



2022

IMPACT THAT

transcends

Annual and
Sustainability Report

2022 was a year of great achievements, we fulfilled our growth plan and confirmed our leadership, thanks to our clear strategy, the commitment of our team and the constant work to generate a positive impact on the lives of millions of people; giving opportunities and financial tools to encourage them to achieve their dreams and transform their future.

Day by day we seek to build a more diverse and inclusive world, which has earned us the trust of our stakeholders. Today we can say that in Genera we achieved an **impact that transcends.**



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01 WHO WE ARE

IMPACT THAT

inspires





LETTER FROM OUR CHAIRMEN

2-22

In 2022, Gentera lived one of the best years in its history; we are extremely proud to be able to share the results achieved during this time

True to our roots, we work to provide development opportunities to people in Mexico and Peru. Aware of the responsibility we have with our clients, we take care of every detail of the service we provide, and we remain close to meet their needs in their different contexts. We strive to be timely, clear, and efficient in order to positively impact their reality and generate value.

For over three decades, we have sought to be agents of change, financially including millions of people through products and services that generate economic, social, and human value. At the same time, we have established ourselves as a financial institution committed to the development of the communities in which we operate, managing with a sustainable vision.





Thanks to the employees, who have contributed with their talent, commitment and dedication to this dream called Genera, and for sharing the purpose of boosting our clients' dreams

All the above encourages us to continue forging a company committed to people, striving for excellence in what we do and with our philosophy as a guide. We have trust in our clients, employees, and other stakeholders, and we build long-term relationships with them.

We share with you the actions, projects, initiatives, and accomplishments achieved in 2022, through this constant exercise of transparency and accountability, in accordance with our organizational ethics.

We will continue to evolve in a strategic direction, committed to generating value, always placing the person at the center of our actions and decisions, both present and future.

Carlos Labarthe and Carlos Danel
Charimen of Genera



LETTER FROM OUR CEO

2-22



Enrique Majós

Throughout our history, we have adapted to the needs of the context, with the conviction of keeping the person at the center of everything we do to boost their dreams. Evolution will always be a constant in Genera

Thus, in 2022, after challenging years, we managed to recover growth, prioritizing the care and well-being of our clients and employees, the financial health of the business and the stability of our operations. At the same time, we have continued to work on digitalizing our business model.

In Mexico, despite challenges such as inflation and rising interest rates, we have witnessed a dynamic recovery in our clients' businesses and, consequently, in ours. In Peru, faced with a complex environment and political context, we see an increase in entrepreneurial economic activity and a sustained growth of our operations. Our social vocation has allowed us to develop the ability to navigate adverse environments, where clients and employees have

set the tone to improve our results and consolidate new achievements. Following their example of tenacity and dedication, at Genera we grow in the face of challenges.

Throughout this year, **we had the opportunity to serve more than 3.6 million people in Mexico and Peru.** Understanding the situation that our clients went through, we kept their credit rates unchanged and adjusted our products, always being sympathetic to their needs and always with a human touch. Yastás reached 6,974 affiliated businesses and consolidated as the largest bank commission agent in Mexico. Additionally, we strengthened the presence of our insurance offer in Peru through the recent confirmation of the Aterna Peru team. Our synergies



between ConCrédito and Banco Compartamos continued to contribute to the growth of both subsidiaries.

On the other hand, during this year, we provided more than 981,000 hours of training to our more than 21,000 employees. With this, we reaffirm our commitment to developing our people, knowing that with happy and well-prepared employees, we can serve our customers better.

We achieved our highest levels of financial results, thanks to the discipline and good resource management. We increased our levels of efficiency and productivity, confirming our market leadership and solid positioning. In this way, we continue to contribute to the economic, social, and human development of families and communities.

We also **remained committed to sustainable development, human rights, and inclusion.** We established a Sustainability Committee, whose function will be to ensure the monitoring and fulfillment of our objectives in this area. Aware of our role in society, we remained committed to the Ten Principles of the United Nations Global Compact. Compartamos Banco, in turn, was endorsed as an official signatory of the United Nations Environment Program's Principles for Responsible Banking.

We value the trust placed in Gentera and its subsidiaries by clients, employees, suppliers, investors, directors, media, organizations, and authorities. The progress we share in this report is a result of careful planning, execution, and teamwork.

We know exactly where we are headed in the future, and we are excited to keep moving forward. We will continue to contribute to economic recovery and greater financial inclusion in the communities in which we operate, always serving our clients with a sense of purpose to boost their dreams.

Enrique Majós
CEO of Gentera



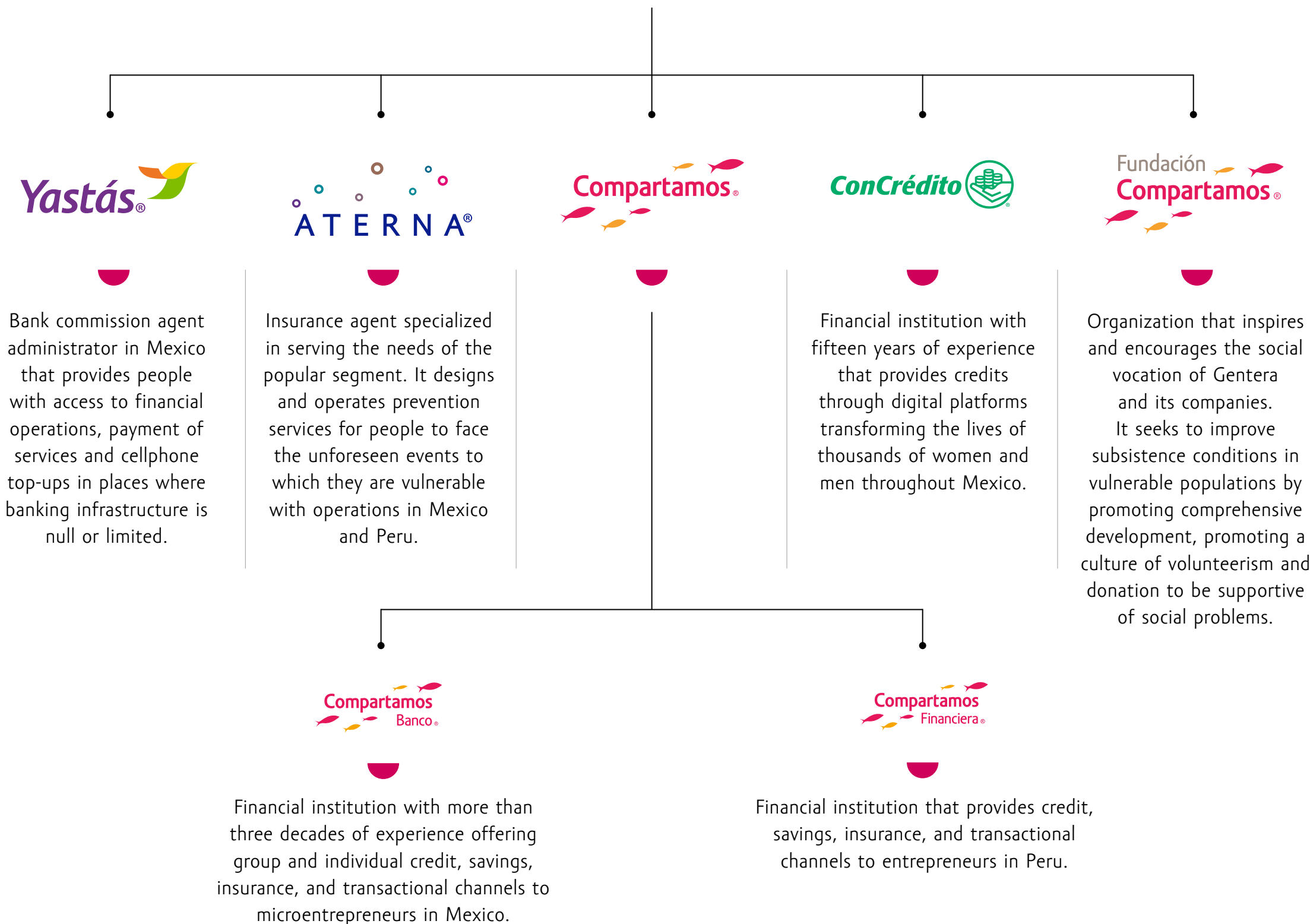
The results of Gentera during 2022 were historical



WE ARE GENTERA

2-1, 2-6

We are a group of companies that work for financial inclusion, with the purpose of boosting people's dreams, with presence in Mexico and Peru. We provide products and services that meet the financial needs of millions of people while maintaining a human touch.





Purpose

Our purpose is to boost the dreams of our clients by solving their financial needs with a human touch

For more than 32 years, we have worked to provide opportunities that promote the development of people and their communities. Our value generation formula is the sum of social and human value, which results in economic value.



Social value

Growing to offer opportunities for inclusion to as many people as possible in the shortest possible time and share the benefits with the communities where we work



Human value

Trusting every person, in their willingness to grow and self-realize to be better and, with financial education, use our solutions for their benefit



Economic value

Building innovative, efficient, and profitable business models from which everyone can benefit



Our history

START

1990

Compartamos is born as a Non-Governmental Organization (NGO)

2000

We became Sofol

▶ 64,141 clients

2002

We launched our first issuance of stock certificates

▶ 144,991 clients

2005

We started offering insurance as part of our products

▶ 453,131 clients

2006



We became a bank

▶ 616,528 clients

2007

We launched an Initial Public Offering to enter the Mexican Stock Exchange (BMV)

▶ 838,754 clients

2011



We started operations in Yastás. We expanded to Peru. We constituted our Foundation

▶ 2,334,440 customers

2012



We started the operations of Aterna

▶ 2,495,028 clients

2013



We evolved into Gentera

▶ 2,754,860 clients

2018



We invested in ConCrédito

▶ 3,196,675 customers

2020

We celebrated our 30th anniversary. We acquired the majority shareholding of ConCrédito

▶ 3,001,092 clients

2021



Compartamos Banco placed its first social bond on the Institutional Stock Exchange (BIVA), also became an official signatory of the UNEP FI Principles for Responsible Banking¹

Gentera adhered to the United Nations Global Compact to comply with its Ten Principles

2022

- We recorded the best year in the history of Gentera

▶ We reached our highest financial levels

- Compartamos Banco placed a second social bond (\$2.5 billion pesos) in August
- Gentera celebrated 15 years of trading on the Mexican Stock Exchange
- In September we returned to the Price and Quotations Index

¹ United Nations Environment Programme Finance Initiative (UNEP FI).

02 SUSTAINABILITY

IMPACT THAT

balances





SUSTAINABILITY

Genera's commitment to sustainability is a feature of our business model. Since our inception, we have demonstrated that creating value for our stakeholders, mainly clients, employees, investors, and the communities with which we interact, is inherent to our philosophy and the way we operate. We are committed to transparency, as we recognize the importance of reporting the performance of Genera and its companies in these areas, in accordance with the methodologies, standards and initiatives relevant to our industry.

We are evolving to meet today's challenges, making decisions considering environmental, social and governance (ESG) aspects, to continue generating social, economic, and human value for our stakeholders. Through our **ESG Strategic Policy**¹ we establish the general principles of action of Genera and its companies in the matter, they are integrated into issues such as environment, human rights, and anti-corruption, among others, in accordance with the Sustainable Development Goals (SDGs) and Human Rights. This policy was approved this year by Genera's CEO, and we are monitoring its compliance from the Sustainability area.

¹ See Genera's ESG Strategic Policy [↗](#)

Sustainability strategy

2-23, 2-24, 2-25, FS1, FS15

Sustainable development is the way in which we ensure the sustainable creation of total value among our stakeholders to continue boosting dreams, which is why we aligned our business strategy with the Principles of Responsible Banking of the United Nations Environment Programme Finance Initiative, the Ten Principles of the United Nations Global Compact, and we continue working to contribute to the achievement of the SDGs in which we generate the greatest positive impact:

OBJETIVOS DE DESARROLLO SOSTENIBLE



In 2022 we created the **Sustainability Operating Committee** to ensure that our operations and decisions are aligned with the ESG Strategic Policy and business strategy. The committee is composed by members from different areas of the company and is led by a member of the executive team.

The creation of the Sustainability Operating Committee is an important step on our path to a more sustainable future

Members of the Sustainability Operating Committee

- > Chairmen of Genera
- > Chief Executive Officer of Genera
- > Chief Executive Officer of Compartamos Banco
- > General Corporate Officer of Genera
- > Chief Financial Officer
- > Institutional Relations and Sustainability Officer
- > Investor Relations Officer
- > Sustainability Team
- > In coordination with the Corporate Governance team



The Sustainability Operational Committee is responsible for testing the work plan, in addition to knowing and monitoring our sustainable performance, reporting it to the senior management and the Board of Directors. They are also responsible for ensuring that our company is aligned with international and national standards and regulations on sustainability, as well as promoting sustainability education and awareness within the company.

Since 2020 we are signatories of the United Nations Global Compact, which reflects our company's commitment to its Ten Principles in the areas of human rights, labor, environment, and anti-corruption.

On the other hand, in 2020 Compartamos Banco became the first microfinance bank to sign the UNEP FI Principles for Responsible Banking (PBR). In 2022, we reaffirmed our commitment to continue providing more sustainable financial products and services to our clients, within the framework of the initiative.



Principles for Responsible Banking

The Sustainability Operating Committee is committed to meeting twice a year

Progress on the sustainability strategy is regularly reported to the Sustainability Working Group, which includes the Chief Financial Officer, the Institutional Relations and Sustainability Officer, the Investor Relations Officer and the Sustainability Team, and annually to our stakeholders through this Annual and Sustainability Report, following international ESG standards such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), the Ten Principles of the Global Compact and the UNEP FI Principles for Responsible Banking.

PRINCIPLES FOR RESPONSIBLE BANKING



Alignment

Align our business strategy with the targets expressed in the Sustainable Development Goals (SDGs) and the Paris Agreement.



Impact

Continuously increase our positive impacts while decreasing our negative ones.



Clients

Work responsibly with our clients to develop sustainable practices and generate shared prosperity.



Stakeholders

Proactively consult, engage, and partner with our key stakeholders to achieve our goals.



Governance and targets

Implement commitments through effective governance systems and set targets for our most important impacts.



Transparency and accountability

Commit to transparency, assuming full responsibility for our positive and negative impacts.



Compartamos Banco is the first microfinance institution in the world to sign the Principles for Responsible Banking

As part of the commitments to be signatories of the initiative, we published the Impact Analysis of Compartamos Banco² to identify opportunities regarding positive impacts and potential negative impacts, and in accordance with **Principle 2 Impact** we established objectives, the progress of which we will report in our next annual reports.



Objective 1

By 2025 to financially include/empower five million women through access to convenient and simple financial opportunities³.



Objective 2

By 2025, disburse ten million loans of less than 500 USD, reinforcing credit penetration among the lowest segment of the population⁴.



² See Compartamos Banco's Impact Analysis [↗](#)

³ Base year 2022

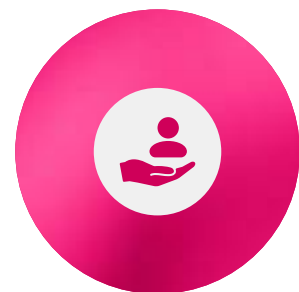
⁴ Base year 2022



Strategic axes

Our **sustainability strategy** is organized into five axes that have specific goals and objectives that enable us to contribute to the United Nations 2030 Agenda while also achieving our own ESG ambitions.

We design our actions to strike a balance between creating economic, social, and environmental value and mitigating risks and impacts.



Impact on our clients

- 1. Client satisfaction
- 2. Client privacy and information security
- 3. Inclusion (strategic social commitment aligned with the business model)
- 4. Innovation and development of new products
- 5. Family of our clients



Well-being of our employees

- 1. Equal opportunities and gender equity
- 2. Training and development
- 3. Occupational health and safety
- 4. Privacy of employees
- 5. Family of our employees



Corporate citizenship

- 1. Community impact
- 2. Responsible supply chain



Good governance and integrity

- 1. Corporate governance structure
- 2. Management of ESG issues and risks
- 3. Human rights
- 4. Anti-corruption and bribery ethics



Environment and climate change

- 1. Environmental policy
- 2. Management and monitoring of issues related to climate change
- 3. Energy
- 4. Water
- 5. Waste
- 6. Environmental culture

Indirect SDGs:



WITH OUR ACTIONS WE DIRECTLY CONTRIBUTE TO SDGS:





In this report we share the first results and progress of our sustainability strategy

Our sustainability strategy has enabled us to make progress in the implementation of actions and programs that contribute to the sustainable development of our customers, employees, and the communities where we operate.

By 2023 we will deepen the knowledge of our environmental performance as part of the commitment we have with the communities in which we operate, to identify opportunities that will lead to action plans. We will continue to promote financial education initiatives to benefit our stakeholders.

Environmental

Progress 2022



Clients

We communicate to our clients' opportunities in environmental matters, via social networks of Compartamos Banco.



Risks

The Risk team strengthened its competencies through training actions.

FOCUS AREAS 2023-2025

2023

2024

2025

Actions for the environment

- > Environmental consulting
- > Investment in conservation programs

- > Corporate environmental program linked to the business
- > Awareness program on the use of resources

- > Comprehensive waste management and the implementation of consultancy-derived actions

Electric energy, water, and fuels

- > Carbon footprint measurement of all Genera companies

- > Carbon footprint measurement of Genera + portfolio

- > Measurement result: setting reduction targets



Social

FOCUS AREAS 2023-2025

Progress 2022



Clients

We brought financial education to more than 6 thousand clients.



Equity and diversity

We formalized the creation of the Diversity and Inclusion Operating Committee.



Social impact

We published the impact analysis of Compartamos Banco as part of our commitment being signatories of the PRB.



Suppliers

We applied the analysis of sustainability criteria to 13% of our suppliers to learn about their practices in human rights, labor conditions, the environment, corporate governance, and community outreach.

2023

2024

2025

Financial education and inclusion

- > Diagnosis on financial education
- > Detailed knowledge of activities and sectors of our clients

- > Financial education program

- > Deepen the knowledge about activities and sectors to which our clients are dedicated to

- > Permanent financial health and resilience program, meeting the needs of our clients

Client protection

- > Adherence to Client Protection Pathway

- > Client Protection Pathway implementation

- > External audit

Diversity and inclusion

- > D&I Committee. Employment equality and non-discrimination policy

- > Training in biases and promotion of development programs

- > Comprehensive D&I plan (diagnosis, training, follow-up)

Foundation

- > Pilot projects in the medium term

- > Medium-term projects

- > Impact measurement

Suppliers

- > Training for suppliers in Code of Ethics and anti-corruption

- > Training for suppliers in Code of Ethics and non-discrimination

- > Audits



Governance

FOCUS AREAS 2023-2025

Progress 2022



Corporate governance

We communicate the relevant aspects of Genera's decision-making (transparency, equity, and adherence to best practices) within the Environmental, Social and Governance (ESG) Strategic Policy of Genera.

We formalized the creation of the Sustainability Operating Committee.

