTORY PROFIT SHARING (ESPS)-

(a) IT

According to the current IT Law in Mexico, the IT rate for the fiscal years of 2015 and 2014 was 30%. The ESPS rate for the fiscal years of 2015 and 2014 was 10%. The IT rate in Peru for the fiscal years of 2015 and 2014 was 28%.

The tax result differ from the accounting result, mainly in such items that are taxable or deductible differently for accounting and tax purposes, by the recognition of the inflation effects for tax purposes, as well as such items that only affect either the accounting or tax results.

Notwithstanding that Genera does not consolidate its subsidiaries for tax purposes, following is presented for informative purposes the expense (income) in the consolidated income statement related to current and deferred income taxes for the years ended December 31, 2015 and 2014.

	2015		2014	
	Current IT	Deferred IT	Current IT	Deferred IT
Bank	\$ 787	448	1,651	(831)
Compartamos Financiera	50	-	58	(9)
Compartamos Servicios	130	3	150	(43)
Intermex	9	9	-	-
Controladora AT	9	-	3	2
	\$ 985	460	1,862	(881)

The reconciliation between the current and effective IT tax rates of the Bank for the years ended on December 31, 2015 and 2014, which provision is the main consolidated IT expense, is shown as follows:

	2015	2014
Income before IT	\$ 4,236	4,053
IT at 30% rate on income before IT	\$ (1,271)	(1,216)
Plus (less) the effect of IT on:		
Deductible annual inflation adjustment	42	79
Allowance for loan losses	(555)	(427)
Loan portfolio write-offs	629	-
Deduction from the loan portfolio sale	358	-
Other non-deductible or taxable items, net	10	(87)
Current IT	(787)	(1,651)
Deferred IT	(448)	831
IT expense	\$ (1,235)	(820)
Effective IT rate	29%	20%

At December 31, 2015 and 2014, the main temporary differences of Genera on which deferred IT asset (liability) was recognized are as follows:

	2015	2014
Allowance for loan losses	\$ 1,199	2,646
Furniture and equipment	75	23
Installation expenses	171	144
Employees' benefits	308	64
Provisions	229	486
Tax losses carryforward	1,093	965
Other	26	158
	3,101	4,486
IT rate	30%	30%
Deferred IT	928	1,346
Less:		
Valuation allowance*	332	290
Deferred IT asset, net	\$ 596	1,056

* As of December 31, 2015 and 2014 the valuation allowance corresponds mainly to the tax losses carryforward from Genera and Yastás.

As of December 31, 2015, the deferred tax asset related to the allowance for loan losses which amounts to \$1,199, is mainly comprised of the total balance of the Bank's allowance for loan losses to that date.

At December 31, 2014, the deferred tax asset related to the allowance for loan losses which amounts to \$2,646, includes mainly the tax loss on the Bank's 2014 loan portfolio sale, the balance of the allowance for loan losses at December 31, 2014 and pending deduction of write-offs.

As of December 31, 2015 and 2014, a deferred liability relating to cumulative translation effect of subsidiaries was not recognized, given that the Management intends to hold these equity investments.

For the year ended December 31, 2015, the movement of deferred IT balance represented a debit on the income statement of \$447 (credit to income statement of \$881 in 2014).

As of December 31, 2015 and 2014, Compartamos Servicios recognized a deferred tax asset derived from ESPS, which amounted to \$44 and \$43, respectively, which is fully reserved.

The combined amounts of Capital Contributions Account (Cuenta de Capital de Aportación - CUCA -Spanish abbreviation) and the net tax profit account (Cuenta de Utilidad Fiscal Neta - CUFIN -Spanish abbreviation) of Genera and subsidiaries as of December 31, 2015 and 2014, amount to \$7,453 and \$16,381, and \$6,862 and \$15,338, respectively.