2023

2024

2025

Ethics and Human Rights

- > Ethics: clear statement of respect for human rights in the Code

- > Human Rights Due Diligence Process (Code of Ethics and Client Protection)

- > Corporate integrity model

Corporate Governance

- > Disclose information on Board Policies, by company

- > Maintain disclosure on Board Policies, highlighting diversity

- > Board with gender diversity and sustainability training

Risks

- > Vulnerability analysis of the portfolio to physical risks due to climate change

- > Vulnerability analysis of properties to physical risks due to climate change

- > Vulnerability analysis to transition risks due to climate change

Assessment

- > ESG evaluation with the participation of a third party

- > External audit of annual report

- > Strengthening of continuous reporting



Materiality

2-29, 3-1, 3-2

The issues that Genera, its companies, our stakeholders, and the industry to which we belong consider relevant in terms of impact are the source of our sustainability strategy, which we obtained from the **materiality analysis**⁵ that we updated in 2020.

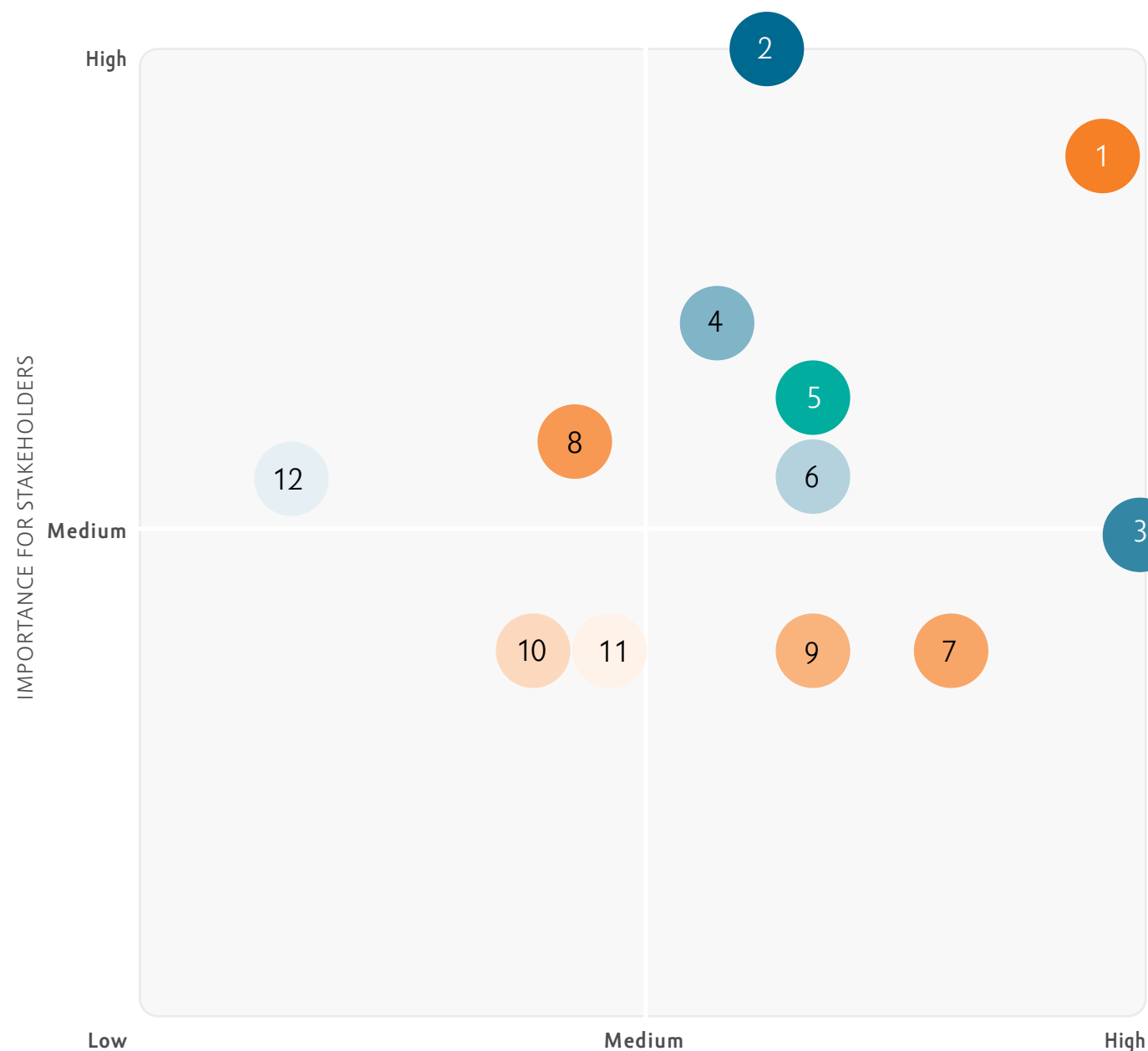
We have identified the topics that we have an impact on or that may impact us positively or negatively, now or in the future, in our financial and/or environmental performance, as well as on people and/or human rights through our activities, value chain or business relationships.

In addition to multiple surveys applied to our stakeholders, to carry out this analysis we followed these methodologies, recommendations, and international standards on sustainability:

- > GRI
- > SASB
- > Equator Principles
- > Principles for Responsible Investment (PRI)
- > International Financial Reporting Standards (IFRS)
- > S&P Corporate Sustainability Assessment (CSA) Requirements
- > TCFD
- > SDGs

In the different sections of this report, we share the actions and initiatives we carried out during 2022 in relation to the 12 material topics, as well as the management approach we used to link them to the strategy of Genera and its companies.

MATERIALITY MAP



Concepts

- 1. Ethics, code of conduct and internal regulatory framework
- 2. Client satisfaction
- 3. Equal opportunities and gender equity
- 4. Financial inclusion
- 5. Measurement of greenhouse (GHG) gas emissions
- 6. Employee training and development
- 7. Transparency, accountability, anti-corruption and bribery
- 8. Economic, environmental and social risk management
- 9. Corporate governance structure
- 10. Client and employee privacy
- 11. Data security
- 12. Occupational health and safety

ENVIRONMENTAL

SOCIAL

GOVERNANCE

⁵ See our materiality analysis [↗](#)



Type of impact

A: Actual

P: Positive

Po: Potential

	Material topic	Type of impact	Actions to manage impacts
1	Ethics, code of conduct and internal regulatory framework	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ Awareness, recertification, Committee, complaint channels
2	Client satisfaction	A P on clients	<ul style="list-style-type: none"> Read in chapter Impact that Transcends ➔ (Clients) Surveys
3	Equal opportunities and gender equity	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Transcends ➔ (Employees) People Policies with an equity perspective
4	Financial inclusion	A P on people, the economy and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Transcends ➔ (Clients) Business indicators
5	Measurement of greenhouse (GHG) gas emissions	Po P on the environment and people	<ul style="list-style-type: none"> Read in chapter Impact that Preserves ➔ Emissions inventory, identification of efficiencies
6	Employee training and development	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Transcends ➔ (Employees) Training and performance
7	Transparency, accountability, anti-corruption and bribery	A P on the economy and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ PLD, Audit
8	Economic, environmental and social risk management	Po P on the economy, people, the environment and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ Risks
9	Corporate governance structure	A P in the economy	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ Corporate governance adhered to the Code of Good Corporate Governance
10	Client and employee privacy	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ Privacy, data protection, training and performance
11	Data security	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Strengthens ➔ Training
12	Occupational health and safety	A P on people and human rights	<ul style="list-style-type: none"> Read in chapter Impact that Transcends ➔ (Employees) Physical security, FISSEP, benefits



Sustainable value chain

In coordination with the Purchasing team, we applied the **Diagnosis of sustainability criteria to 13% of our suppliers**, with the aim of learning their relevant practices on topics such as: human rights, working conditions, environment, corporate governance, and community linkage, among others.

Among the main findings we identified:

SOCIAL

80%

80% of participating suppliers **declare that they have a code of ethics**, however, they still do not integrate a human rights perspective or declare themselves against child labor.

ENVIRONMENTAL

52%

are **voluntarily adhered to an initiative** that seeks to care for the environment.

56%

of suppliers have an **environmental policy**.

72%

of them **monitor their environmental performance** through carbon footprint measurements, waste generated and recycled, and electricity consumption.

GOVERNANCE

68%

of suppliers **have institutionalized Corporate Governance** that is governed by rules, principles and procedures that regulate the structure and functioning of the company's decision-making process.

55%

of suppliers **promote work environments free of violence and harassment** and have some type of channel or means of reporting either through direct communication with superiors, anonymous mailbox, email or telephone.

45%

promote a work environment free of violence and harassment, but do not have complaint mechanisms.

60%

of suppliers **have a mechanism to report** acts of corruption or attempted bribery.

SOCIAL RESPONSIBILITY

76%

of suppliers **add value to their communities**, in addition to the generation of employment, participating in volunteering in groups for the construction of peace, donations to collection centers, animal shelters and community centers, support for social programs for the care of green areas and reforestation.



Sustainability participation and updates

As part of our commitment with transparency and accountability, and in response to the growing need of different stakeholders to know our actions in sustainability, we respond to 35 ESG requirements from investors and rating agencies such as S&P CSA, Afore XXI, Bloomberg, Clarity of Santander and the Association of Banks of Mexico (ABM, by its acronym in Spanish), among others.

We were awarded by the *Instituto para el Fomento a la Calidad y el Consejo de Comunicación Voz de las Empresas*, as one of the exceptional companies for "Genera's sustainable management model" in the category of Corporate Social Dimension, for contributing to improving the Mexican's quality of life through practices with a social dimension and its initiatives to address the economic, social and environmental priorities outlined in the SDGs, through a culture of innovation and commitment to excellence.

We are also members of the sustainability committees of the Mexican Stock Exchange (BMV, by its acronym in Spanish) and the ABM. We are part of the Global Compact working groups: D&I Gender equality, Quality education, Decent work and economic growth, People with disabilities and Anti-corruption.

We have strengthened the capacities of the sustainability team and involved the Corporate Governance team in training on relevant ESG issues:

Training	Objective	Who provides
Sustainable Accompaniment Program (PAS, by its acronym in Spanish)	Support companies seeking to implement and improve their ESG strategy through virtual talks with experts from different institutions, who shared the most relevant data on the environment, social responsibility and corporate governance	Mexican Stock Exchange
Business Opportunities, How to Seize the Growth Opportunities in Sustainability	Focus identified opportunities from a sustainable perspective	McKinsey & Company
Task Force on Climate related Financial Disclosures (TCFD)	Increase our knowledge on climate change, organized by Mexico's Green Finance Advisory Board (CCFV, by its acronym in Spanish)	United Nations' Sustainable Stock Exchanges Initiative (SSE), the International Finance Corporation (IFC), CDP and Bloomberg

Our CEO, Enrique Majós participated in BIVA DAY in New York, where he presented the status of our sustainability strategy and the following steps to a forum of industry experts and finance and investments specialists

03 SOCIAL IMPACT

IMPACT THAT

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03 SOCIAL IMPACT: **OUR CLIENTS**

IMPACT THAT
SHAPES

dreams





Financial inclusion

Financial inclusion refers to the access that individuals and businesses have to a variety of useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance—and that are delivered responsibly and sustainably.

The wide range of financial products and services that we make available to our clients under our five companies has allowed us to contribute to the creation of positive social impact and contribute to the **financial inclusion** of millions of people in Mexico and Peru.

We understand financial inclusion as the access and use of a range of financial products and services by the population, under appropriate regulation that takes care of their interests and promotes their financial capabilities, always supported by components such as consumer protection and financial education.

We are transforming our business model towards a digital operation, which allows us to serve our clients with greater efficiency, agility and flexibility, taking advantage of technology, while preserving the closeness and human touch that distinguishes us.

Client protection **Increased efficiency**

We incorporated the Client Protection Principles into our operation because we have witnessed their positive impact on our value offering.

Access **Geographical penetration**

We have an extensive network of transaction points made up of branches, banking correspondents and digital channels that provide convenience to our clients.

Use **Better products**

Our products have been designed based on the knowledge we have acquired over more than 30 years thanks to the relationship with our clients.

Financial education **Higher quality**

We aim to develop financial capacities in people to contribute to informed decision-making, the good management of resources and the responsible use of financial services for their well-being and that of their families.

Digitalization **Better experience**

We take advantage of technology and transform ourselves to increase the efficiency of our operations, improving the experience of our clients and employees.



Our clients

2-1, 2-6

Our clients are the center of everything we do, and they are the reason why we are constantly looking to improve the range of financial products and services we offer with convenient solutions appropriate to their situation and context.

Credit

Financing to start or grow their business

Compartamos Banco.
Compartamos Financiera.
ConCrédito

Saving

Possibility of facing a crisis

Compartamos Banco.
Compartamos Financiera.

Insurance

Protecting their family and belongings

Compartamos Banco.
Compartamos Financiera.
ATERNA

Channels

Places to perform operations

Yastás.
Compartamos.



Our companies have different capabilities and share synergies for the benefit of clients, so that we can be an ally in generating economic value for their businesses, social value for their communities and human value for themselves and their families.

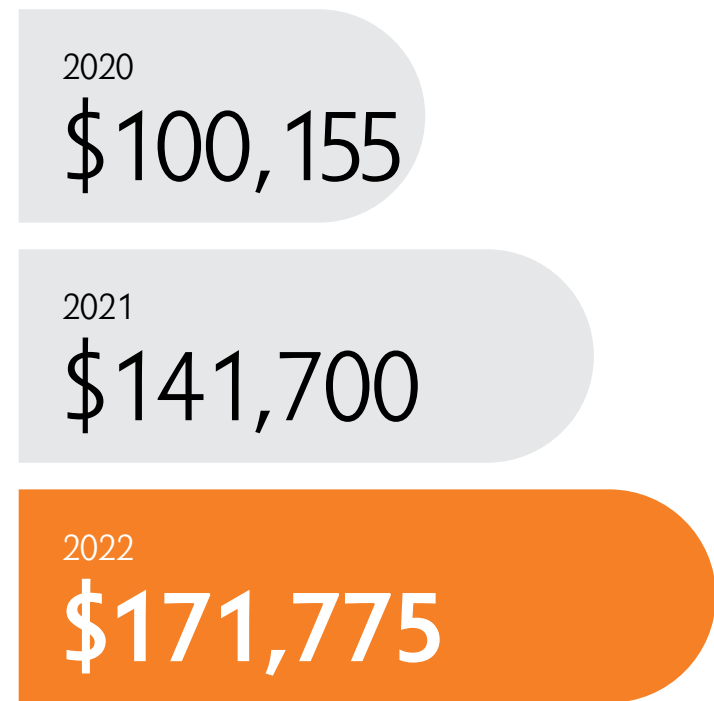
We believe in an inclusive financial sector that expands people's opportunities and promotes social, economic and human development



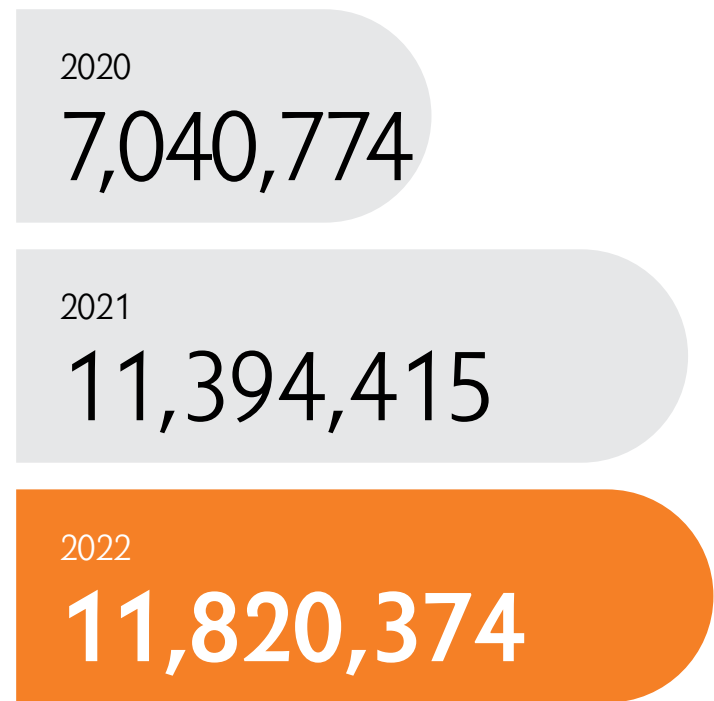
A focused offer of financial products and services, proximity to our clients, coupled with the vocation of service of our employees allowed us to remain a solid and reliable institution that disbursed \$171 billion pesos and in which more than 3 million clients in Mexico and Peru could trust during 2022.

GENTERA RESULTS BY YEAR

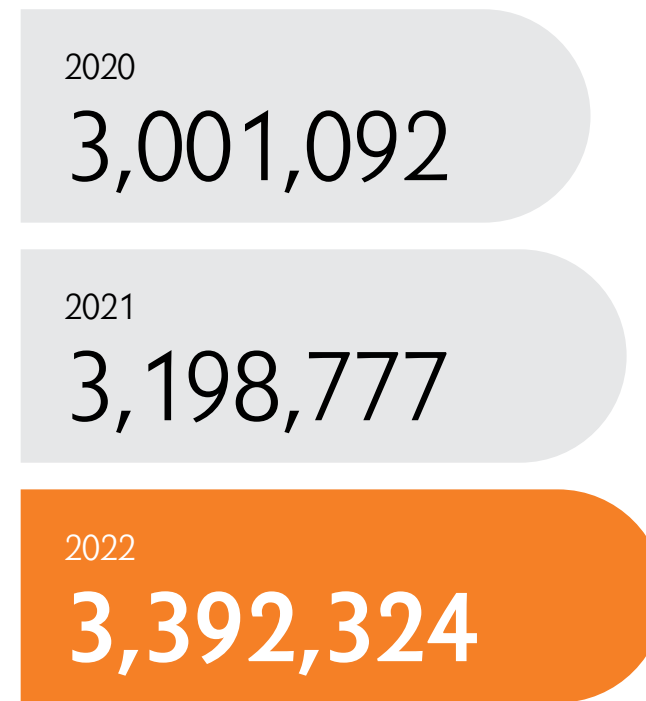
Amount disbursed in the financial operation
(millions of pesos)



Number of disbursements



Number of benefited clients/households



Keeping the person at the center, we continue to fulfill our purpose of boosting the dreams of the clients who choose us to accompany them in the development and growth of their businesses, increasing their chances of saving, in carrying out financial operations in a convenient way and protecting what they want most. We achieve this with the ecosystem of Genera's companies.





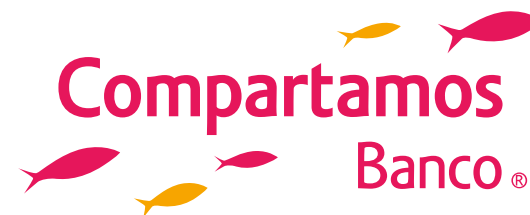
Compartamos Banco

Compartamos Banco

2-6, 3-3, FS6, FS7, FS13, FS14

FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-410a.1, FN-CB-000.A, FN-CB-000.B, FN-IN-270a.3

Financial institution with more than 30 years of experience that offers credit, savings, insurance and transactional channels to microentrepreneurs in Mexico¹.



- ▶ **Presence in Mexico**
- ▶ **Clients**
2,595,427
- ▶ **Portfolio** (millions of pesos)
\$31,009
- ▶ **Non-performing loans (NPLs)** (millions of pesos)
\$1,050
- ▶ **Service Offices**
429
- ▶ **Average balance per client**
\$11,948
- ▶ **Branches**
142
- ▶ **Employees**
14,256

Value proposition

<p>Credit</p> <ul style="list-style-type: none"> > Crédito mujer (group) > Crédito comerciante (group) > Crédito Individual (individual) > Crédito Adicional Plus Compartamos 	<p>Savings</p> <ul style="list-style-type: none"> > Mis Ahorros Compartamos > Mi Grupo Compartamos > Cuenta a Mi Favor > Inversiones Compartamos > Cuenta de Ahorro Básica 	<p>Insurance</p> <ul style="list-style-type: none"> > Seguro de Vida Básico > Compartamos Protección > Seguro de robo > Seguro Magenta 	<p>Transaction channels</p> <ul style="list-style-type: none"> > 42,416 points for our clients to carry out financial transactions. Comprised of banks, banking correspondents (includes Yastás points) and commercial chains
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¹ Learn about Compartamos Banco's value offer in: <https://www.compartamos.com.mx/compartamos/productos>

**Compartamos Banco**

We offer **credits**, mainly group, as a tool to empower our clients and provide them with financial independence that allows them to boost their businesses, generating a direct benefit to their families, their communities and society.

Compartamos Banco credits are group, short-term credits, primarily obtained by women and men who have a productive activity or plan to start it to contribute to the family economy, so the amounts we grant fulfill this function.

We also have an individual product, designed for those clients who are already familiar with group credit and who need another type of financing according to the growth that their business has had.

These credits share characteristics that benefit our clients such as: easy access, few requirements, clarity in the operation of the credit and its conditions, flexibility in terms and amounts, accompaniment during the life of the credit, and that are solidary.

As a means to protect what our clients value most, we offer **insurance** that covers the consequences of different risks that could impact their family, their health, their work tools, their transport vehicles or their assets.

Our insurances have very good acceptance, since they are simple, can be acquired easily and at a low cost of contracting, compared to the market. In addition to providing close accompaniment to clients in case of an accident so that they are well protected.

To boost their economic development and achieve financial peace of mind, our clients need to strengthen their financial capital through **savings**.

To achieve this, from Compartamos Banco we are a reliable ally that takes care of their money and has it at their disposal for when they need it. Our clients can open a savings account

in minutes and can manage it from their mobile phone.

We make it easier for our clients to collect and pay their credits safely at the time and place that best suits their needs, putting at their disposal a network of **channels** integrated by own branches, banking infrastructure, banking correspondents, stores and commercial chains.

We also promote that through the digital channels of Compartamos Banco our clients can carry out different operations such as balance inquiries, movements, credits, insurance, transfers, credit and service payments, and recharges.



► **Credits disbursed in Mexico**

7,425,059

► **Insurances placed**

2,445,625

► **Active clients**

271,563, who made more than 43.6 million transactions through digital channels

► **Active savings accounts**

1,368,857, of which 87% belong to female clients

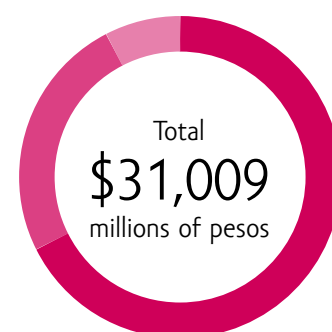


Compartamos Banco

CREDIT RESULTS IN MEXICO

	2020	2021	2022
Total clients	2,218,059	2,501,493	2,595,427
Female clients (%)	89.7	89.8	89.5
Male clients (%)	10.3	10.2	10.5
Client retention rate >30 days	87.9	87.3	86.2
Insured clients	1,997,3874	2,401,305	2,445,625
Clients with voluntary insurance	1,770,546	2,330,588	2,246,648
Average credit disbursed	\$ 13,767	\$ 14,394	\$ 16,933
Disbursements	5,689,755	7,193,439	7,425,059
Amount disbursed (millions of pesos)	\$ 78,330	\$ 103,541	\$ 125,729
Annual growth in disbursements (%)	-24.9	26.4	3.2
Non-performing loans (NPLs)	5.64	2.08	3.39
NPLs / Total Portfolio (millions of pesos)	\$ 1,403	\$ 558	\$ 1,050

CREDIT PORTFOLIO BY TYPE OF MARKET IN MEXICO



Women's Group Market
67.4%
Mixed Group Market
24.9%
Mixed Individual Market
7.7%

DISTRIBUTION OF CLIENTS BY ECONOMIC ACTIVITY IN MEXICO

Food
37.1%
Textiles
36.6%
Various
15.0%
Services
5.6%
Livestock and agriculture
5.1%
Factory
0.6%

DISTRIBUCIÓN DE CLIENTES DE CRÉDITO EN MÉXICO

Market	Total clients	Products	Clients by product		Percentage of clients according to the market	Portfolio (millions of pesos)
			Women	Men		
Women's Group Market	1,749,106	Crédito Mujer	1,749,106	-	67.39	\$ 16,898
Mixed Group Market	647,363	Crédito Comerciante	438,450	208,914	24.94	\$ 5,417
Mixed Individual Market	198,957	Crédito Individual	87,320	58,489	5.62	\$ 5,148
		Crédito Crece y Mejora CM	476	1	0.05	\$ 2
		Crédito Adicional CM	6	-	0.00	-
		Crédito Crece y Mejora CCR	142	58	0.00	\$ 1
		Crédito Adicional CCR	5	1	0.00	-
		Crédito Crece y Mejora CI	2	1	0.00	\$ 3
		Crédito Equipa tu casa	-	-	0.00	-
		Crédito Grupal Digital	-	-	0.00	-
Crédito Adicional CGD	-	-	0.00	-		
Crédito Crece y Mejora CGD	-	-	0.00	-		
Crédito Adicional Plus	48,172	4,284	2.00	\$	3,540	
Total	2,323,679	271,748	100%	\$31,009		

Compartamos Banco

Client experience

3-3, FN-IN-270a.2

2022 was a very good year; Compartamos Banco's clients increased, we controlled arrears, and our portfolio grew. We focused on taking care of the portfolio of current clients and raising the minimum amounts we granted through individual credit. Our clients recovered their economy, and this was reflected in the surveys we applied to know their experience, where many mentioned feeling a better economic position to grow or invest in their businesses.

Attached to providing a service that is useful and convenient, we constantly listen to the voice of our clients to find areas of opportunity in our processes and keep improving. We use their feedback to design plans, adjust products, develop new services and renew credits, as well as to give them greater flexibility, always keeping the person at the center of our actions and with the firm commitment to meet the needs of our clients.

This year we implemented a new study called **What does the client want?** where we ask what the opportunities and needs of the segment are. The results will allow us to make strategic decisions going forward; for example, what kind of commercial and communication campaigns to reinforce.

Through **Pulsos**, a series of surveys that we launched, we seek to know first-hand what the main concerns of clients at different times of the year are and thereby implement timely actions that allow us to address and resolve them.

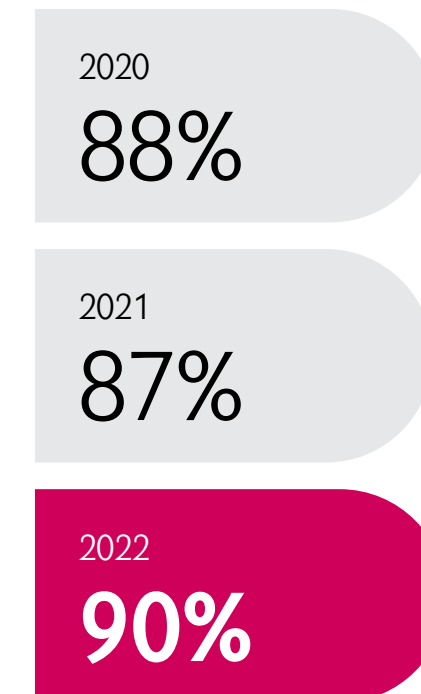
On the other hand, the **Client Experience Index** (IEXC, by its acronym in Spanish) allows us to measure three variables:



general satisfaction, recommendation index, better known as Net Promoter Score (NPS), and service perception, to these metrics we subtract the complaints received during the year with the purpose that the IEXC fully reflects the experience of our clients with Genera and its companies.

In 2022 we registered 90% of IEXC, four points above the goal for 2022 that we had set for the year.

RESULTS IEXC





► The comprehensive package of ComparTfon services includes savings account, mobile banking, phone line and phone with theft insurance

Particularly in the area of satisfaction, this year we reached an NPS of 93%, which is the result of our clients trusting the value offer we have at their disposal and also trusting the accompaniment that our promoters provide them during the life of their credit.

As we have done since the pandemic, we strengthened communication with our clients through digital media, without neglecting the proximity of the promoter to transmit confidence to our clients.

Likewise, we continue to promote **ComparTfon**, our cell phone service that offers exclusive benefits to Compartamos Banco clients such as WhatsApp for free -even without airtime- and earn extra money selling phone top-ups from any company, among others.

In 2022 we implemented a new business model in conjunction with Yastás, so that Compartamos Banco clients can enjoy the benefits of ComparTfon and at the same time receive a new cell phone with one year of free insurance, which will reach the client at home. With the above, we seek to link our clients with a comprehensive package that encourages the use of Compartamos Banco's services to create a deeper and more lasting relationship that generates total value and loyalty.

After a couple of years of pandemic, in 2022 we resumed face-to-face events in which we seek to thank, recognize and reward the loyalty of our clients. An example is **Fiestón**

Compartamos, a series of five concerts that we held in Puebla, Oaxaca, Veracruz, Monterrey and Mexico City, to celebrate and thank 14,660 clients distinguished for their history with Compartamos Banco, with a memorable moment, as well as reinforce commercial messages and our institutional values.

We also held 330 **Meetings for the Committees**, attended by 22,337 clients, to strengthen the link with our best committees, recognize their effort in managing their groups and position the comprehensive value offer that Compartamos Banco offers our clients. The meetings are breakfasts where we also communicate messages of empowerment, leadership and values.

With the same interest, we organized the **2022 Entrepreneurs Award**, where 19,912 participants shared their main business, entrepreneurship and development achievements since they are clients or commission agents. The winners were 32 clients of Compartamos Banco and two commission agents of Yastás, whose achievements reflected the experience of Genera's values.



► **Surveys conducted to know the client experience**
40,612



Compartamos Banco Financiera

Compartamos Financiera

2-6, 3-3, FS6, FS7, FS13, FS14

FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-410a.1, FN-CB-000.B, FN-IN-270a.3

Financial institution that offers credit, savings, insurance and transactional channels for entrepreneurs in Peru¹.



- ▶ Presence in Perú
- ▶ Clients **726,272**
- ▶ Portfolio (millions of pesos) **\$18,989**
- ▶ Non-performing loans (NPLs) (millions of pesos) **\$693**
- ▶ Agencies **107**
- ▶ Average balance per client **\$26,146**
- ▶ Employees **5,188**

Value proposition

<p>Credit</p> <ul style="list-style-type: none"> > Individual credit > Efectivo > Vivienda > PyME > Consolidación de Deuda > Activo Fijo > Construye > Empresario > Súper Fácil > Group Credit > Súper Mujer > Crece y Mejora 	<p>Savings</p> <ul style="list-style-type: none"> > Cuentas de Ahorro WOW > Depósito a Plazo Fijo > Fondo Vivo Tranquilo > Cuenta Crece Libre > Cuenta Emprendedores > Cuenta Súper Mujer > Cuenta de Ahorros Simple > CTS 	<p>Insurance</p> <ul style="list-style-type: none"> > Individual > Grupal > Desgravamen > Protección General > Desgravamen devolución 	<p>Canals</p> <p>20,942 points to collect and pay your credits</p>
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¹ Learn about Compartamos Financiera's value offer in: <https://www.compartamos.com.pe/Peru>

Compartamos Banco Financiera

We grant **credits**, mainly individual, so that our clients can count on the financial liquidity that allows them to boost their businesses, generating a direct benefit in their families, their communities and in society.

In Peru we also offer **insurance** to our clients to protect their assets. In 2022 we insured 721,709 clients in this country, of which 518,078 did so voluntarily.

During 2022 we boosted the dreams of our clients in Peru serving 726,272 clients, offering them a more agile and digital service with the new Core System. We also opened four offices to bring opportunities to more people and achieved a risk coverage of 130%, one of the highest in the market.

► Credits disbursed in Peru 1,614,537

CREDIT PORTFOLIO BY MARKET TYPE IN PERU

Total structured Microenterprise	Total pre-approved Microenterprise
81.1%	2.4%
Total microenterprise penetration	Total structured Consumption
8.4%	0.8%
Total penetration Consumption	Total pre-approved Consumption
7.3%	0.0%

Total
\$18,989 millions of pesos

CREDIT RESULTS IN PERU

	2020	2021	2022
Total clients	677,678	634,645	726,272
Female clients (%)	88.1	81.6	83.8
Male clients (%)	11.8%	11.9	16.1
Clients legal personality (%)	0.1	0.1	0.1
Client retention rate >30 days	60.9	74.6	70.8
Insured clients	677,678	710,770	721,709
Clients with voluntary insurance	388,653	519,116	518,078
Average credit disbursed	\$ 16,980	\$ 18,499	\$ 21,780
Disbursements	1,157,255	1,561,311	1,614,537
Amount disbursed (millions of pesos)	\$ 19,650	\$ 28,883	\$ 35,165
Annual growth in disbursements (%)	-34.3	34.9	3.4
Non-performing loans (NPLs)	4.58	3.72	3.65
NPLs / Total portfolio (millions of pesos)	\$ 716	\$ 614	\$ 693

DISTRIBUTION OF CLIENTS BY ECONOMIC ACTIVITY IN PERU

Business	Agricultural
77.8%	0.8%
Services	Livestock
14.2%	0.7%
Industry	Fishing
6.4%	0.1%

DISTRIBUTION OF CREDIT CLIENTS IN PERU

Microenterprises	Medium-sized enterprises
637,353	269
Small enterprises	Mortgage
54,311	-
Non-revolving consumption	
34,339	



ConCrédito

ConCrédito

2-6, 3-3, FS6, FS7, FS13, FS14

FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-410a.1

Mexican company that grants personal and revolving microcredits to entrepreneurs who issue loans to their end users through ValeDinero, products in installments through CrediTienda and life insurance with ClubProtege¹. The ConCrédito system is fully digital.

Value proposition

Credit

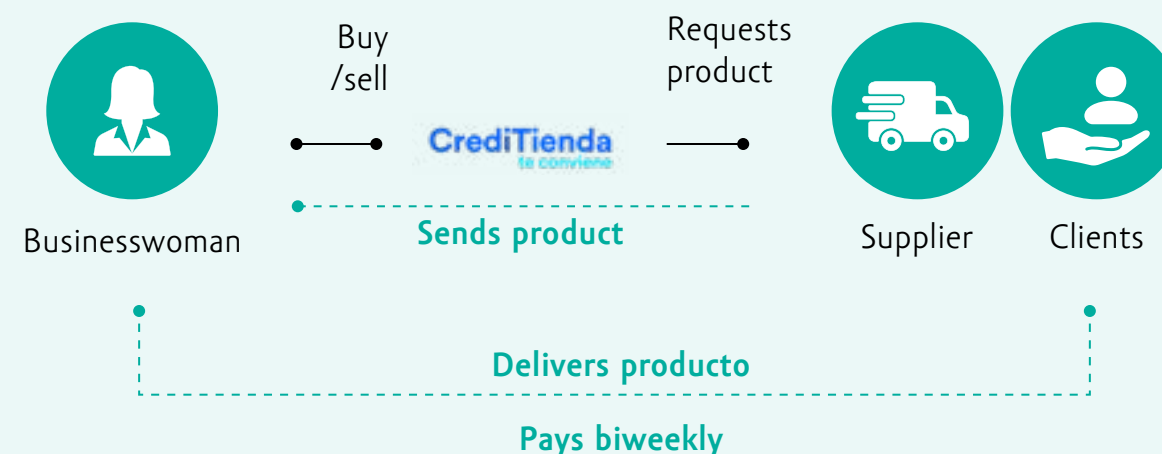
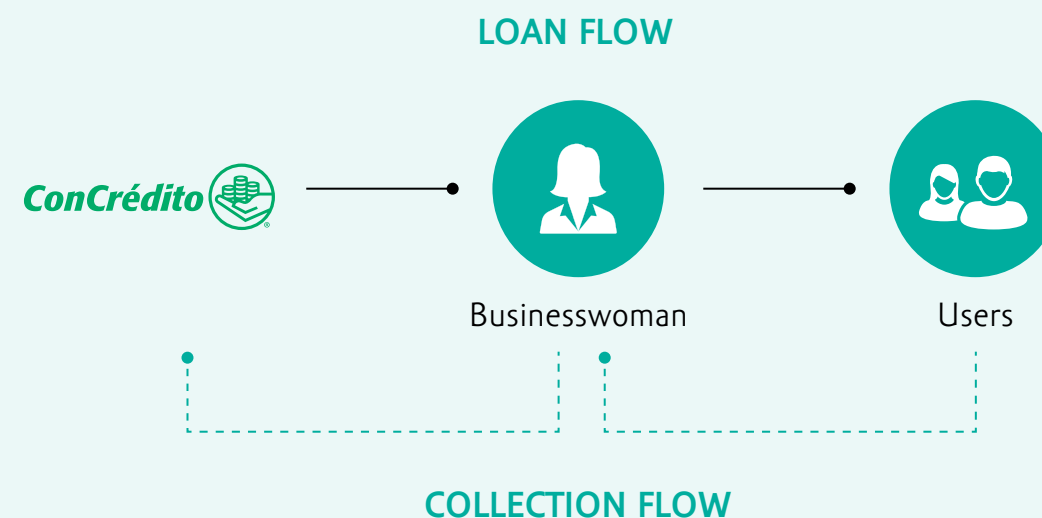
> ValeDinero

Sales by term

> CrediTienda

Life insurance

> ClubProtege



Presence in **México**

Active women entrepreneurs **70,625**

Total portfolio (millions of pesos) **\$3,687**

Service offices **158**

Employees **2,011**

Users served **740,248**

¹ Learn about ConCrédito's value offer in: <https://www.concredito.com.mx/>



► Active distributors are women
94%

► Credits disbursed
2,780,778

RESULTS CONCRÉDITO

	2020	2021	2022
Number of clients (entrepreneurs)	42,917	62,639	70,625
Users	530,656	673,568	740,248
Portfolio (millions of pesos)	\$ 2,248	\$ 2,952	\$ 3,687
Non-performing loans (NPLs) (%)	6.92	4.46	3.07
Average balance per client	\$ 52,384	\$ 47,131	\$ 52,206
Service Offices	95	142	158

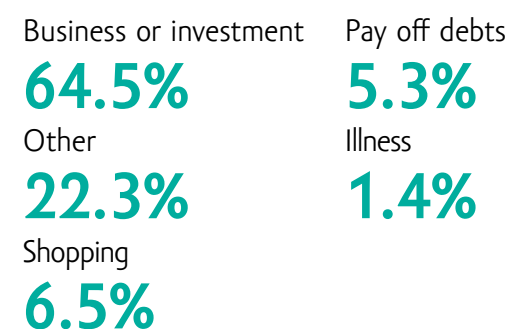
CLIENTS BY PRODUCT CONCRÉDITO

Products	Number of clients per product	Percentage of clients in the market we serve	Portfolio (millions of pesos)
ValeDinero	70,626	92.4%	3,407
Préstamo personal	39,974	7.6%	280
Total	110,600	100%	3,687

CREDIT PORTFOLIO BY MARKET TYPE CONCRÉDITO



DISTRIBUTION OF CLIENTS BY INDUSTRIAL SECTOR CONCRÉDITO



► We continue to develop the synergies between ConCrédito and Compartamos Banco, with the intention of generating new credit placement channels. This allowed us, among other things, to grow our presence in 158 cities in 25 states of Mexico



Yastás

Yastás

2-6, 3-3, FS7, FS13, FS14

It is the largest bank commission agents administrator in Mexico that provides people with access to financial operations, payment of services and airtime top-ups in places where banking infrastructure is zero or limited¹.