(b) ESPS-

For the years ended December 31, 2015 and 2014, Compartamos Servicios calculated ESPS based on article 16 of the IT Law. The amount of ESPS determined for the years ended December 31, 2015 and 2014 is \$35 and \$38, respectively, which were recognized under the "Administrative and promotion expenses" caption in the consolidated statement of income. At December 31, 2015 and 2014, Compartamos Financiera recorded a provision of \$10 and \$11 for ESPS, respectively, 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, 2015 and 2014, the balance of this caption is comprised as follows:

	2015	2014
Capitalized lease liabilities (note 11)	\$ 14	64
Social security contributions	41	31
Other taxes	382	306
Labor liabilities (note 15) (*)	131	73
Sundry provisions	453	486
Sundry creditors	745	656
	\$ 1,766	1,616

(*) Includes \$13 and \$9, at December 31, 2015 and 2014, respectively, of labor liability of the subsidiaries abroad.

Following is the analysis of the most significant provisions for the years ended December 31, 2015 and 2014.

Type of provision	Balance at January 1, 2015	Plus increases	Less applications	Less cancellations	Balance at December 31, 2015
Short term:					
Sundry provisions	\$ 486	1,501	1,380	154	453

Type of provision	Balance at January 1, 2014	Plus increases	Less applications	Less cancellations	Balance at December 31, 2014
Short term:					
Sundry provisions	\$ 332	2,039	1,863	22	486

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 2015 and 2014.

	2015	2014
Employees bonuses	\$ 314	310
Advisory and services	56	54
Commissions	16	69
Other	67	53
Total provisions	\$ 453	486

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 \$2.15 and \$2.10 at December 31, 2015 and 2014, 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, 2015 and 2014, amounted to \$52 and \$41, respectively, which were charged directly to the results of the year.

19. STOCKHOLDERS' EQUITY-

a) Structure of capital stock and movements of stockholders' equity-

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

2015 movements-

At the April 24, 2015 Ordinary General Stockholders' Meeting, it was resolved to reconstitute the fund for the acquisition of own shares for \$185. During 2015, some shares were repurchased for an amount of \$166. Furthermore, an increase of the statutory reserve for \$156 was approved. In the same Stockholders' Meeting, it was decided to declare and pay dividends for \$1,241, equivalent to \$0.76 Mexican pesos per share, which was paid on May 15, 2015 through S. D. Ineval, S. A. de C. V. Instituto para el Depósito de Valores (Institution for the Custody of Securities). In addition, the shareholders was authorized the cancellation of 9,482,809 common shares without nominal value expression corresponding to the variable capital that Genera held in treasury.

2014 movements-

At the April 24, 2014 Ordinary General Stockholders' Meeting, it was resolved to reconstitute the fund for the acquisition of own shares for \$208. During 2014, some shares were repurchased for an amount of \$182. Furthermore, an increase of the statutory reserve for \$113 was approved.

Genera's subscribed and paid capital at December 31, 2015 and 2014 is comprised as follows:

Series	Shares	Description	Amount
"Unique"	415'595,676	Minimum fixed capital with no withdrawal rights	\$ 1,201
	<u>1,223'087,043</u>	Variable capital	<u>3,563</u>
	<u>1,638'682,719</u>	Capital stock	<u>\$ 4,764</u>

b) Restrictions on stockholders' equity-

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.

Dividends paid to individuals and resident abroad shall be subject to an additional tax of 10% with a definitive character, which shall be retained by the entities to distribute the dividends. The new rule applies only to the distribution of profits that are generated from January 1st 2014.

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.

c) Capitalization requirements (unaudited)-

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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 is 29.05% according to the current rules. As of December 31, 2014 is 33.08%.

The ICAP on assets subject to credit risk ("ASRC" by its acronym in Spanish) as of December 31, 2015 and 2014 is 34.77% and 41.11%, respectively.

Following are the most relevant items of the ICAP at December 31, 2015 and 2014:

	2015	2014
Assets in market risk	\$ 1,495	2,207
Assets in credit risk	23,855	20,345
Assets in operational risk	3,196	2,734
Total risk assets	\$ 28,546	25,286
Net capital	\$ 8,293	8,364
Ratio on assets subject to credit risk	34.77%	41.11%
Ratio on assets subject to total risk	29.05%	33.08%

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

The net capital is determined as follows:

	December 31	
	2015	2014
Stockholders' equity ¹	\$ 9,321.0	9,369.0
Deferred taxes, asset from tax differences	(2.0)	(64.0)
Deduction of intangibles and deferred expenses or costs	(1,025.8)	(941.0)
Basic capital	8,293.2	8,364.0
Complementary capital	-	-
Net capital	\$ 8,293.2	8,364.0

¹ As of December 31, 2015 and 2014, 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.