► Presence in México

► Operations carried out 6.3 million

► Financial operations 3.1 million

► Active commission agents 6,974

► Payment categories +2,000

► Employees 215

TECHNOLOGY

SOFTWARE



DIGITAL

LOGISTICS



PHISICAL

OMNICHANNEL

Financial operations

- > Banorte
- > HSBC
- > Compartamos Banco

Payment of services

- | | | | |
|--|-----------------------------------|--|--|
| > Comisión Federal de Electricidad (CFE) | > Megacable | > Telnor | > Comisión Municipal de Agua Potable y Saneamiento de Xalapa (CMAS) |
| > Telmex | > Infonavit | > Multimedios | > Sistema Intermunicipal de los Servicios de Agua Potable y Alcantarillado (SIAPA) |
| > Sky | > Avon | > Blim TV | > Among others |
| > VeTV | > Arabela | > Cinépolis | |
| > Izzi | > PASE | > Cinépolis Klic | |
| > Maxcom | > Televía | > Nintendo | |
| > Totalplay | > Gas Natural México | > Xbox Live | |
| > Axtel | > Gobierno de la Ciudad de México | > PlayStation | |
| > Dish | > Gobierno del Estado de México | > Servicios de Agua y Drenaje de Monterrey | |
| > Cablemás | | | |

¹ Learn about Yastás's value offer [↗](#)



Of the businesses affiliated with Yastás, 60% are grocery stores and 40% are others such as stationery stores, hardware stores and Internet cafes

This year we added HSBC to the Yastás network, generating benefits for both parties. On the one hand, HSBC clients can now carry out operations in thousands of points throughout the country in a simple and convenient way, while for our brokers this alliance will generate more income for their businesses.

To monitor the satisfaction of the commission agents at different moments of the experience with their Yastás module, we carried out a satisfaction survey in which 803 people participated. Here are some findings:

97%

use Point-of-Sale Terminal as the main device to make transactions and 3% the app

87%

are satisfied with their primary means of contact

65%

are satisfied with the response and follow-up that Yastás gives to their doubts, problems or requirements

63%

are totally satisfied with Yastás

63%

would continue to work with their Yastás module in the future

60%

are satisfied with the profits they receive compared to the effort involved in working with Yastás

6,237 more banking correspondents thanks to the addition of HSBC to the Yastás network

As for the synergies with the Genera companies, during 2022 we worked on consolidating the service levels for Compartamos Banco and in 2023 we will do so with ConCrédito.

YASTÁS RESULTS

	2020	2021	2022
Active business	4,904	6,264	6,974
Businesses authorized to carry out financial transactions of Compartamos Banco	4,577	5,785	6,518
Businesses authorized to carry out savings transactions	4,214	5,202	5,952
Number of municipalities in which it has a presence	1,309	1,400	1,425
Total number of transactions (in millions)	21.3	23.9	26.7
Number of financial transactions (in millions)	8.2	10.1	12.8

PRESENCE OF COMMISSION AGENTS IN MUNICIPALITIES ACCORDING TO THEIR DEGREE OF MARGINALIZATION

	2020	2021	2022
Very Low	42.3%	54.4%	55.0%
Low	19.0%	18.0%	17.0%
Middle	16.3%	14.8%	15.0%
High	19.7%	10.4%	11.0%
Very High	2.7%	2.4%	2.0%

Aterna

2-6, 3-3, FS7, FS14

FN-IN-000.A

Insurance agent specialized in meeting the needs of prevention culture of Compartamos clients and Yastás commission agents¹.



► Presence in
México and Perú

► Active life insurance policies
9,656,005

► Claims handled
130,140

► Paid in claims
\$795 million pesos

► Life insurance policies placed
43,380,512

► Employees
29

Business model

Clients

People in the underserved segment, who generally do not have access to formal prevention mechanisms to handle unforeseen events.

Partners

Distribution channels to reach clients.

Insurers

Cover the risk of the products and services offered.

Insurance



Life

We offer our clients the peace of mind that their family members will not be left unprotected when they are gone.



Health

Considering that an accident, illness, or emergency can destabilize a family's economy, we take care of our clients and their loved ones by protecting their physical integrity.



Damage

We recognize how difficult it is to obtain assets, therefore, we offer our clients the opportunity to protect their properties against accidents or natural disasters.

¹ Learn about Aterna's value offer in: <https://www.aterna.mx/aterna#negocio>



Aterna

At Genera we seek to positively impact the lives of our clients by keeping the person at the center of our actions. Under this philosophy, we offer insurance that protects the family, assets and health of our clients.

As of this year, Aterna insurance is no longer exclusive for Compartamos clients but can be provided to a direct family member of the client.

During 2022 Aterna strengthened its operation through a single core, it was unified to a single platform that gave structure and with this will allow us to be flexible, agile and have the information in one place, to be more efficient.

This year for the benefit of our employees we launched campaigns in the internal media of Genera to insure cars and motorcycles, promoting messages about driving with conscience, safe return home and main causes of accidents, among others.

Also, as part of the accident containment plan, we organize different webinars, taught by a third party, where we shared with the employees of the corporate building in Mexico and sales of Aterna relevant information on defensive driving, distractions and fatigue when driving, speeding, and causes and accidents in driving. In total, we had the participation of 1,001 employees who benefited from these recommendations to avoid accidents.

Active insurance policies 9,656,005

ATERNA RESULTS

Classification	2020	2021	2022
Distribution channels	6	7	4
Claims handled	121,872	131,966	130,140
Total brokered premium (millions of pesos)	\$ 1,637	\$ 2,780	\$ 3,463
Insured sum paid to beneficiaries (millions of pesos)	\$ 876	\$ 996	\$ 795
Voluntary insurance policies (in millions)	6	14	27
Policies sold	24,614,549	35,707,337	43,380,512
Active policies	6,918,221	9,276,425	9,656,005

CLAIM RESULTS BY COMPANY

Claims handled

Compartamos Banco
120,647

Compartamos Financiera
7,171

Otros canales
2,322

Sum insured paid (millions of pesos)

Compartamos Banco
627.8

Otros canales
102.9

Compartamos Financiera
64.3





Client Protection

FS4

FN-IN-270a.4

To generate true inclusion, we must put the client at the center and take care of them. Therefore, we are committed to providing our clients with the information, skills and tools necessary to measure their ability to pay and avoid over-indebtedness and damaging their credit history.

Keeping the person at the center, we operate following seven principles that are inherent to the financial inclusion that we promote and that pay to the trust that our clients have in the companies of Gentera.



Client protection principles

- 1 Suitable products and services
- 2 Prevention of overhang
- 3 Transparency
- 4 Competitive pricing
- 5 Fair and respectful treatment of clients
- 6 Client Data Privacy¹
- 7 Mechanisms for resolving complaints

Our promoters and employees are the first contact that our clients have with Gentera, so every year they carry out a certification in Client Protection.

In case our clients have questions about any product or service, we put at their disposal the Compartamos Banco website where there is a chat, social networks and our customer service line 800 220 9000.

¹ See our clients' data privacy initiatives in the Corporate Governance of this report.



Financial Education

FS16

FN-CB-240a.4

Our duty to the clients of Genera’s companies is to provide them with adequate and enough information so that they can manage their finances responsibly and healthily.

In addition, committed to generating social impact in the places where we operate, we not only carry out financial inclusion initiatives with our clients, but also involve our employees and the community.



Client initiatives

At the beginning of 2022, Compartamos Banco hand in hand with Sura – AFP Integra and Ikigai Laboratorio Social, launched the third promotion of the "Mujeres Imparables" program, an initiative that aims to improve the economic and social situation of women entrepreneurs in Mexico, giving them the necessary tools to develop, enhance and adapt their businesses, many of which have been severely impacted by the pandemic.

The program consists of 18 hours of training aimed at developing in entrepreneurs’ knowledge in marketing and digitalization, administration and finance, formalization, empowerment and various soft skills essential for business management.

Compartamos Financiera launched the program **¡Mujeres de éxito!** to boost the growth of its group lending clients' businesses. Because the program has three components: audionovela, workshop and contest, we not only contribute to the strengthening of capacities for the digitalization of the clients' sales and, therefore, the generation of income, but also to their emotional and family health care.

Through this program we also seek to recognize the extraordinary effort of Compartamos clients who, after two years of health emergency, have taken forward their families and businesses.

On the other hand, to boost the development of individual credit clients we launched the program **¡Dale pa' lante!**, where we provide training in digital marketing and the opportunity to obtain seed capital to grow their business. The program includes two components: free virtual conferences and a seed capital contest.

In Yastás, as of the second semester of 2022 we published content about Financial Education in the private group of commission agents on Facebook, reaching 3,700 people.

► Clients of Compartamos Banco improved their entrepreneurial skills with the **Mujeres Imparables program**

1,079

► Clients participated in the **¡Mujeres de éxito! program**

677

► Clients participated in the **¡Dale pa' lante! program**

648

Initiatives with employees

We make available to corporate employees in Mexico an informative and training space on financial education issues, available on Intranet and with new content every month. The site has six sections:

- 1 Saving
- 2 Investments and insurance
- 3 Digital banking and credit
- 4 Financial Education for Children
- 5 Retirement, Taxes and Regulations
- 6 News

To promote the use of this site, we make periodic publications on the FISSEP site and on its Facebook page. During 2022 we recorded a digital reach of 665 visits.

03 SOCIAL IMPACT: **OUR EMPLOYEES**

IMPACT THAT
TRANSFORMS

talent



Our people

2-7, 202-2

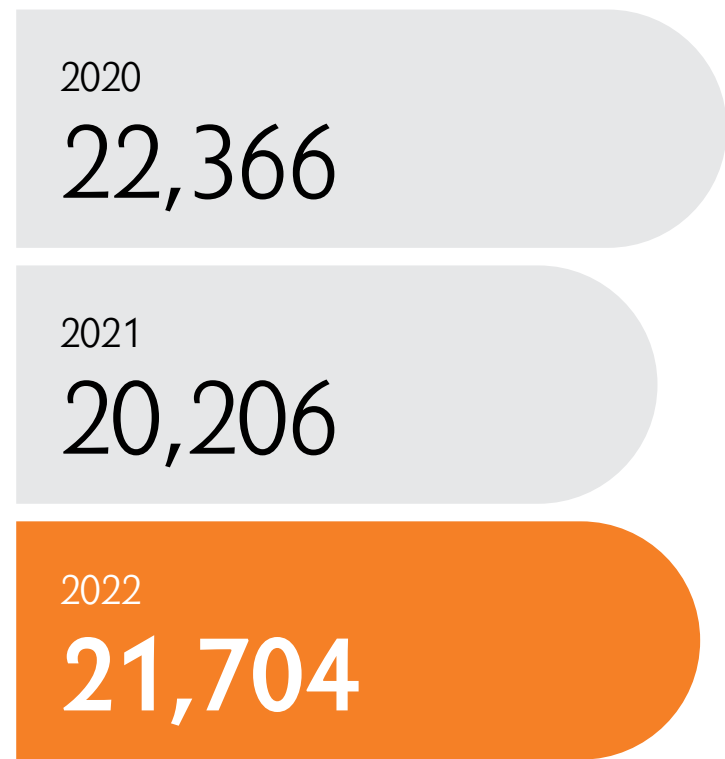
The accomplishments we made in 2022 for the benefit of our clients were possible thanks to the commitment of our 21,704 employees in Mexico and Peru, people who transmit Genera's purpose daily, live our Philosophy and closely accompany each of our clients. They are, without a doubt, fundamental to boost the dreams of millions of people through financial products and services that transform lives.



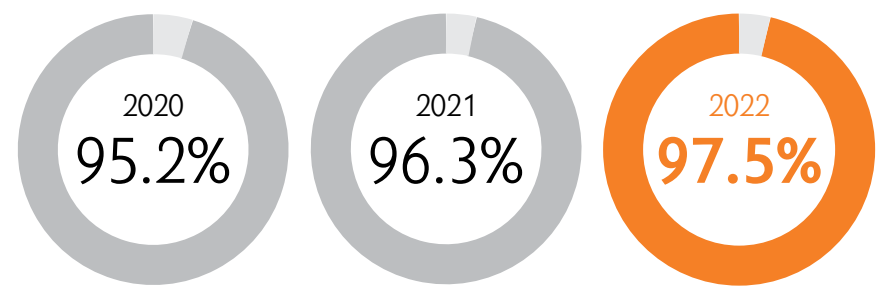
Somos una fuente de empleo digno para más de 20 mil familias

TOTAL WORKFORCE

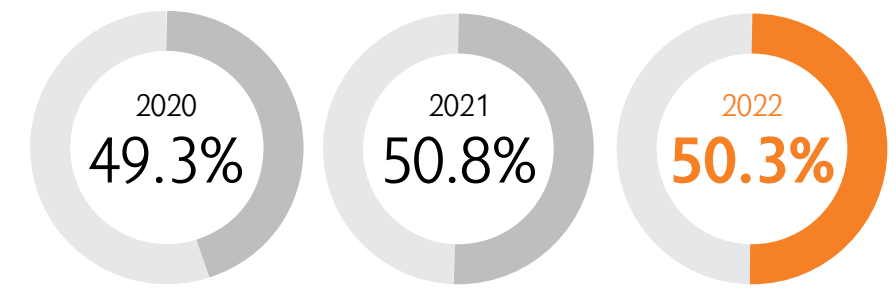
Employees



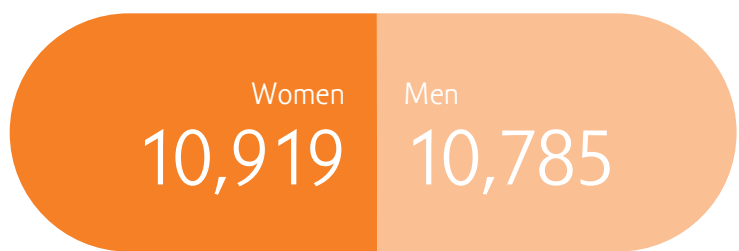
Employees with permanent contract



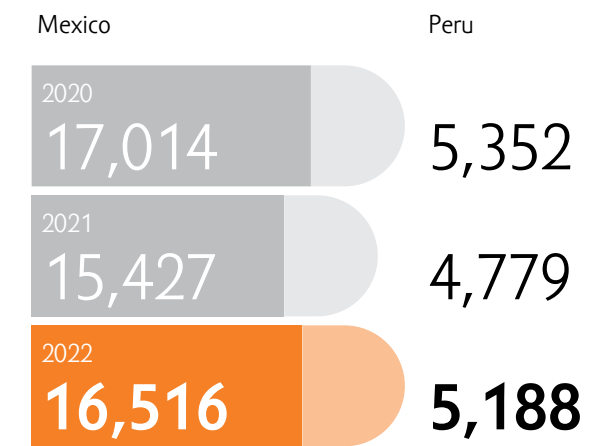
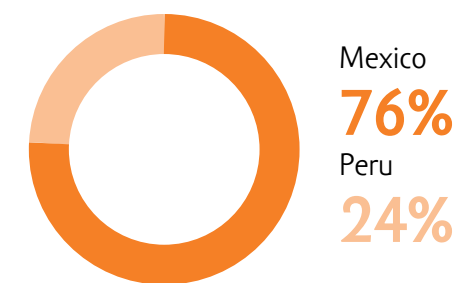
Female employees



WORKFORCE BY GENDER



EMPLOYEES BY COUNTRY



Note. For comparative purposes, the figures reported in the total workforce of our employees can be taken as full-time equivalent (FTE).



EMPLOYEES BY COMPANY, TYPE OF CONTRACT AND GENDER

Company	Permanent contract			Temporary contract		
	Women	Men	Total	Women	Men	Total
Compartamos Servicios	590	633	1,223	0	0	0
Fundación Compartamos	1	1	2	0	0	0
Compartamos Banco	6,540	6,496	13,036	0	0	0
Compartamos Financiera	2,452	2,495	4,947	104	137	241
Yastás	80	135	215	0	0	0
ConCrédito	995	713	1,708	139	164	303
Aterna	18	11	29	0	0	0
Total	10,676	10,484	21,160	243	301	544

EMPLOYEES BY COMPANY, TYPE OF WORKING DAY AND GENDER

Empresa	Full-time		Part-time	
	Women	Men	Women	Men
Compartamos Servicios	590	633	0	0
Fundación Compartamos	1	1	0	0
Compartamos Banco	6,540	6,496	0	0
Compartamos Financiera	2,554	2,623	2	9
Yastás	80	135	0	0
ConCrédito	1,134	877	0	0
Aterna	18	11	0	0
Total	10,917	10,776	2	9

Note. In Gentera and its companies we do not have employees of non-guaranteed hours, which refers to those employees who do not have a minimum or fixed schedule per day, week or month, but who must remain available when the work requires it.

EMPLOYEES BY AGE GROUP AND GENDER

	Women	Men	Total
18 to 30 years	3,187	3,293	6,480
31 to 50 years	7,516	7,097	14,613
51 years or more	292	319	611
Total	10,995	10,709	21,704



COLABORADORES POR PAÍS, EMPRESA, CATEGORÍA LABORAL¹ Y GÉNERO

Job Category	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man
Officers	45	58	0	0	12	35	20	10	1	4	5	11	1	1
Managers	152	207	0	0	36	45	80	45	5	8	19	31	3	1
Administrative	393	368	1	1	1,691	585	456	876	56	48	236	227	14	9
Sales force	0	0	0	0	4,801	5,831	2,000	1,701	18	75	874	608	0	0
Total	590	633	1	1	6,540	6,496	2,556	2,632	80	135	1,134	877	18	11
Total by company	1,223		2		13,036		5,188		215		2,011		29	

LOCALLY HIRED MANAGERS²

Company	Number of Officers		Number of locally hired Officers		Percentage of locally hired Officers	
	Woman	Man	Woman	Man	Woman	Man
Compartamos Servicios	45	55	43	52	96%	95%
Fundación Compartamos	0	0	0	0	-	-
Compartamos Banco	12	35	11	32	92%	91%
Compartamos Financiera	20	10	20	10	100%	100%
Yastás	1	4	1	4	100%	100%
ConCrédito	5	11	5	11	100%	100%
Aterna	1	1	1	1	100%	100%

¹ The classification criteria for the job categories in Genera and its companies are as follows:

- **Officer** CEO, General Officers, Executives, Operational and Assistant Officers (HAY grade above 18), except HC Sales classifier.
- **Managers** HC category Managers: CEAS, Decentralized, Operations and International (HAY grades 15,16 and 17).
- **Administrative** Employees with a grade below manager of CEAS, Decentralized, Operations and International (HAY grades less than 15).
- **Sales Force** All personnel with Sales category from assistant officer to advisor level.

² The citizens of each country are considered local, Mexico or Peru, depending on the case.