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, 2015 and 2014 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 and the Ratio of Basic Capital, is determined as follows:

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

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

$$ICAP_M = \text{Ratio of minimum capitalization.}$$

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.

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 hiring 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.

Market risk-

The capital required for the position of assets at market risk of the Bank as of December 31, 2015 and 2014 is as follows:

Item	Amount of the equivalent positions		Capital requirement	
	2015	2014	2015	2014
Operations at nominal rate				
in local currency	\$ 1,451.1	2,206.5	116.1	176.2
Positions in foreign currency or with return indexed to exchange rates	43.5	0.0	3.5	0.0
	\$ 1,494.6	2,206.5	119.6	176.2

Credit risk-

The amount corresponding to weighted assets subject to credit risk and their respective capital requirements of the Bank as of December 31, 2015 and 2014 is shown below per risk group and item:

	Risk-weighted assets		Capital requirement	
	2015	2014	2015	2014
Risk group:				
Group III (weighted at 20%)	\$ 234.4	234.5	18.8	18.8
Group III (weighted at 100%)	7.7	-	0.6	-
Group VI (weighted at 100%)	21,520.3	17,958.9	1,721.6	1,436.7
Group VIII (weighted at 125%)	-	150.4	-	12.0
Group VIII (weighted at 150%)	233.1	-	-	-
Permanent investments and other assets	1,859.8	2,001.5	148.8	160.1
Total credit risk	\$ 23,855.3	20,345.3	1,889.8	1,627.6

Operational risk-

The capital requirement from its exposure to operational risk for December 2015 is \$255.7, while in 2014 was \$218.7, 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. The Bank has maintained 20 basis points in average, higher than the current regulatory limit (10.5%) of ICAP.

d) Bank's agency credit rating-

As of December 31, 2015 and 2014 the Bank obtained the following agencies credit rating in both years:

Agency	Domestic ranking	Global ranking
Fitch Ratings	'AA+(mex) / F1+(mex)'	BBB / F2
Standard&Poor's	'mxAAA / mxA-1+'	BBB / A-2'

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. The average terms of these agreements range from two to five years. Rent payments to be made over the next six years amount to \$763 (\$224 in 2016, \$194 in 2017 \$138 in 2018, \$103 in 2019, \$76 in 2020, and \$28 in 2021).

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 Mexican 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.

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, 2015 and 2014, lease payments were recorded in the consolidated income statement for \$384 and \$309, 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 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 and \$164 for the years 2006, 2007 and 2009, respectively. In addition, the Bank have other claims filed by the SAT related to the same fiscal years 2006, 2007 and 2009, whose complaint comes from other concepts related to differences in deductibility criteria applied to the IT, which amount to \$19, \$21 and \$3, respectively.

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, 2015 and 2014, Genera granted to key management personnel, short term direct benefits for \$188 and \$178, respectively.

The main transactions celebrated with related parties for the years ended on December 31, 2015 and 2014, are as follows:

Expenses	2015	2014
Donations	\$ 8	12
Advisory and services	-	2

22. ADDITIONAL SEGMENTS INFORMATION-

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, debt securities issued and bank and other loans, from which interest expenses arise.

Out of the total income earned by the Bank (main subsidiary) for the years ended December 31, 2015 and 2014, 97% and 98% 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 3% and 2% of the operation of the Bank for 2015 and 2014, respectively) are the treasury segment and commissions from insurance operations.

Financial margin-

For the years ended on December 31, 2015 and 2014, the financial margin is shown as follows:

	2015	2014
<u>Interest income:</u>		
Loan portfolio interest	\$ 17,167	14,348
Interest on cash and cash equivalents	91	85
Interest arising from investments in securities	2	2
Interest from repurchase/resell agreements	8	7
Placement premium	8	9
	<u>\$ 17,276</u>	<u>14,451</u>

	2015	2014
<u>Interest expense:</u>		
Demand and time deposits	\$ 60	43
Cebures (includes amortization of issuance expenses of \$19 and \$17 in 2015 and 2014, respectively)	410	427
Bank and other loans	414	352
Foreign exchange losses	1	-
	<u>\$ 885</u>	<u>822</u>

Interests and commissions per type of loan-

Interests and commissions per type of loan, for the years ended on December 31, 2015 and 2014, are comprised as follows:

	2015		2014	
	Current	Past-due	Current	Past-due
<u>Interest income</u>				
Commercial loans:				
Business and commercial	\$ 145	-	112	1
Consumer loans	17,011	1	14,212	13
Residential mortgages	10	-	10	-
	<u>\$ 17,166</u>	<u>1</u>	<u>14,334</u>	<u>14</u>

For the years ended on December 31, 2015 and 2014, income and expense for commissions and fees, are comprised as follows:

	2015	2014
<u>Commissions and fees income:</u>		
Consumer loans	\$ 493	387
Insurance operations	313	156
Other	383	340
	<u>\$ 1,189</u>	<u>883</u>
<u>Commissions and fees expense:</u>		
Bank fees	\$ 214	212
Brokers	364	362
Insurance operations	114	68
Loans received	34	-
Other	10	15
	<u>\$ 736</u>	<u>657</u>

For the years ended on December 31, 2015 and 2014, "Other operating income (expenses)", is analyzed as follows:

	2015	2014
Other operating income (expenses):		
Loan portfolio recoveries	\$ 28	27
Allowance for bad debts	(56)	(153)
Miscellaneous losses	(7)	(11)
Donations	(42)	(34)
Results on sales of furniture and equipment	(15)	7
Capitalized leases	(6)	(8)
Cancellation of provisions	177	37
Other income (expenses) (mainly insurance premium)	79	58
Total	\$ 158	(77)

Following is a condensed consolidated income statement (including intercompany balances eliminations) of Genera and Subsidiaries for the years ended on December 31, 2015 and 2014.

2015	Subsidiaries								Total
	Genera	Bank	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	Intermex	
Interest income	\$ 12	15,407	265	1,569	2	20	1	-	17,276
Interest expense	-	592	11	282	-	-	-	-	885
Financial margin	12	14,815	254	1,287	2	20	1	-	16,391
Financial margin adjusted for credit risk	12	12,964	233	953	2	20	1	-	14,185
Operating income before income tax	(82)	10,953	19	200	8	(6,596)	53	51	4,606
Net income	(82)	9,717	19	150	8	(6,728)	44	33	3,161

2014	Subsidiaries							Total
	Genera	Bank	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	
Interest income	\$ 10	12,878	170	1,374	1	18	-	14,451
Interest expense	-	521	5	296	-	-	-	822
Financial margin	10	12,357	165	1,078	1	18	-	13,629
Financial margin adjusted for credit risk	10	10,934	141	833	1	18	-	11,937
Operating income before income tax	(67)	9,516	4	263	(88)	(5,522)	37	4,143
Net income	(67)	8,696	4	213	(88)	(5,628)	32	3,162

23. COMPREHENSIVE RISK MANAGEMENT (CRM) 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:

- Commitment by Top Management and the Board of Directors to properly manage risks encountered.
- On-going supervision of CRM policies and procedures.
- Clear segregation of duties to ensure independence and objectivity in risk management.
- Formal cooperation between the CRM structure and the business units.
- Clear determination of responsibilities pertaining to CRM.
- 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, 2015 and 2014 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. 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, 2015, the portfolio is comprised of 3.3 million loans (3 million in 2014), the average outstanding balance in 2015 has remained at approximately \$6,888 Mexican pesos (\$6,051 Mexican pesos for 2014), 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(h).

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 loan portfolio.