Diversity and inclusion

3-3, 405-1

In Genera we do not make distinctions by age, gender, origin, nationality, marital status, ideas, opinions, social or economic situation, preferences and/or ways of thinking in our processes of recruitment, selection, promotion or any other activity. Offering financial solutions to meet the needs of our clients requires diverse perspectives, contexts and ways of thinking, so we value diversity in our people at all levels of the organization. It is in diversity where we grow as an organization and as a society, considering what each of us can contribute from our reality, experiences, knowledge and experiences.

We carry out a series of actions to promote diversity and inclusion in our team:

Female Talent Mentoring

To strengthen leadership, boost the managerial level and train future mentors, we invited 25 assistant officers and 22 managers to participate in this mentoring initiative, prioritizing those selected by performance evaluation, climate and competencies.

We performed a mentor-mind matching through a competency-based assessment. improving school culture and forming transformative leaders.

- Topics:
- **Learning community. Female leadership, impact and accountability, and productive conflict.**
 >Attendance: 77% mentors and 74% mentees
 - **Workshops. Female leadership potentiators.**
 >Attendance: 83%
 - **Masterclass "The stage" female leadership.**
 >Attendance: 74%

Number of beneficiaries **47**

Female Talent Program

With the same interest in strengthening financial knowledge in employees, methodologies to implement a digital strategy, as well as self-leadership and leadership tools, we carried out a female talent program.

The participants were employees identified as successors or talent to take care of the 2021 Talent exercise, as well as management assistants. We had the participation of three officers, four assistant officers and six assistants.

- **Digital transformation. University of Alcalá.**
- **Executive Program "Mujeres que transforman México". AFI - ABM.**
- **Developing confidence. Gallup Consultant.**

13

With the intention of knowing what unconscious biases are, how they influence the formation of prejudices and their consequences in decision-making within corporate life, we released a **Capsule of biases** aimed at our employees in Mexico and Peru.

In addition, we created the **Operational Diversity and Inclusion Committee** of Genera to promote initiatives that continue to promote the 2022 lines of action: gender equity, disability and indigenous languages, and prioritize actions towards 2023 focused on the identified gaps in the studies.





Hiring

2-30, 401-1

Our workforce is the engine that drives our clients' motivation to boost their dreams. For this reason, we seek that people passionate about serving the client and with a true human touch are integrated into our team, regardless of the functions to be performed or the work area.

We offer attractive working conditions such as a competitive salary, benefits higher than those established by law in Mexico and Peru, and a work environment of respect, growth and constant transformation, where employees can learn, grow and develop in an integral way to achieve the best version of themselves.

Since 2021 we make use of an Artificial Intelligence (AI) tool for the recruitment of personnel in areas with high turnover rates. This tool helps us filter candidates as to the characteristics required for the position and their economic expectations, in this way we ensure that we have the best talent according to the profiles we require.

This year, with the growth of individual credit, we added around 1,000 people to our workforce to serve this segment of clients. For them, we adapted and accelerated training to meet the requirements of the context.

7,556 people joined our team

NEW HIRES BY AGE AND COUNTRY

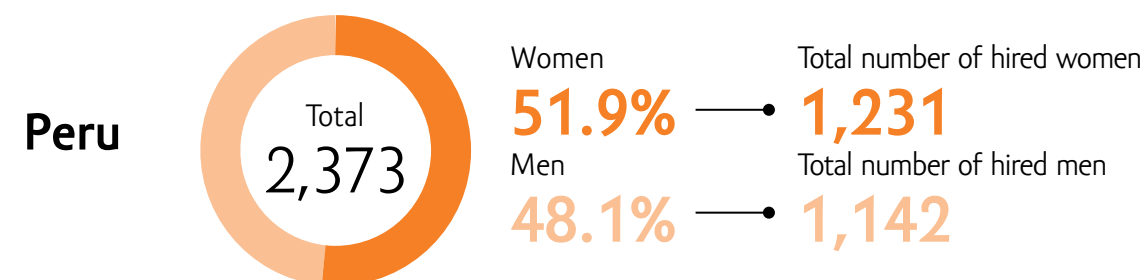
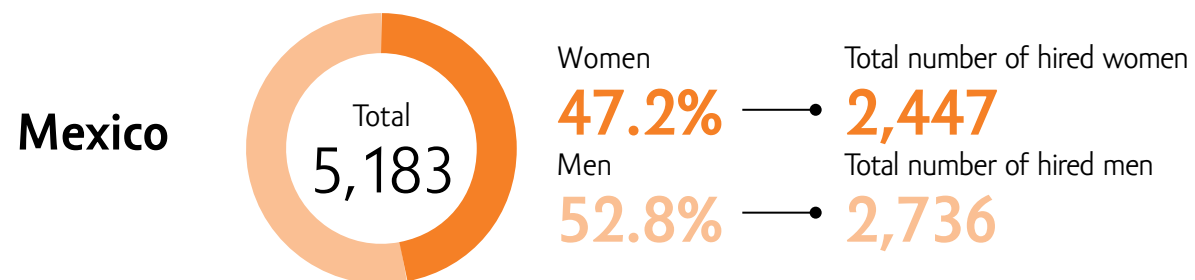
Age group	Mexico		Peru	
	Number	%	Number	%
18 to 28 years	1,691	32.6%	1,553	65.4%
29 to 38 years	2,372	45.8%	672	28.3%
39 to 48 years	957	18.5%	128	5.4%
49 to 58 years	163	3.1%	20	0.8%
Total	5,183	100%	2,373	100%



NEW HIRES BY AGE AND COMPANY

Age group	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
18 to 28 years	89	28.9%	0	-	1,342	35.9%	1,553	65.4%	13	27.1%	246	22.7%	1	33.3%
29 to 38 years	158	51.3%	0	-	1,695	45.3%	672	28.3%	20	41.7%	497	45.8%	2	66.7%
39 to 48 years	54	17.5%	0	-	605	16.2%	128	5.4%	14	29.2%	284	26.2%	0	0.0%
49 to 58 years	7	2.3%	0	-	96	2.6%	20	0.8%	1	2.0%	59	5.3%	0	0.0%
Total	308	100%	0	-	3,738	100%	2,373	100%	48	100%	1,086	100%	3	100%

NEW HIRES BY GENDER AND COUNTRY



NUEVAS CONTRATACIONES POR GÉNERO Y EMPRESA

Gender	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Women	125	40.6%	0	-	1,768	47.3%	1,231	51.9%	21	43.8%	531	48.9%	2	66.7%
Men	183	59.4%	0	-	1,970	52.7%	1,142	48.1%	27	56.3%	555	51.1%	1	33.3%
Total	308	100%	0	-	3,738	100%	2,373	100%	48	100%	1,086	100%	3	100%

NEW HIRES BY COMPANY, JOB CATEGORY AND GENDER

Job category	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Officers	4	7	0	0	0	2	5	3	0	0	0	1	0	0
Managers	28	74	0	0	2	4	11	16	0	0	1	3	0	0
Administrative	93	102	0	0	483	168	524	273	14	13	32	53	2	1
Sales force	0	0	0	0	1,283	1,796	691	850	7	14	498	498	0	0
Total	125	183	0	0	1,768	1,970	1,231	1,142	21	27	531	555	2	1



Within the Group,
1,612 employees
were promoted

PROMOTIONS BY JOB CATEGORY, COMPANY AND GENDER

Job Category	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Officers	3	4	0	0	0	4	2	3	0	1	0	1	0	0
Managers	18	26	0	0	7	3	14	19	0	1	0	1	0	0
Administrative	34	16	0	0	143	53	95	37	3	2	8	34	3	0
Sales force	0	0	0	0	278	441	57	97	2	3	115	84	0	0
Total	55	46	0	0	428	501	168	156	5	7	123	120	3	0

PROMOTIONS BY JOB CATEGORY, COMPANY AND AGE

Age group	Compartamos Servicios		Fundación Compartamos		Compartamos Banco		Compartamos Financiera		Yastás		ConCrédito		Aterna	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
18 to 28 years	6	3	0	0	74	93	73	57	0	1	12	22	0	0
29 to 38 years	38	31	0	0	267	300	79	85	2	5	59	63	1	0
39 to 48 years	10	11	0	0	81	95	16	12	3	1	40	29	2	0
49 to 58 years	1	1	0	0	6	13	0	2	0	0	11	5	0	0
More than 59 years	0	0	0	0	0	0	0	0	0	0	1	1	0	0
Total	55	46	0	0	428	501	168	156	5	7	123	120	3	0



For different reasons, 5,463 employees left Genera or its companies, of which 69% were voluntary departures. This voluntary turnover is due to the fact that the circumstances under which employees leave are changing, since the pandemic, employees have realized when they need the income and when they don't, and their personal priorities now take precedence over their jobs.

TURNOVER RATE MEXICO

2020

20.5%

2021

21.3%

2022

22.9%

SALES FORCE TURNOVER RATE MEXICO

2020

20.8%

2021

21.5%

2022

24.2%

SALES FORCE TURNOVER RATE PERU

2020

19.2%

2021

20.6%

2022

32.8%

VOLUNTARY RESIGNATIONS BY AGE, GENDER AND COMPANY

Company	18 a 28 años		29 a 38 años		39 a 48 años		49 a 58 años	
	Women	Men	Women	Men	Women	Men	Women	Men
Compartamos Servicios	20	17	29	37	6	13	2	3
Fundación Compartamos	0	0	0	0	0	0	0	0
Compartamos Banco	257	333	465	541	169	146	26	17
Compartamos Financiera	297	224	258	255	30	57	3	8
Yastás	0	2	0	6	1	2	0	1
ConCrédito	45	62	146	102	86	61	24	16
Aterna	0	1	1	1	0	0	0	0
Total by age group	1,258		1,841		571		100	

INVOLUNTARY TERMINATIONS BY AGE, GENDER AND COMPANY

Company	18 to 28 years		29 to 38 years		39 to 48 years		49 to 58 years	
	Women	Men	Women	Men	Women	Men	Women	Men
Compartamos Servicios	4	4	16	17	8	7	1	7
Fundación Compartamos	0	0	0	0	0	0	0	0
Compartamos Banco	47	120	248	349	110	114	9	22
Compartamos Financiera	64	81	110	114	18	35	1	9
Yastás	2	2	2	4	3	6	1	1
ConCrédito	8	17	41	29	28	19	7	8
Aterna	0	0	0	0	0	0	0	0
Total by age group	349		930		348		66	

TURNOVER RATE³ BY COMPANY, JOB CATEGORY AND GENDER

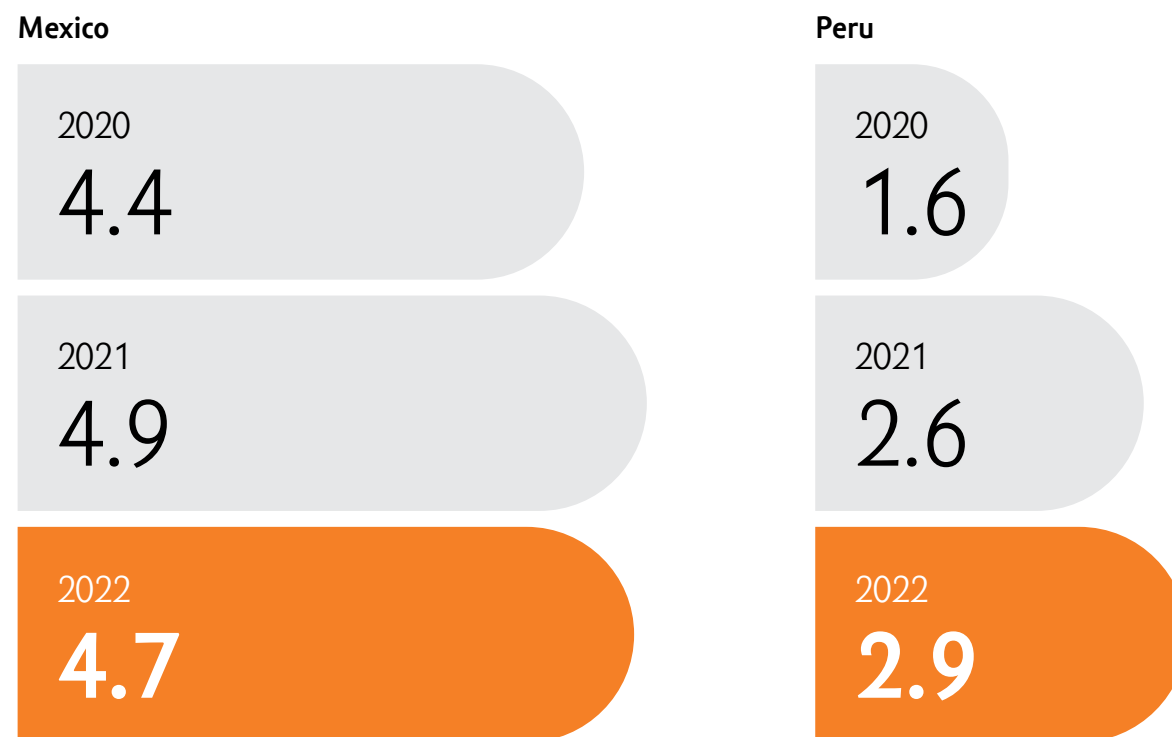
Job category	18 to 28 years		29 to 38 years		39 to 48 years		49 to 58 years		Total by job category
	Women	Men	Women	Men	Women	Men	Women	Men	
Officers	0.0%	0.0%	52.3%	7.1%	2.4%	9.3%	12.5%	20.0%	12.0%
Managers	97.6%	31.0%	13.9%	17.6%	13.8%	13.8%	11.1%	8.3%	15.6%
Administrative	36.5%	28.8%	18.1%	20.7%	15.7%	11.6%	10.7%	15.9%	20.6%
Sales force	31.7%	38.4%	20.8%	25.3%	17.1%	21.3%	12.7%	17.7%	24.0%
Total by gender	33.7%	36.9%	19.8%	24.4%	16.3%	19.0%	12.3%	17.1%	
Total by age group	35.5%		22.1%		17.5%		14.6%		

Overall total 22.9%

We are interested in becoming a company where employees want to stay to form a professional career focused on serving others. The average seniority during 2022 was 4.7 years in Mexico, and 2.9 years in Peru.

10,831 employees in Mexico are unionized, which represents 49.9% of our total workforce. They all belong to the Justo Sierra Progressive Union of Service Workers. When we inform them of relevant matters, the minimum period of notice is one week. Of our unionized workers, 51% are women.

AVERAGE SALES FORCE SENIORITY BY COUNTRY (years)



The average seniority of our sales force in Mexico is 4.7 years

³ The formula for calculating the turnover rate is %monthly turnover monthly = month terminations / month-end workforce. Annual rotation = %monthly rotation1 + %monthlyturning2+%monthlyturning3+...+%monthly rotation12

Work environment

Throughout 2022 Genera and its companies were recognized as one of the best places to work for the commitment we maintain with employees to create a decent workplace and putting the person at the center of our actions. Employees have access to a workspace that allows them an comprehensive development, while being aware of the transcendent impact of their daily work.

The efforts made to give our employees the opportunity to innovate had results, since for the first time we received the **Great Culture to Innovate** certificate.

Also, keeping with our way of working where the person is at the center of everything we do, we received the #FactorWellbeing distinctive, which is awarded to organizations that exceed the standards in the four dimensions of the #BEAT model:



We received different recognitions that allude to the experience of our Philosophy and our Institutional values.

- D
One of the most relevant factors in the leadership style in Genera is the experience of *Serviazgo*
- D
Enrique Majós was recognized by GPTW as one of the best CEOs
- D
Adela Giral was recognized as one of the best CHROS



- 3RD PLACE IN GPTW⁴
Category: More than 5,000 employees
HALL OF FAME
 For 16 years at GPTW
- 3RD PLACE
Best Work Places for Women en México
Category: More than 5,000 employees
- CERTIFICATION
Factor Wellbeing 2022
- 1ST PLACE
Great Culture to Innovate
- 1ST PLACE
Banking Sector Best Workplaces 2022
Given by: Computrabajo
- 8TH PLACE
GPTW Peru

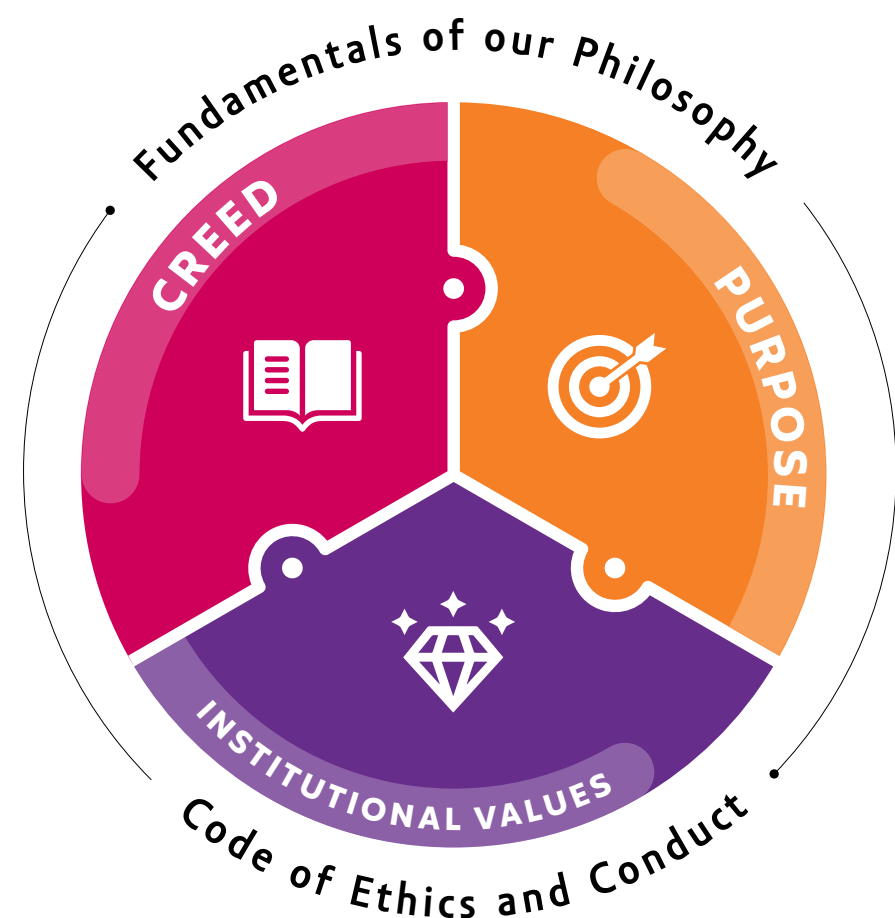
⁴ Great Place to Work (GPTW).



Value proposition

403-5, 403-6, 404-2

What we offer to our employees for being part of Genera and its companies is always based on our philosophy, which reflects how we think and act, always showing respect for human dignity and an inherent commitment to the common good. The experience of our ethics and values guides us to achieve the purpose that drives us and keep our vocation of service.