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

Consumer loans

Distribution of the loan portfolio by rating (data in percentages to the total loan portfolio)					
Rating	2015		2014		Average
	Balance	Average	Balance	Average	
A-1	70.7	70.8	70.7	71.9	
A-2	0.6	0.6	0.6	0.9	
B-1	0.9	1.0	0.8	0.7	
B-2	9.4	11.2	14.7	13.4	
B-3	1.5	1.6	2.0	2.2	
C-1	8.5	6.4	5.0	5.3	
C-2	3.1	3.7	1.5	1.2	
D	0.9	0.8	0.7	0.7	
E	4.4	3.9	4.0	3.7	
Total	100.0	100.0	100.0	100.0	

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

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

Commercial loan portfolio

Concept	Credit risk			
	2015		2014	
	Balance	Average	Balance	Average
<u>Commercial loan portfolio:</u>				
Total exposure	\$ -	399.8	-	-
Expected loss	-	0.9	-	-
Unexpected loss at 95%	-	12.7	-	-
Expected loss/total exposure	0.0%	0.2%	0.0%	0.0%
Unexpected loss/total exposure	0.0%	3.2%	0.0%	0.0%

At December 31, 2015 and 2014 the quantitative information for the credit risk of the consumer loan portfolio, is as follows:

Concept	Credit risk			
	2015		2014	
	Balance	Average	Balance	Average
<u>Consumer loan portfolio:</u>				
Total exposure	\$ 22,165	20,229	18,408	17,233
Expected loss	332	269	243	250
Unexpected loss at 95%	335	271	245	253
Expected loss/total exposure	1.5%	1.3%	1.3%	1.5%
Unexpected loss/total exposure	1.5%	1.3%	1.3%	1.5%

The expected loss pertaining to the portfolio under consideration as of December 31, 2015 represents 1.5% of the overall balance exposed to default. The Bank has set up loan loss reserves totaling \$1,175, equivalent to 5.1% of the balance of the overall portfolio. As of December 31, 2014, the expected loss was of 1.3% and the allowance amounted to \$882; 4.7% with respect to the balance of the overall portfolio at such date. 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 Article 39 of the General Provisions Applicable to Credit Institutions. As of December 31, 2015 and 2014, no additional allowance for loan losses were required (note 7).

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, 2015, income from loan operations amounted to \$15,806, representing 97.1% of the Bank's total income, compared to the same item at December 31, 2014, the variation in income, in percentage terms is 20%.

Income from loan operations

	2015	2014	Variación (%)
Loan income	\$ 15,805	13,169	20
Total income	\$ 16,305	13,443	21
Income from loan operations (%)	97	98	

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, 2015, the Bank's position in financial instruments subject to counterparty risk totals \$1,150; 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, 2014, the Bank's position in financial instruments subject to counterparty risk totaled \$1,072; 100% in call money operations with an expected loss from counterparty risk of 0.4%, 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.

Probability 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, 2015 and 2014 of the Bank, as well as the maximum exposure to such risk during these years.

	Exposure to counterparty risk at December 31, 2015		
	Amount at year-end	Maximum exposure	Concentration at year-end (%)
Total position	\$ 1,150	5.8	100
Purchase/sale of securities			
Rating AAA			
Rating AA			
Rating A			
Call Money	\$ 1,150	5.8	100

* 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 \$6,918.

	Exposure to counterparty risk at December 31, 2014		
	Amount at year-end	Maximum exposure	Concentration at year-end (%)
Total position	\$ 1,072	4.3	100
Purchase/sale of securities			
Rating AAA	-	-	-
Rating AA	-	-	-
Rating A	-	-	-
Call Money	\$ 1,072	4.3	100

* 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 \$6,664.

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 asset or liability operations or those giving rise to contingent liabilities.

As of December 31, 2015 and 2014, the Bank's portfolio of financial instruments subject to market risk is comprised solely of Call Money. 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 process for risk measurement 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, 2015:

Portfolio	Market Value	Value at Risk, 1 day (VaR) on December 31, 2015			Use of limit (%) ¹
		VaR at 99%	% Position		
Total position	\$ 1,179	0.42	0.040		33
Money ²					
Purchase of securities	-	-	-		-
Call Money	\$ 1,150	0.01	0.001		32
Derivatives ³	-	-	-		-
Foreign currencies	29	0.41	1.400		1
Equity	-	-	-		-

1. The authorized risk limit is calculated based on the maximum exposure, at December 31, 2015 with an exposure of \$1,179 corresponds a limit of \$300,000 Mexican pesos.
2. The positions subject to market risk referred to are call money operations and foreign currencies.
3. There are no derivative operations for trade or hedge purposes.

Following is the quantitative information for market risk as of December 31, 2014:

Portfolio	Market Value	Value at Risk, 1 day (VaR) on December 31, 2014			Use of limit (%) ¹
		VaR at 99%	% Position		
Total position	\$ 1,072	0.002	0.0002		6.34
Money ²					
Purchase of securities	-	-	-		-
Call Money	\$ 1,072	0.002	0.0002		6.34
Derivatives ³	-	-	-		-
Foreign currencies	-	-	-		-
Equity	-	-	-		-

1. The authorized risk limit is calculated based on the maximum exposure, at December 31, 2014 with an exposure of \$1,072 corresponds a limit of \$33,000 Mexican pesos.
2. The positions subject to market risk referred to are call money operations.
3. There are no derivative operations for trade or hedge purposes.

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 2015 was \$237,628 Mexican pesos, corresponding to 79.2% of the limit calculated exposure as of December 31, 2015. The daily average VaR held in 2014 was \$1,958 Mexican pesos, corresponding to 5.9% of the last ASRM product x ICAP known as of December 31, 2014.

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 97%.

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

Following are the sensitivity and stress tests of the Bank conducted as of December 31, 2015 and 2014, respectively.

	Market Value	Sensitivity analysis as of December 31, 2015		
		VaR at 99%	Sensitivity +100 bp	Stress +150bp
Total position	\$ 1,179	0.42	0.74	1.02
Money:				
Purchase of securities	-	-	-	-
Call money	\$ 1,150	0.01	0.12	0.19
Foreign currencies	29	0.41	0.62	0.83

	Market Value	Sensitivity analysis as of December 31, 2014		
		VaR at 99%	Sensitivity +100 bp	Stress +150bp
Total position	\$ 1,072	0.002	0.060	0.089
Money:				
Purchase of securities	-	-	-	-
Call money	\$ 1,072	0.002	0.060	0.089

Income from treasury operations at the end of 2015 was \$59, accounting for 0.4% of the Bank's overall interest income. The variation in treasury income was determined comparing the same item for the prior year 2014, was \$58.

	Income from treasury operations		
	2015	2014	Variation (%)
Income from treasury operations	\$ 59	58	1.7%
Total interest income	15,434	12,878	20%
Income from treasury operations (%)	0.4%	0.5%	(20%)

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 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, 2015, the quantitative information for the analysis of liquidity gaps is as follows:

Analysis of liquidity gaps (accumulated) ¹ 2015			
Bucket	Gap	Limit*	Use of limit (%)
1-30 days	7,855	79%	0%
31-60 days	13,481	135%	0%
61-90 days	17,944	179%	0%
91-120 days	19,626	196%	0%
121-180 days	20,900	209%	0%
181-270 days	19,266	193%	0%
271-360 days	19,669	197%	0%
361-720 days	15,405	154%	0%
721-1,080 days	13,909	139%	0%
1,081-1,440 days	9,726	97%	0%
1,441-1,800 days	(2,656)	(27%)	27%

Analysis of liquidity gaps as of December 31, 2015			
Bucket	Gap	Limit*	Use of limit (%)
1-30 days	7,855	79%	0%
31-60 days	5,626	135%	0%
61-90 days	4,467	179%	0%
91-120 days	1,682	196%	0%
121-180 days	1,275	209%	0%
181-270 days	(1,635)	193%	0%
271-360 days	403	197%	0%
361-720 days	(4,264)	154%	0%
721-1,080 days	(1,496)	139%	0%
1,081-1,440 days	(4,184)	97%	0%
1,441-1,800 days	(12,382)	(27%)	27%

¹ The calculation of the accumulated gaps is presented in order to clarify the period, where a gap of liquidity exists.