Fundamentals of Our Philosophy

Creed

01

> We believe in the individual and in their capacity to overcome to be better

02

> We believe that to act ethically is to do the greatest possible good and we strive to make this a reality in our lives

03

> We believe that exclusion is a result of poverty, and that by offering access to competitive and quality financial solutions, we create inclusion and development

04

> We believe in using business principles to help solve social problems

05

> We believe that, in the right context, profitability is the engine for development and creating competitive and efficient industries

06

> We believe that there is a space where social, economic, and human values coexist and reinforce each other

07

> We believe in sustainable development and care for the environment

08

> We believe in *Serviazgo* as a leadership style based on serving others, which inspires and is meaningful through serving, training, growing, and delivering results

09

> We believe that we should aspire to inspire and transform, even though the challenge is enormous



Purpose

Our purpose is to boost the dreams of our clients, solving their financial needs with a human sense

Serviazgo

Serviazgo is our model of leadership based on service to others

Institutional values

In Gentera we act according to our values:

- **Person.** We recognize their dignity and self-worth; we understand it as an end and never as a means.
- **Service.** We give ourselves to others because we care about their good.
- **Responsibility.** Keeping our word and assuming the consequences of our actions.
- **Passion.** Loving what we do.
- **Teamwork.** We work with others, to achieve more.
- **Profitability.** Do more with less, be productive and efficient to serve better.



Every time a new employee joins our staff, he participates in a session with a Guardian of our Philosophy, who shares his testimony about how the Gentera Philosophy is lived and encourages them to commit to it. In 2022 we gave 123 sessions in which 4,405 employees participated.

In addition, all the employees who joined during 2020 and 2021, participated in a session to reinforce their knowledge and commitment to our Philosophy, through a hybrid session with a Guardian of Philosophy. The 10 sessions that took place throughout the year were also an integration space for 1,729 employees.

Every year we apply the survey of experience of our Institutional values to our employees with the aim of knowing how the values of Gentera are lived in the daily work and identify areas in which we must strengthen our culture.

LIVING OUR VALUES SURVEY

Number of participants	Result (mystical experience)
2020 19,801	91%
2021 16,946	90%
2022 15,450	92%

FISSEP Model

For Genera, the comprehensive development of employees in all dimensions of the person is a priority, because in this way they can feel full, fulfilled and focused to perform their tasks, as well as transmit a feeling of security and well-being to our clients.

Our FISSEP Model is the guide to promote this holistic development and inspire our employees to seek six dimensions of the person: Family, Intellectual, Health (physical and mental), Social, Spiritual and Professional.

The Vive FISSEP Portal is aligned with our Model and allows us to share content with our employees related to the six dimensions to promote their comprehensive development. Likewise, the monthly survey **Pulso FISSEP** allows us to know their concerns and be able to be close to them to solve them.

During 2022 we registered 261,729 visits on the Vive FISSEP Portal



Family

We promote the family as the essential nucleus for personal the development and social transformation.



Intellectual

We encourage and provide the means for people to acquire more and better knowledge.



Health (physical and mental)

We create and spread resources to take care of our overall health.



Social

We create spaces where people can be agents of social change because we recognize that positively influencing others gives meaning to our lives.



Spiritual

We promote spiritual experience, respecting all creeds.



Professional

We offer tools to develop our talent and improve our skills.





INICIATIVAS FISSEP

Initiative	Description	Genera's companies that participated	Number of participants
Family Week	> Digital event in which employees and their families can participate in daily conferences with topics related to the family, as well as workshops for the little ones.		528 employees 490 employees 5,768 connections
Genera Hug	> It seeks to recognize those employees who are distinguished by being an example in the experience of our values. Employees vote and decide who is the person in their area who best meets this profile.		403 employees 270 employees
Family Webinars	> We offered virtual talks with experts on family issues through Teams Live, the objective is to contribute to the family development of our employees.		78 employees 104 employees 816 connections
FISSEP Kids	> We offer our employees activities for their children and nephews. These are spaces for learning and recreation on special dates such as: Easter week, children's day, summer holidays, Day of the Dead and Christmas holidays.		410 employees 415 employees 1,112 connections
FISSEP Counselors	> This year we started a pilot for the attention and containment of our employees through a telephone service of counselors, touching on family, spiritual and work stress issues, among others related to the FISSEP model.		123 people served 263 sessions
Promotion of the Spiritual Dimension	> We offer our employees voluntary participation activities that allow them to develop their spiritual dimension, according to our FISSEP model.		2,752 connections
Portal Vive FISSEP	> To promote the comprehensive development of our employees, we put at their disposal a portal (www.vivefissep.mx) with articles and activities that allow them to grow in all its dimensions: Family, Intellectual, Health, Social, Spiritual, Professional.		262,432 visits
Digital Dreamer	> Digital platform through which our employees can share their dreams and collaborate to achieve them. As part of our Purpose, we promote the dreams of our employees.		7,790 dreams recorded
FISSEP Committee / Early Childhood	> This year we implemented a committee to review and promote initiatives in favor of the integral development of our employees and follow up on the plan in favor of Early Childhood for the children of our employees. This committee reviews topics such as breastfeeding, flexible time, positive parenting training, among others.		-

Genera companies

- Compartamos Servicios
- Compartamos Banco
- Compartamos Financiera
- Aterna
- Yastás
- ConCrédito



Pyxis Model

Another program that strengthens the leadership development of our employees from the perspective of human formation is the Pyxis Model, which is based on *Serviazgo* and supported by four commitments: serve, form, grow and deliver results.

This year we provided 176 hours of human training and *Serviazgo* on average per employee.

100% of our employees in Mexico and Peru had access to the Pyxis Model

DURING 2022 WE CARRIED OUT DIFFERENT INITIATIVES FOCUSED ON PROMOTING THE LEADERSHIP OF OUR EMPLOYEES:

	Pyxis Business	Pyxis CEAS	Pyxis Branches	Pyxis Recognition	Pyxis Total Value
Genera companies that participated	Compartamos Banco Yastás	Compartamos Servicios, Compartamos Banco, Yastás, Aterna y Fundación Compartamos	Compartamos Banco	Compartamos Banco y Yastás	Compartamos Banco
Total hours	8	8	6	40	40
Number of employees participating	9,201	1,291	542	97	25
	Pyxis GEN2022	Pyxis Peru	Raising MIS FISSEP Standards	Pyxis Directorate of Philosophy and Social Vocation	Pyxis Week
Genera companies that participated	Compartamos Banco, Compartamos Servicios, Yastás, ConCrédito, Aterna y Compartamos Financiera	Compartamos Financiera	Compartamos Banco	Compartamos Servicios Fundación Compartamos	Compartamos Banco, Compartamos Servicios, Yastás, Aterna y Fundación Compartamos
Total hours	20	20	40	20	6
Number of employees participating	25	27	15	30	9,580



Pyxis BAU

Sessions aimed at all new Business employees that aim to publicize the Integral Model of Service as a leadership model based on service to others.

Listening to their emotions

Sessions aimed at groups that have experienced situations of high emotional impact, whose objective is to give them support and emotional containment so that they can begin to productively elaborate their experiences.

Basic PAE brigades

Online course of voluntary nature available to all employees of Genera and its companies in Mexico, its objective is to obtain tools for the timely and efficient intervention of containment towards another person after an event of high emotional impact.

Intermediate PAE brigades

The objective is that employees can know and use tools to help each other autonomously and to serve their neighbors in the management of difficult moments.

Human Training Officers

Four-session program for Officers that seeks to strengthen their skills to achieve an optimal life balance and the foundations for ethical leadership. The program is offered through IPADE under the methodology of the case.

Human Training SD Physical Security

Eight-session program aimed at the employees of the Physical Security Assistant Officers,, covering topics such as self-confidence, adaptability, empathy, wellbeing, interdependence, wellbeing and health, integral family development and abundance, empathy, wellbeing, interdependence links, wellbeing and health, integral development of the family and abundance.

Genera companies that participated

Compartamos Banco Yastás

Compartamos Banco

Compartamos Banco, Compartamos Servicios, Yastás Aterna y Fundación Compartamos

CoCompartamos Banco, Compartamos Servicios, Yastás Aterna y Fundación Compartamos

Compartamos Banco, Compartamos Servicios, Yastás, ConCrédito, Aterna y Compartamos Financiera

Total hours

1.5

2

0.5

0.5

8

16

Number of employees participating

4,504

1,925

240

2,763

271

Sesión 1: 71
Sesión 2: 58
Sesión 3: 68
Sesión 4: 74

24



Compensation and benefits

2-19, 2-20, 2-21, 201-3, 202-1, 401-2, 401-3, 405-2

FN-CF-270a.1

Aligned with our industry, as well as the needs of our people, we determine the remuneration of Genera and their companies employees based on a salary administration policy that regulates the allocation of salaries for all positions of Genera and its companies. We also have policies for each of the performance bonuses or incentives that integrate variable employee compensation, as well as a policy that outlines retirement benefit guidelines and bylaws that impact all staff.

We grant performance bonuses, which are associated with the fulfillment of objectives of each of the positions.

The remuneration of the members of the Board of Directors and senior executives is related to the fulfillment of objectives, which are evaluated annually and through the percentage of compliance obtained, the annual salary increase is impacted, as well as the calculation of the corresponding performance bonuses.

In Genera we have predefined financial returns for the variable compensation of the General Manager, the financial result of the business affects the amount of their bonus and the percentage of their salary increases. The metric to obtain this result is the profit obtained vs the expected utility. The period to evaluate their performance for variable compensation is one year.

We also have guidelines on deferred bonus, time and performance period for the variable compensation of the CEO. Apart of the incentive is deferred in the short term in the form of shares, 50% is paid in fractions of 33% per year, with a total duration of three years.

RATIO OF TOTAL ANNUAL COMPENSATION OF THE HIGHEST PAID VS THE MEDIAN WORKFORCE PER COMPANY

Company	Ratio
Compartamos Servicios	4.0%
Fundación Compartamos	99.4%
Compartamos Banco	1.7%
Compartamos Financiera	2.3%
Yastás	3.2%
ConCrédito	4.9%
Aterna	13.0%

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY JOB CATEGORY AND COMPANY

Company	Ratio			
	Officers	Managers	Administrative	Sales force
Compartamos Servicios	89%	90%	83%	-
Fundación Compartamos	-	-	101%	-
Compartamos Banco	77%	95%	106%	102%
Compartamos Financiera	102%	86%	90%	84%
Yastás	58%	107%	110%	102%
ConCrédito	100%	100%	100%	100%
Aterna	177%	91%	109%	-

In Mexico, ConCrédito and Peru, 37%, 40% and 26% respectively, of the total remuneration received by our employees is variable and is mainly linked to the number of products sold⁵.

All our employees are hired directly by the Genera company in which they work, respecting their seniority, benefits and compensation package, which exceeds what is required by legislation. The benefits and benefits we provide align with their professional category.



⁵ This applies to the 74% and 87% respectively of the templates of Mexico and ConCrédito.



Guaranteed fixed compensation

Mexico (includes ConCrédito)

- > Salary ⁽¹⁾
- > Vacation ⁽³⁾
- > Mexican Social Security Institute (IMSS, by its acronym in Spanish) ⁽²⁾
- > National Workers' Housing Found Institute (Infonavit) ⁽²⁾
- > Vacation bonus ⁽²⁾
- > Profit sharing ⁽²⁾
- > Compulsory breaks and public holidays ^{(2)*}
- > Christmas bonus ⁽³⁾

Peru

- > Salary ⁽¹⁾
- > Vacation ⁽²⁾
- > Family allowance ⁽²⁾
- > Compulsory breaks and holidays ⁽²⁾
- > Compensation for service time ⁽²⁾
- > Profit sharing by law ⁽²⁾
- > Holiday and Christmas bonus ⁽²⁾

⁽¹⁾ Basic remuneration.

⁽²⁾ Legal benefits.

⁽³⁾ Benefits higher than those of the law.

*Some holidays apply only to certain offices and/or branches for local holidays.

Benefits

Mexico

- > Savings Fund
- > Grocery vouchers
- > Pension plan
- > CV2 Share Bonus*
- > Personal accident insurance*
- > Life Insurance
- > Major medical Insurance*
- > COVID-19 Insurance
- > Combo (insurance flexibility) **
- > Benefits for employees who are new moms and dads
- > Flexible maternity and paternity leave work
- > "New child" grocery vouchers
- > Remote work bonus
- > Training bonus
- > Basic check-up for corporate employees*
- > Flexible places in nursery*
- > Guidance to employees in psychological and legal matters
- > Institutional permissions
- > Half a day for birthday
- > Conventions
- > Contingency aid
- > Operating bonus*
- > Performance bonus*
- > Permanence bonus
- > Savings bank
- > Car benefit*
- > Gasoline vouchers*
- > Webinars
- > Remote work*
- > Follow-up of COVID cases through the medical service
- > Parking*
- > Lactation room*
- > Uniforms
- > Health and vaccination campaigns*

*Applies only to certain positions.

**Applies once the first six months in the company have been completed.

Peru

- > Food benefits
- > Productivity bonus (incentives)*
- > Performance Bonus (ED)*
- > CV2 Share Bonus*
- > Life Insurance
- > ESALUD Medical Expenses Insurance
- > Car Benefit*

Con-Crédito

- > Grocery vouchers
- > Life Insurance
- > Major Medical Insurance
- > Combo (insurance flexibility)
- > Remote work bonus*
- > Training bonus*
- > Guidance to employees in psychological and legal matters
- > Conventions
- > Bi-weekly incentives*
- > Performance bonus*
- > Permanence bonus*
- > Savings bank
- > Car Benefit*
- > Gasoline vouchers*
- > Remote work*
- > Uniforms



For employees who will become parents we have the CUNA⁶ benefit, which consists of providing maternity uniforms for our employees, as well as a birth kit to welcome the new baby, additional grocery vouchers and the possibility of selecting between two options of flexible schedule for maternity or paternity.

PARENTAL LEAVE BY COMPANY

Company	Employees entitled to parental leave		Employees who took parental leave		Employees who returned to work after ending parental leave		Employees who are still employed 12 months after returning to work on parental leave	
	Women	Men	Women	Men	Women	Men	Women	Men
Compartamos Servicios	574	619	19	22	19	22	18	22
Fundación Compartamos	1	1	-	-	-	-	-	-
Compartamos Banco	6,318	6,244	230	316	223	316	174	258
Compartamos Financiera	218	77	218	77	212	77	163	64
Yastás	79	132	1	4	1	4	1	4
ConCrédito	-	-	-	-	-	-	-	-
Aterna	17	11	-	-	-	0	-	-
Total	7,207	7,084	468	419	455	419	356	348

PARENTAL LEAVE BENEFITS BY GENDER AND COUNTRY

Mexico ⁶	Description
Women	> Support in grocery vouchers during the first 5 months and leave of 42 calendar days or 6 months of work of 6 face-to-face hours and 2 hours of work from home
Men	> Support in grocery vouchers during the first 5 months and leave of 10 calendar days or 20 days part-time

Peru	Description
Women	> 98 legal days + 2 additional days, lactation room and breastfeeding time until the baby is 1 year old
Men	> 10 legal days + 2 additional days

⁶ This benefit is not applicable to ConCrédito employees.

*Applies to employees who work in the office.



We know that dedicating personal and professional talent to a company like ours is very valuable, so we offer those who retire a pension plan designed so that they can face their life after retirement with peace of mind and confidence. In addition, it works as a stimulus to promote the culture of saving in the new generations.

Additionally, for our employees who were fired in Mexico, we offer a restructuring outplacement program in which five people participated. While in Peru we carried out PITS with the participation of 248 people.

CONTRIBUTIONS TO PENSION PLANS

(millions of pesos)

	2020	2021	2022
By employees	\$ 42,673,395.96	\$ 47,959,275.68	\$ 54,620,915.92
By Genera and its companies	\$ 32,409,983.58	\$ 35,891,827.78	\$ 41,338,705.86
Annual BD contribution	\$ 186,097,368.00	\$ 7,188,476.00	\$ 51,324,781.00
Redemption recognition bonus	\$ 1,528,118.01	\$ -	\$ -

Training and development

3-3, 404-1, 404-2, 404-3

We strive to provide our employees with the necessary tools and opportunities so that they can self-manage themselves for their growth and achieve their goals. Therefore, we implement various professional development plans and programs to improve their skills and strengthen their competencies, which allows them to grow and develop professionally.

We provide three types of training:



Career acceleration

It is made up of formal academic schemes that contribute to training to obtain an academic degree.



Specialty of your functions

It includes different courses, workshops or specializations that contribute to improving the profile of the employee for the improvement of their daily functions.



Regulatory regulations

Courses or certifications that it is essential to attend, since there is a risk of sanction, or those that current regulations define as essential to perform some strategic functions.

Looking for innovative ways to strengthen the training and development of our employees, we implemented the **Genera Corporate University**, where we offer different mandatory and elective courses so that everyone can decide in which area to develop. This platform has allowed us to increase the educational offer and the frequency in which our employees are trained.

In addition, with the aim of providing a higher quality and transparent service to our clients, every year we certify our employees in Code of Ethics and Conduct, Financial Education, Prevention of Money Laundering and Financing of Terrorism (PLD, by its acronym in Spanish and FT), as well as in Client Protection. During this year we impacted more than 4,500 employees with training sessions to reinforce ethical behavior, against any type of workplace violence, against corruption and fraud.

With the Journey and the transformation process that we are experiencing in Genera, we launched a Google academy to enable the skills required by some of our employees to work in the Cloud.

We also offered different programs to improve the skills of our employees, such as career acceleration, role specialization and regulatory courses for 951 employees in Mexico. We also offered Serviazgo Academy, Degreed, Impulsa program, mentoring, development plan and transformational conversation workshops for employees in Peru; and agile morning courses, leadership diploma and FISSEP leader for 3,534 ConCrédito employees.

Note. The pension plan we offer at Genera is hybrid, the largest benefit is granted between defined contribution (company contribution + employee contribution + recognition bonus) and defined benefit (BD). It only applies to our employees in Mexico.

AVERAGE HOURS OF TRAINING BY JOB CATEGORY, GENDER AND COUNTRY

Job Category	Total training hours		Average hours of training		Total training hours		Average hours of training	
	Mexico				Peru			
	Women	Men	Women	Men	Women	Men	Women	Men
Officers	3,510	3,888	52.39	36.68	341	1,924	34.10	96.19
Managers	7,545	8,623	36.80	29.73	1,823	2,912	40.51	36.40
Administrative	74,142	39,911	30.26	30.10	46,088	20,692	52.61	45.38
Sales force	244,233	306,175	43.38	47.61	88,660	131,525	52.12	65.76
Total	329,430	358,597	39.44	43.98	136,912	157,054	52.02	61.45

INVESTMENT IN TRAINING BY COMPANY

Company	Investment	Currency used for calculation
Compartamos Servicios	\$ 10,987,296.82	MXN
Fundación Compartamos	\$ 2,321.18	MXN
Compartamos Banco	\$ 14,147,817.13	MXN
Yastás	\$ 338,229.03	MXN
ConCrédito	\$ 1,742,363.00	MXN
Aterna	\$ 33,109.42	MXN
Compartamos Financiera	\$ 1,961,642.86	MXN
	\$ 934,604.00	Nuevos Soles

We invested more than \$29,200,000 pesos and more than 930,000 nuevos soles in training our employees

As a complement to the training we offer, we carry out metrics on their progress and performance through evaluations that allow us to identify both areas for improvement, as well as employees who have developed skills that allow them to have greater responsibilities, giving them a boost in their professional career with a new position.

Evaluation model:



Planning
We establish the goals that must be achieved throughout the year.



Evaluation
We assess the fulfillment of the annual objectives.



Tutoring
We reflect half a year to identify the progress of the agreed objectives.



Recognition
We celebrate the achievements made during the year.