* 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, 2015 were \$10,606.

As of December 31, 2014, the quantitative information for the analysis of liquidity gaps is as follows:

Analysis of liquidity gaps (accumulated) ¹ 2014			
Bucket	Gap	Limit*	Use of limit (%)
1-30 days	5,389	61%	0%
31-60 days	4,761	116%	0%
61-90 days	3,491	156%	0%
91-120 days	1,546	173%	0%
121-180 days	1,049	185%	0%
181-270 days	635	192%	0%
271-360 days	(1,146)	179%	0%
361-720 days	(2,569)	150%	0%
721-1,080 days	(1,742)	130%	0%
1,081-1,440 days	(2,162)	105%	0%
1,441-1,800 days	(11,416)	(25%)	25%

Analysis of liquidity gaps as of December 31, 2014			
Bucket	Gap	Limit*	Use of limit (%)
1-30 days	5,389	61%	0%
31-60 days	10,150	116%	0%
61-90 days	13,641	156%	0%
91-120 days	15,187	173%	0%
121-180 days	16,216	185%	0%
181-270 days	16,851	192%	0%
271-360 days	15,705	179%	0%
361-720 days	13,136	150%	0%
721-1,080 days	11,394	130%	0%
1,081-1,440 days	9,233	105%	0%
1,441-1,800 days	(2,184)	(25%)	25%

¹ The calculation of the accumulated gaps is presented in order to clarify the period, where a gap of liquidity exists.

* 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, 2014 were \$8,763.

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 2015, of \$19,669. The overall accumulated gap is negative.

At December 31, 2015 the quantitative information for liquidity risk, is as follows:

2015	Value	VaR Liquidity, 10 days Position (%)	Use of limit (%)*
VaR liquidity at 99%	\$ 1.34	0.115%	33.42%
Money:			
Purchase of securities	\$ -	-	-
Call money	0.04	0.004%	1.28%
Foreign currencies	1.30	0.111%	32.14%

* The authorized risk limit is calculated based on the maximum exposure at December 31, 2015 with an exposure of \$1,179 corresponds a limit of \$950,000 Mexican pesos.

The Bank's net capital as of December 31, 2015 is \$8,293.

At December 31, 2014 the quantitative information for market liquidity risk, is as follows:

2014	Value	VaR Liquidity, 10 days Position (%)	Use of limit (%)*
VaR liquidity at 99%	\$ 0.0066	0.001%	6.33%
Money:			
Purchase of securities	\$ -	-	-
Call money	0.0066	0.001%	6.33%

* The authorized risk limit is calculated based on the maximum exposure at December 31, 2014 with an exposure of \$1,072 corresponds a limit of \$104,500 Mexican pesos.

The Bank's net capital as of December 31, 2014 is \$8,364.

The average liquidity VaR for 2015 was \$751,446 Mexican pesos, equivalent to 18% of the limit calculated at December 31, 2015 (\$4,100,000 Mexican pesos). Sensitivity and stress tests are also conducted for liquidity risk management. The average liquidity VaR for 2014 was \$6,191 Mexican pesos, equivalent to 5.92% of Bank's net capital as of December 31, 2014. (104,500 Mexican pesos).

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 Asset and Liability 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.

Business Continuity Management (BCM) Plan is in process of implementation, which 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.

At year end 2015 and in 2014 Tolerance Level which by definition can be understood as the Bank's Operational Risk Exposure, is 1.03% of its annualized income, estimated on a monthly basis. Equivalent to \$160 for 2015 and \$134 for 2014, on average. The materialized loss events, associated with the operational risk, during 2015 reached only 0.17% and 0.24% in 2014 as a percentage of annualized income, below the maximum tolerance in both years.

24. RECENTLY ISSUED FINANCIAL REPORTING AND REGULATORY STANDARDS-

On May 19, 2014, the Commission published in the Official Gazzete the resolution amending various articles of general provisions applicable to credit institutions, including Article 174 which is referred to Annex 33 that contains the accounting criteria for credit institutions. These provisions shall enter into force beginning January 1, 2016, pursuant to resolution issued on June 23, 2015. The significant accounting policies that had changes are mentioned below:

- A-2 "Application of particular rules"
- B-1 "Cash and cash equivalents"
- C-3 "Related parties"

Genera's management estimate that the accounting criteria mentioned above will not generate significant effects on their consolidated financial statements.