During 2022 we modified the way we evaluate the performance of our employees, moving from numerical scales to compliance ranges, which has benefited the way in which our people perceive that they are fulfilling the activities expected for their position.

2,250 employees
received performance
evaluation

PERFORMANCE EVALUATION BY JOB CATEGORY, GENDER AND COMPANY

Company	Officers		Managers		Administrative		Sales force	
	Women	Men	Women	Men	Women	Men	Women	Men
Compartamos Servicios	44	55	139	191	363	349	0	0
Fundación Compartamos	0	0	0	0	1	1	0	0
Compartamos Banco	38	100	35	43	85	97	0	0
Compartamos Financiera	3	5	41	90	164	187	5	3
Yastás	3	7	5	9	53	47	0	0
ConCrédito	5	12	20	23	0	0	0	0
Aterna	1	1	3	1	13	8	0	0
Total		274		600		1,368		8

POSITIONS COVERED BY COMPANY

Company	Total open positions	Number of Genera employees who covered the positions		Number of people who were not Genera employees who covered the positions	
		Women	Men	Women	Men
Compartamos Servicios	341	55	46	78	162
Fundación Compartamos	0	0	0	0	0
Compartamos Banco	1,126	428	501	86	111
Compartamos Financiera	274	39	47	82	106
Yastás	21	5	7	5	4
ConCrédito	557	123	120	145	169
Aterna	5	3	0	1	1

Derived from the digital transformation that we are experiencing in Genera, in the future our promoters, advisors and leaders will become a relevant internal client. To find out how satisfied they are, in Mexico for the first time we conducted an **internal client satisfaction** survey. We surveyed 1,395 employees of the sales force, of which 65% indicated that they were satisfied with the attention and service they receive from CEAS. This evaluation seeks to monitor different topics such as systems, reports, operational processes, maintenance, security, payment of bonuses and insurance payment that are part of the day to day of our promoters to be able to carry out their work in the field.



Health and safety

3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

The health and safety of employees is our priority. We implemented different initiatives focused on preventing risks in cases of emergency with the aim of ensuring their peace of mind and promoting their physical and emotional well-being.

In Mexico, Genera employees are represented in accordance with the provisions of the Federal Labor Law regarding the Safety and Hygiene Commissions.

Likewise, seeking to improve the quality of life of our employees, we implemented a management system composed of different programs such as: vaccination campaigns, security measures, advice on ergonomics, medical service, first aid brigades, firefighting courses, evacuation courses, search and rescue, employee's health monitoring in relation to work and health weeks, among other initiatives that promote well-being. These activities are freely accessible; to evaluate their quality, we implement satisfaction surveys and follow-up consultations.

In addition, we constantly share relevant information related to the prevention and response to risk situations, such as assaults, extortion, kidnappings, violent events, social mobilizations and protests, among others. In civil protection matters, we carried out internal and external risk analysis for each business unit to identify occupational hazards and assess risks.

On the other hand, to comply with the Psychosocial Risk Factors Standard NOM 035, in Mexico we have different initiatives such as emotional containment workshops, webinars and the Code of Ethics Committee, as well as communication channels such as the complaints mailbox and the PAC helpline.

Given the nature of our business, sometimes it is necessary for employees to visit areas with a high crime rate, so, to safeguard their integrity, we designed monitoring plans and share preventive information.

In addition, in case there is an emergency that requires timely assistance, as well as situations of risk or advice on legal or security matters, we have the Alarm Intelligence and Monitoring Center (CIMA, by its acronym in Spanish), accessible 24/7 from any state, municipality and locality in Mexico.

We also shared two safety capsules nationwide, registering an impact on 11,312 employees.

Our employees are exposed to risks related to commuting to work sites or client visits, as well as day-to-day activities in offices, which can lead to injuries or accidents.

This year we recorded 615 injuries, unfortunately a death resulting from a work accident injury.

▶ 615 work-related recordable injuries

Of which 10 were injuries with severe consequences, mainly sprains and bruises

▶ 1,319 reports attended

by CIMA from employees who requested assistance



Office house (cO)

Although our field employees carry out their work in the communities, with our clients and under a scheme very similar to the one that existed before the pandemic. The way of working in Gentera's corporate offices has migrated to a hybrid house-office (cO, by its acronym in Spanish) mode, in which we are still in the process of finding the right balance between activities that can be performed from home, and those that require a return to offices with meaning and purpose.

In compliance with Mexico's labor reforms, since 2021 we assigned our employees a monthly support so that they can cover expenses related to electricity and Internet services derived from working at home.



Internal communication

A fundamental axis of communication has always been to promote the culture and values of Gentera. Today, with the growth that our organization has had in recent years, we have the challenge of aligning communication attending to the different messages, contexts and ways of communicating in our companies

03 SOCIAL IMPACT: **OUR COMMUNITY**

IMPACT THAT
TRANSFORMS

lives



Our community

Generating positive social impact in the communities where we have a presence is part of our social vocation and it is transversal to our operations in Mexico and Peru. By keeping the person at the center of our decisions, we seek to create economic value from our financial products and services at the same time we create social and human value. Therefore, we promote initiatives for the benefit of the community that we carry out with the Social Responsibility Fund and Fundación Compartamos.

We have three **fundamental principles** that serve as a compass to guide our actions and promote the common good.



Altruism

Our vocation to service is a way of life that motivates us to do good to others, to be generous and to serve.



Inclusion

We strive to ensure that people have access to educational opportunities to promote inclusion, development and improvement of their quality of life.



Transcendence

When we bring development opportunities closer together, we can transform lives, having an impact on each person and boosting their dreams.

Social Responsibility Fund

In order to contribute with solidarity actions to meet the specific needs of the communities where we operate, we created the **Social Responsibility Fund**, which is composed of up to 2% of the group's net profits from the previous year.

Seeking to maximize the positive social impact of this fund, this year we benefited more than 310 thousand people, through 27 projects that we conducted in alliance with different institutions.



This year we recorded historical figures that translated into a benefit for 310,860 people

Amount of the Social Responsibility Fund

2020
\$69,034,650

2021
\$48,846,166

2022
\$57,029,918

Number of beneficiaries

2020
313,290

2021
235,828

2022
310,860



Fundación Compartamos

203-1, 203-2, 413-1, FS16

FN-CB-240a.4

Generating development opportunities to improve the quality of life, and positively impact thousands of people with the initiatives of Fundación Compartamos, is possible thanks to the commitment of our employees and the support of our allies.

Supported by our strengths and the good relationship we maintain with the people of the communities we serve, we promote volunteering, donation and contingency initiatives, mainly favoring two social causes: Education and Early Childhood.



Education



Early childhood

Causes

Lines of action



Volunteering



Donation



Contingencies



Education

We promote the development of capacities in the population, contributing to the generation of knowledge to trigger a social change in children, teenagers and adults.

FORMAL EDUCATION

Leaders of Tomorrow, Scholarship

Convinced that one of the best ways to help with Mexico's progress is through the formation of leaders with human sense, competitive and transformers of a better world, we granted a full scholarship to benefit a student from the "Leaders of Tomorrow" program, with the intention that she can continue and finish her university studies.

Allies **Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM)**

Number of beneficiaries

1

Mano Amiga, Educational Scholarships

We provided educational scholarships so that children and young people with fewer opportunities receive comprehensive training tools that they require to develop and become successful people. 32 girls and boys of preschool and elementary level were benefited, as well as 32 young people of the middle and high school levels, guaranteeing an excellent academic preparation and a solid formation in values. This support also contributes to the economy of 51 families.

Federación Mano Amiga, A.C

115

Supporting adults to complete their basic education

We seek to increase educational level of people who have educational backwardness, mainly women, to complete their basic education studies through an online program. In this way we contributed to social mobility and the development of better opportunities for them and their families. This year 99 people completed their primary education and 299 their secondary studies. In addition, three virtual graduations were held to recognize the effort of the students.

Instituto Nacional para la Educación de los Adultos (INEA) y Crecer México, I.A.P.

398

Fonabec Online High School

We offered a free online high school option that allowed people to complete their higher education studies, representing an opportunity to continue their academic preparation or to improve their working life.

Fonabec, A.C.

114

Ensamble México, Education Committee

We joined forces with *Fundación Mexicana de Apoyo Infantil, A.C. (Save the Children)* and *Ensamble México, Education Committee*, to support children and teenagers to have a safe return to school, providing kits for the development of air filters and training for the prevention of COVID-19 infections.

Fundación Mexicana de Apoyo Infantil, A.C.

1,837

Diploma in Leadership and Educational Accompaniment

Committed to the training of officers, as well as of teachers of basic and upper secondary education in Mexico, we offered the Diploma in Leadership and Educational Accompaniment (DLAE). With the objective of providing the necessary skills to propose and implement methodologies that contribute to the improvement of school culture, and that develop transformative leaders.

Allies **World Education & Development Fund México, A.C.**

Number of beneficiaries

479

Educational intervention

To improve the educational quality of our country, we helped with the update of the Lazos educational intervention model, promoting four axes of action: educational and socio-affective diagnosis; focus on human rights, inclusion and development; socio-emotional education and health care; and recovery of human learning.

Lazos, I.A.P.

1,277

En honor a ellos, Scholarship

We granted scholarships to children and teenagers who have lost their parents because of the COVID-19 pandemic so that they can continue with their studies. The beneficiaries are located in 11 states: Chihuahua, Puebla, Baja California, State of Mexico, Veracruz, Hidalgo, Tabasco, Oaxaca, Michoacán, Tamaulipas and Sinaloa.

Bécalos

36



EDUCATION FOR ENTREPRENEURSHIP

Digitalization plan My SMEs

To encourage micro and small entrepreneurs to join the electronic market, we offered a digital workshop to learn how to develop a website for your business with the option of an online store. We also provided training to private groups through the Microsoft Teams platform, and we had open calls for trainings through live broadcasts on Compartamos Banco's Facebook, achieving a digital reach of more than 19 thousand people.

Allies **Kolau, LLC**

Number of beneficiaries **539**

Women with purpose

This program addresses issues of employability, training and economic empowerment for women, and aims to provide tools that strengthen their entrepreneurial skills through face-to-face and online training, as well as access to specialized mentoring.

Fundación para el Desarrollo Sostenible en México, S.C.

117

Online training on business and financial education

We promoted the use of the ENKO platform, which offers basic online training on business and financial education, with the aim of boosting business growth and contributing to the improvement of the quality of life of micro and small entrepreneurs.

VISA y Fundación para el Desarrollo sostenible en México, S.C.

186

Boost and strengthen your business

We designed a strengthening course on skills and knowledge for micro and small businesses, where they learn about sales; management; personal and business finance; and use of social media for business and leadership. The course is 100% digital, through WhatsApp, it is free and self-directed.

Shared Value Consultores, S.C.

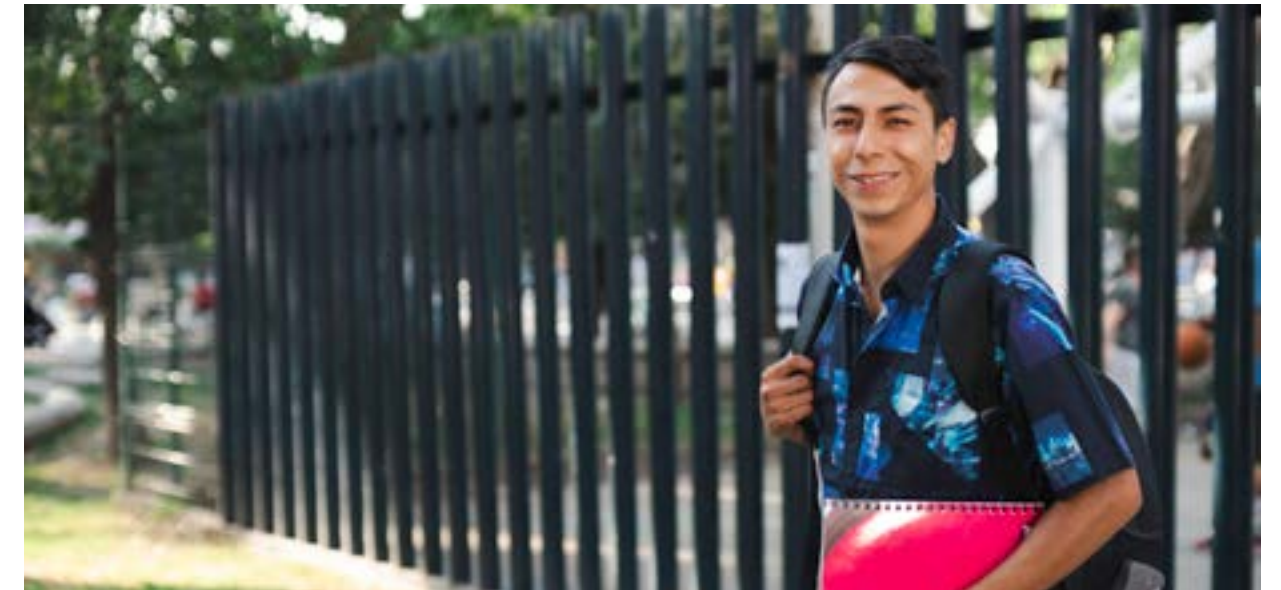
130

Mujer Posible

We promoted the strengthening of women entrepreneurs and microentrepreneurs who require tools, advice and training to grow their sales, improve the conditions of their businesses and their families. To achieve this, face-to-face workshops were held in the states of Chiapas, Zacatecas and State of Mexico, where mentors and experts trained them on topics such as business model, value proposition, artificial intelligence tools and empowerment.

Fundación Televisa, A.C.

6,027





Early childhood

We support the well-being of children from 0 to 6 years old, a stage in which the physical, intellectual and emotional capacities that contribute to determine success in later stages of life are developed.

Donating rejoices hearts

We participated in this project that supports Mexican families who lost their main sources of income due to the COVID-19 pandemic, and who were in a situation of food shortage in the states of Nuevo León and Colima.

Allies

Centro Mexicano para la Filantropía, A.C.

Number of beneficiaries

2,000

Congress "Acompaña su vuelo de 0 a 3"

We granted scholarships to parents for the virtual congress "Acompaña su vuelo", which objective is to bring quality information to mothers and fathers through experts in early childhood, giving tools to interact with their children in a sensitive and respectful way.

De Cero a Tres Fundación A.C.

184

Create a Collective Game World

We are part of *Colectivo por la Primera Infancia*, a group of business groups that works for the integral development of all children in Mexico by positioning early childhood as a priority issue for the growth of the country. With this alliance, 1,045 beneficiaries participated in Collective Gaming Stations.

As part of the support strategies to boost Early Childhood Development, we joined the global campaign **Playing in Collective** that seeks to sensitize parents and other caregivers about the importance of play and the creation of emotional bonds during early childhood, in a practical and fun way. Through this initiative we benefited 637 people.

Fundación Televisa A.C.; Lego Foundation; Fundación Cinépolis A.C.; Fundación FEMSA A.C.; Fundación CMR A.C. y Fundación Placemaking México A.C.

1,682

Dissemination of SIPI and UNNA program

We promoted the Early Childhood Information System (SIPI), a tool to monitor the most relevant indicators on health, nutrition, care, education, safety, protection and poverty in early childhood, with the aim of highlighting and fulfilling the needs of children, as well as promoting public policies to improve their living conditions.

In addition, we supported the UNNA program: Life, Childhood, Protection, with which we promote a comprehensive approach where the protection of pregnant mothers and responsible parenthood play in favor of unborn children during their early childhood, as well as their right to live a life free of violence.

Early Institute A.C.

518

Emergency training and social-emotional support

We collaborated in the development and delivery of the emergency education program and socio-emotional support for primary caregivers. The program responds to the need to provide strategies to accompany the emotional impact of early childhood derived from the pandemic, to support primary caregivers and provide them with tools. We made a call inviting civil society organizations throughout the country to participate.

Allies

DEI Comunidad, A.C., Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Ensamble México, Comité de Educación (conformado por: Fundación Televisa A.C.; Fundación Coppel; Fundación Haciendas del Mundo Maya; Promotora Social México; Fundación Femsa; Grupo Posadas; Fundación Sertull y Fundación Alejo Peralta)

Number of beneficiaries

2,240

Visit Foundation

Fundación Compartamos offers possibilities for development in the educational field in our country and raises awareness about the importance of early childhood care. In this regard, we bring opportunities for Genera employees to know the projects supported by the Call for Education and Early Childhood through the initiative: Visit Foundation.

We are convinced that, by seeing the work of these organizations, employees can identify the transcendence that we generate together in our social environment, in addition to serving as an initiative of transparency in the use of the donations that our employees make to Fundación Compartamos.

Fundación Kristen A.C.; Biocultura Sustentable A.C.; Albergue Infantil Los Pinos A.C.; Lazos I.AP.; Cambiando Una Vida A.C.; Asociación Regiomontana De Niños Autistas A.B.P.; Cáritas De Monterrey A.B.P. y Canica y Centro De Apoyo Al Niño De La Calle De Oaxaca A.C.

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In addition to the strategy of the Collective for Early Childhood, we carried out recreational activities for children in the following venues in Mexico:

Early Childhood location

- > Culiacán y Navolato, Sinaloa
- > Mérida, Yucatán
- > Campeche, Campeche
- > Huajuapán de León, Oaxaca
- > Mazatán y Chiapa de Corzo, Chiapas

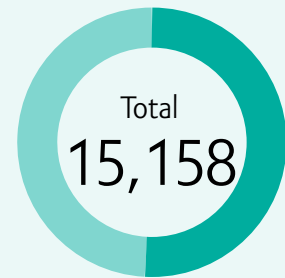
We collaborated with more than 400 organizations in the citizen initiative Pact for Early Childhood to make early childhood a national priority, together with other organizations we seek to influence public policies



Volunteering

We encourage our employees to provide time and talent to contribute to the development and well-being of people and their communities.

GENTERA VOLUNTEERING



Women
51% Volunteer
7,654

Men
49% Volunteer
7,504

Volunteering is an important part of our philosophy, as it allows us to bond with the community and to improve their environment through the opportunity of helping others.

At Genera we believe that volunteering creates emotional bonds and sensitizes people to be committed citizens.

GENTERA VOLUNTEERING

► Number of volunteers
15,158

► Number of beneficiaries
260,462

► Volunteer hours
116,824

► Percentage of workforce participation
91%

► **91% of our employees volunteered in 2022**

► **15,158 volunteer employees dedicated eight hours of volunteer work**

VOLUNTEERS BY COMPANY

	Compartamos Servicios	Fundación Compartamos	Compartamos Banco	Yastás	Aterna	Compartamos Financiera	Total
Volunteers	1,037	2	9,865	170	27	4,057	15,158
Volunteer hours			91,380			25,444	116,824
Beneficiaries			218,658			41,804	260,462
Percentage of workforce participation	96%	100%	91%	86%	100%	90%	91%

Note. ConCrédito is working on standardizing the measurement process in its altruistic work.



Día Compartamos con la Comunidad

Allies **Fundación Placemaking México, A.C. y Asociación Civil OSMIA**

Number of beneficiaries **19,309**

With the *Día Compartamos con la Comunidad* we benefited 19,309 people in Mexico and Peru

During 2022 we resumed the ***Día Compartamos con la Comunidad*** project, which aims to contribute to the well-being of vulnerable communities by incentivizing the social vocation and the attitude of service among volunteers to restore a public space (park or sport fields) and the installation of a metal games module.