The CINIF has issued the FRS and Improvements listed below:

- FRS C-2 "Investment in financial instruments"
- FRS C-3 "Accounts Receivable"
- FRS C-9 "Provisions, Contingencies and Commitments"
- FRS C-19 "Financial instruments payable"
- FRS C-20 "Funding instruments receivable"

FRS D-3 "Employee benefits"

Is effective for years beginning on or after January 1, 2016 with retrospective effects and early adoption is allowed as of January 1, 2015. FRS D-3 supersedes the provisions in FRS D-3.

Main topics include the following:

- **Direct benefits** – The classification of direct short-term benefits was modified and the recognition of deferred Employee Statutory Profit Sharing (ESPS) was ratified.
- **Termination benefits** – The bases were modified for identifying when payments for the termination of a work relationship actually meet post-employment benefits or when they are termination benefits.
- **Post-employment benefits** – Among others, the following were modified: the accounting recognition of multi-employer plans; government plans and plans of entities under common control; the recognition of the net defined benefit liability (asset); the bases for determining the actuarial hypothesis in the discount rate; the recognition of the Service Cost of Past Periods (SCPP) and of the Early Settlement of Obligations (ESO).
- **Remeasurements** – In recognizing post-employment benefits, the corridor approach is eliminated in the treatment of the plan's profits and losses (PPL); therefore, they are recognized as accrued and recognized directly in Other Comprehensive Income ("ORI"), requiring their recycling to the period's net profit or loss under certain conditions.

- **Plan Asset Ceiling (PA)** – Identifies a plan asset ceiling and specifies which entity contributed funds do not qualify as such.
- **Recognition in profit or loss of PM, SR and gains or losses from Early Settlement of Obligations (ESO)** – In post-employment benefits, the totality of the Service Cost of Past Periods (SCPP) of Plan Modifications (PM), Staff Reductions (SR) and the gains or losses from Early Settlement of Obligations (ESO) are immediately recognized in profit or loss.
- **Discount rate** – Establishes that the discount rate of Defined Benefit Obligations (DBO) is based on investment grade corporate bond rates (deep market) and, in their absence, on government bond rates.
- **Termination benefits** – Requires an analysis as to whether separation payments qualify as termination benefits or are actually post-employment benefits and notes that if the benefit is non-cumulative with no preexisting granting conditions, it is a termination benefit and, therefore, it should be recognized when the event occurs. However, if preexisting conditions are present, either contractually, by law or payment practices, it is deemed a cumulative benefit and should be recognized as a post-employment benefit.

Genera's Management estimates that the effect of the new FRS D-3 is a charge in prior years' results of \$65 and a charge to other comprehensive income for \$86, the latter will be recycled to results during the remaining labor life of employees. This estimate was determined using a government bonds rate to discount the cash flows to present value.

2016 FRS Improvements

In December 2015, CINIF issued the document referred to as "2016 FRS Improvements", which contains precise modifications to some FRS. The modifications are listed below:

- FRS C-1 "Cash and cash equivalents"
- FRS C-2 "Financial instruments"
- FRS B -2 "Statement of cash flows"
- FRS B-10 "Effects of inflation"
- Bulletin C-9 "Liabilities, provisions, contingent assets and liabilities"

Genera's Management estimates that the new FRS and its improvements, with exception of FRS D-3 effect disclosed in the third paragraph of prior page, will not have important effects on Genera's financial statements.

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Chief Executive Officer

Patricio Diez de Bonilla García Vallejo
Chief Financial Officer

Oscar Luis Ibarra Burgos
General Internal Auditor

Marco Antonio Guadarrama Villalobos
Controller

Investor information

G4-3, G4-5, G4-7

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Ticker symbol in the Mexican Stock Exchange (BMV) in 2015



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Sustainability information

G4-31

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