Simultaneously, we conducted an eye health day that includes an eye exam, and we delivered lenses at no cost to people who required them. The route of *Día Compartamos con la Comunidad* 2022 in Mexico consisted of 16 events in the states and municipalities:

Día Compartamos con la Comunidad-Mexico route

- > Toluca, Estado de México
- > Tláhuac, Ciudad de México
- > San Pablo del Monte, Tlaxcala
- > San Juan del Río, Querétaro
- > Tlaquepaque, Jalisco
- > Papantla, Veracruz
- > Cholula y Ajalpan, Puebla
- > General Zuazua, Nuevo León
- > Navolato, Sinaloa
- > Loma Bonita, Tijuana
- > Mérida, Yucatán
- > Campeche, Campeche
- > Huajuapán de León, Oaxaca
- > Mazatán y Chiapa de Corzo, Chiapas

In Peru we held five *Días Compartamos con la Comunidad* in schools in the following areas:

Día Compartamos con la Comunidad-Peru route

- > Lima, San Martín de Porres
- > Celso Lino Ricaldi de Puente Piedra
- > Tarapoto, Ciudad Satélite
- > La Banda de Shilcayo

Self-managed volunteering "*Corazón de voluntario*"

Allies **Fundación CIE, A.C., Reforestamos México, A.C., Fundación para la Asistencia Educativa (FAE), Asociación Pro Personas con Parálisis Cerebral, I.A.P (APAC), Ayuda y Solidaridad con las Niñas de la Calle, I.A.P., Centro de Educación Infantil para el Pueblo, I.A.P. (CEIP), Niños Unidos de Tetitla, I.A.P., y Promoción y Acción Comunitaria, I.A.P (PACO), Asociación de Bancos de México (ABM) y otros bancos, Internado Infantil Guadalupano y Fundación Familiar Infantil (FUNFAI), INTERProtección.**

Number of beneficiaries **243,766**

Volunteer program that invites the collective organization of work teams to choose a cause to support and contribute their time and talent, carrying out activities such as:

Programs that belong to the Self-managed Volunteering "*Corazón de voluntario*"

- > Magenta Wave
- > Storytelling
- > Reforestation
- > Operation *Niño Dios*
- > Project with the ABM
- > *Mundo Imáyina*



PROGRAMS THAT BELONG TO THE SELF-MANAGED VOLUNTEERING "CORAZÓN DE VOLUNTARIO"

Magenta Wave

During this year we resumed the Magenta Wave, which consisted of a volunteering project organized with the participation of the Sales Directorates of Compartamos Banco, divided into three sections of community intervention in the same weekend, to generate a greater impact.

Volunteers received training on active citizenship through volunteerism and impact on their communities, and also on how to fill out their Citizen Resume.

The activities carried out by the volunteer groups were:

- > Reforestation.
- > Rehabilitation and improvement of public spaces and schools.
- > Food distribution in vulnerable areas and hospitals.
- > Support for street children.
- > Food and shelter for animals in street situation.
- > Assembly and donation of grocery packages to people in vulnerable situations.

Storytelling

In partnership with Fundación CIE, A.C. we tell a story with intention, emotion and creativity, to people in vulnerable situations. The volunteers received training and stories to be able to distribute them to the children. Making use of their creativity to carry the stories, the volunteers dressed up, distributed sweets, made puppet theater, used giant books with drawings of the stories to be told, and organized dynamics about the possible end of the story to catch the attention of the participants.



Reforestación

After a couple of years, we reactivated onsite reforestation with the intervention of 180 volunteers to reforest 2.5 hectares of the Agua de Pájaros property in Tianguismanalco, State of Mexico. The result was 1,750 trees planted.

At the same time, in the interior of the Mexican Republic, we summoned groups of volunteers to carry out a reforestation in public spaces. 728 trees were planted with the participation of 163 volunteers from 60 business units.

Operación Niño Dios

As a tradition of more than 30 years, we invited volunteers to send a gift and donate it for the Christmas holidays to children in vulnerable situations of different organizations, who previously sent their letters of wishes and put together gift lists through the Amazon platform so that volunteers could choose, according to their possibilities, the gift they could buy and send it to the institutions for delivery to the beneficiaries.

In a complementary way, we invited teams of volunteers from the interior of the Mexican Republic to participate by donating toys in the vulnerable communities of their locality, sharing moments of joy with children.

Proyecto con la ABM

We had a week of simultaneous volunteering for the benefit of organizations linked to Fundación Quiera, A.C. In addition, this year we called for volunteers to offer their time and talent to two organizations.

Internado Infantil Guadalupano, with the support of 10 volunteers, a circuit of sports and leisure activities was set up with the 50 children who enjoyed a giant jumper and gifts.

Fundación Familiar Infantil (FUNFAI), 27 volunteers participated in a day of movies and pizza, leisure and games for the benefit of 40 people.

Mundo Imáyina

In partnership with INTERProtección we participated in the donation and construction of the chapel "San José Dormido" in Mundo Imáyina. In addition, eight volunteers supported the construction of the enclosure, which will be part of the great experience that the park will offer to help children and their families to face their medical treatments and, from a unique space full of happiness, joy and positive energy, they can continue to move forward.



Volunteering is one of the differentiators of Genera, it connects us with the communities where we have a presence; It allows us to be sensitive, get involved with different causes and generate social value.

Fundación Compartamos values the effort, time and generosity of our volunteer employees. Therefore, in 2022 we recognized the volunteer work of the teams who stood out for the number of activities carried out, as an example of the values that characterize us, dedicating their time and talent to the service of others.

WE RECOGNIZED THE VOLUNTEER ACTIONS OF:

► **Compartamos Banco Service Offices**
9

► **Compartamos Banco Branches**
4

► **CEAS Addresses**
7

► **Yastás sales center**
1

► **Compartamos Financiera Agencies**
12





Donation

We encourage the generosity of our employees, in order to support educational and early childhood projects, implemented by civil society organizations. Contributions can be made through the Foundation's bank accounts or via payroll.

More than 5 thousand employees, representing about 23% of the workforce, are donors to Fundación Compartamos.

During 2022 we carried out two donation campaigns.

Partnerships for children, donation in branches

Joining forces with the customers who come to the branches of Compartamos Banco, during 2022 the ATMs of the branches invited them to make a voluntary donation to support Civil Society Organizations (CSOs) that contribute to improving the quality of life of children in street situations and abandonment.

For every peso donated by customers, Fundación Compartamos contributed another. Together, with this resource, we benefited six CSOs operating in Mexico City, Jalisco, Tlaxcala, Veracruz and Quintana Roo.

OSC benefited

- > Fundación Santa María Del Tepeyac, A.C.
- > Movimiento De Apoyo A Niños Trabajadores Y De La Calle, A.C.
- > Yolia Niñas De La Calle, A.C.
- > Asilo De Nuestra Señora De Ocotlán, A.C.
- > Fundación Hogar Dulce Hogar, I.A.P.
- > Mamita y Lety, A.C.

To give transparency to the delivery of resources, events were held in different branches of Compartamos Banco, a live broadcast on Facebook Live of Compartamos Banco and Fiestón Compartamos, to which customers, beneficiaries and managers of the organizations attended.

► **Transactions with donations from our customers**
214,613

► **Amount donated by Fundación Compartamos**
\$572,406¹

► **Amount collected by Customers**
\$1,318,718

► **Beneficiaries**
382

► **The donation project with clients that was a pilot during 2021, today is a program of generosity and solidarity of Compartamos Banco customers**

¹ Amount dispersed in 2022, the rest of the 1x1 resource (\$776,312) is dispersed on Q1 2023.



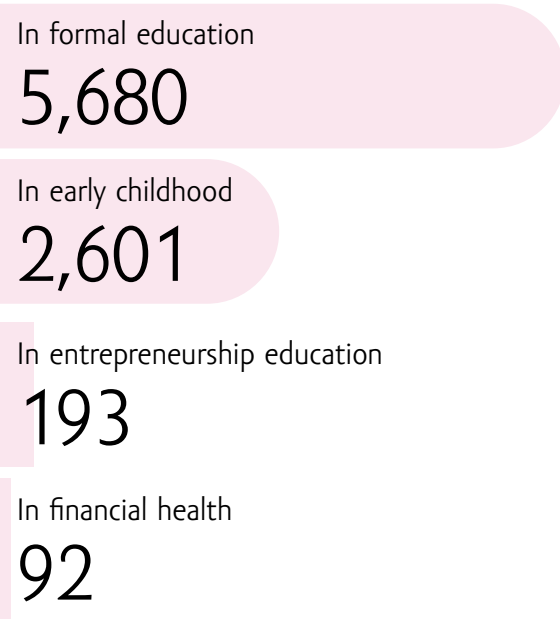
Employees' donation

We motivate and inspire our people to make voluntary contributions through recurring donations. We annually reinforce the invitation and during this year we did it through the campaign "Así se siente donar", where we thanked our donors and invited more employees to donate and support projects of CSOs that are beneficiaries of the Call for Education and Early Childhood.

During the campaign, 780 new donors were added, and events were held in Service Offices of Compartamos Banco and an additional one in the Genera Corporative, where the benefited CSOs participated giving their testimony.

Also, live broadcasts were made to demonstrate the impact of donations and the delivery of resources to the 28 civil society organizations, benefiting 8,566 people in vulnerable populations of Mexican communities.

DETAIL OF PEOPLE BENEFITED BY THEMATIC AXIS



Thanks to the generosity and empathy of our donors, at the end of 2022 we have a base of 8,317 donors, representing 3.8% of Genera's total workforce in Mexico. In addition, each month our donors receive a newsletter where we present CSOs, stories and testimonies of the beneficiaries.

For new employees in Genera and its companies, Fundación Compartamos participates in inductions, that during 2022 were in digital and face-to-face format. In this space, the actions we carry out from the Foundation are announced and we invite them to join as donors, making fortnightly voluntary contributions.

For its part, ConCrédito donated \$2,585,001 to different institutions:

- > Cruz Roja Mexicana, I.A.P.
- > Grupo Amigos de Niños Afectados de Cáncer, I.A.P. (GANAC)
- > Instituto de Estudios Superiores Vizcaya Pacífico, A.C.
- > Pro Educa Sinaloa, I.A.P.
- > Hospital del Carmen Sociedad de Caridad, A.C.
- > Gestión de Proyectos Sociales, A.C.



Contingencies

We support the communities where we work every day during emergencies generated by natural disasters or health contingencies.

Attention to the community in case of contingencies

Allies **Comité de Ayuda a Desastres y Emergencias Nacionales, A.C. (CADENA)**

Number of beneficiaries **22,728**

During 2022 there were various hydrometeorological contingencies and earthquakes that affected communities in different states of the Mexican Republic. To provide timely attention to the most vulnerable people during contingencies, we maintain a permanent alliance with CADENA. We shipped more than 3,296 grocery packages, 1,761 e-wallets and 954 tool kits.

In addition to this, in July we organized the collection "¡Ya estamos Ayudando a Oaxaca!", with which we received more than 150 donations from Genera employees, raising more than \$43,000 pesos that were joined to the alliance with CADENA.

By keeping the person at the center of our actions, we help families who are going through an unexpected situation due to illnesses, accidents and catastrophes, providing them with eight e-wallets.



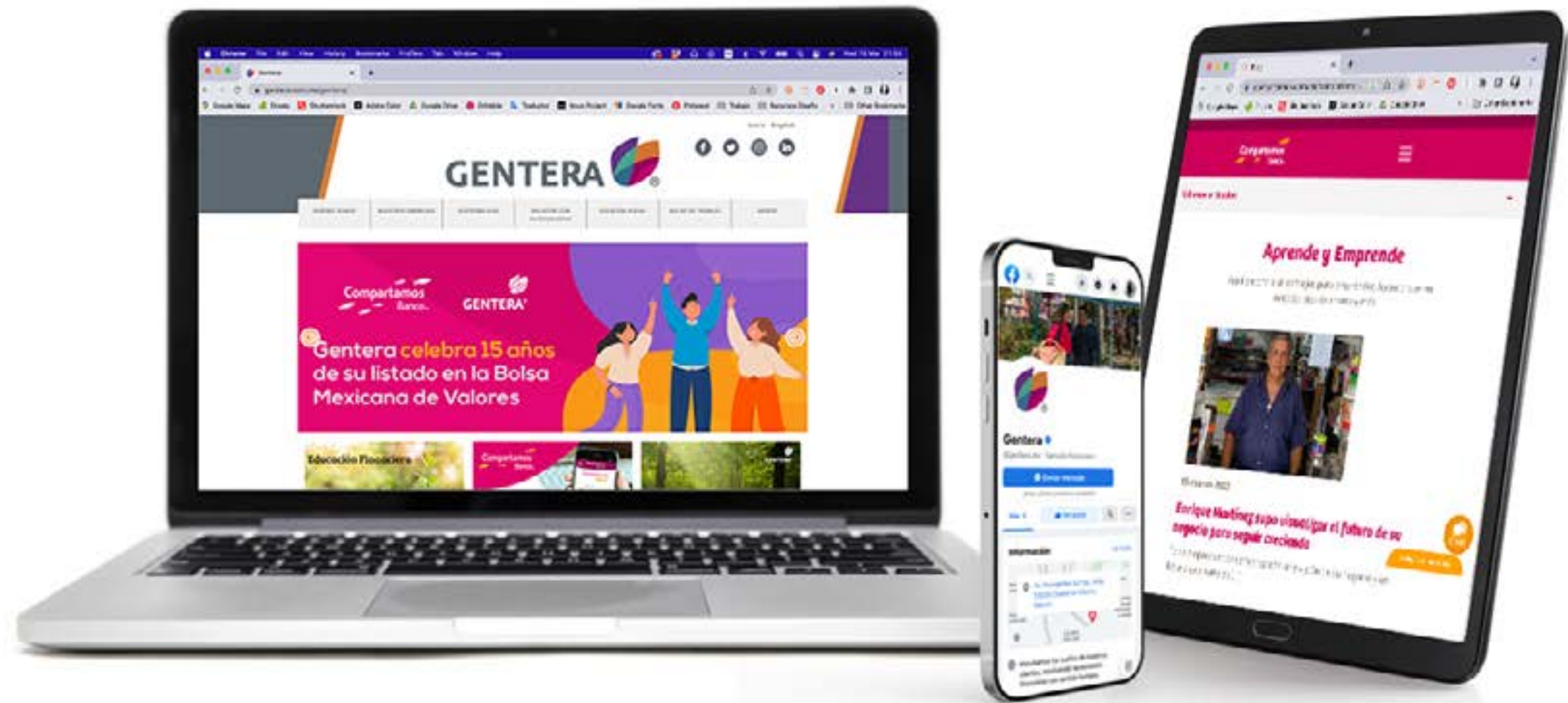
Entity Contingencies that were attended

- | | |
|-----------------------|-----------------------|
| > Oaxaca | > Hurricane Agatha |
| > Sonora | > Heavy rains |
| > Chiapas | > Tropical Storm Karl |
| > Coahuila | > Heavy rains |
| > Baja California Sur | > Tropical Storm Kay |
| > Michoacán | > Earthquake |
| > Nayarit | > Hurricane Roselyn |



Communication efforts

To maintain communication with organizations, allies, volunteers, donors and the general public, Fundación Compartamos has different exclusive channels.



> Website

33,739 visit

our page, where we published the calls, results and different content related to the projects and actions.



> "Compartamos piensa en ti" Blog

We reached 35,337 people

This blog presents content aimed at improving family relationships, emotional health and first-class care, as well as tips for business.



> Facebook

We reached 122,234 people

through publications that talk about project results, topics of interest to the community, and content about early childhood.

04 CORPORATE GOVERNANCE

IMPACT THAT

strengthens



CORPORATE GOVERNANCE

3-3, 2-9, 2-10, 2-11, 2-12, 2-13, 2-17, 2-18, 2-19, 2-20



We operate following a solid corporate governance structure, acting under a culture of integrity and transparency, and where the person is always at the center of our decisions. This has allowed us to attain important achievements as a sustainable and competitive company that for more than 30 years has managed to fulfill its purpose of boosting dreams.

We are convinced that the application of good corporate governance and transparency practices are essential factors of credibility, trust and reputation, which are of great value to Gentera, its companies and, consequently, to our stakeholders.

The highest governing body of Gentera is the Shareholders' Committee, to which the Board of Directors reports, which is composed of 13 proprietary directors and one honorary director. With the aim of strengthening plurality in decision-making, seven of the directors are independent and 23% of the Board members are women, who also hold the positions of chair of the Audit Committee and the Risk Committee.

Regulatory compliance is critical to the operation of our business, as it guides the decision-making of the Board of Directors. We adhere to Gentera's Bylaws, the Code of Good Corporate Governance and Regulations of the Board of Directors. In addition, we adhere to industry standards and best practices of the sector such as the Code of Best Corporate Practices of the Business Coordinating Council, the Code of Professional Ethics of the Stock Exchange Community, and the Internal Regulations of the Mexican Stock Exchange.

The functions of appointing, ratifying, and removing the members of the Board of Directors are performed by the General Shareholder's Meeting, which receives support from the Nominating and Evaluation Committee to evaluate and select the candidates, who can occupy the position for one year with the option to be re-elected for equal periods if they demonstrate good performance results in their annual evaluation.

Directors are selected for their professional profile, career path and personal integrity.

In addition to the areas of expertise of our directors, we seek to keep them updated on issues related to the business and other environmental, social and governance issues through conferences, courses, and forums.

To measure the performance of their duties, Gentera's Board of Directors and the Audit Committee carry out an annual evaluation exercise as a collegiate body and self-evaluation. Subsequently, the results are announced to establish improvement plans for the areas of opportunity, corrective measures, and training plans.

As part of our commitment to inclusion and equity, our Board of Directors has three women, who represent 23% of the members

Each of Genera's companies has its own corporate governance structure that considers the legal nature and the applicable legislation in each case. Its operation is carried out in accordance with best practices and the Code of Good Corporate Governance. In parallel, they report directly to Genera's governing bodies, who monitor the fulfillment of their functions and issue guidelines to preserve alignment with the strategic approach and general policies.

During 2022 we created the Diversity and Inclusion Operational Committee, as well as the Sustainability Operational Committee, as part of the governance process of these issues

COMPOSITION OF GENERA'S BOARD OF DIRECTORS¹

Member	Type	Seniority on the Board	Age
Marina Díaz Ibarra	Independent	1 year	42 years
Martha Elena González Caballero	Independent	16 years	68 years
Rose Nicole Dominique Reich Sapire	Independent	9 years	57 years
Antonio Rallo Verdugo	Independent	7 years	61 years
Carlos Antonio Danel Cendoya	Related	22 years	53 years
Carlos Labarthe Costas	Related	22 years	54 years
Enrique Majós Ramírez	Related / Provisional	2 months	52 years
Francisco Javier Arrigunaga Gómez del Campo	Independent	7 years	59 years
John Anthony Santa Maria Otazua	Independent	14 years	65 years
José Ignacio Ávalos Hernández	Related	22 years	63 years
Juan Carlos Torres Cisneros	Related	5 months	59 years
Juan Ignacio Casanueva Pérez	Related	12 years	54 years
Luis Alfonso Nicolau Gutiérrez	Independent	3 years	61 years
José Manuel Canal Hernando	Honorary*	19 years ²	82 years

*With voice, but without vote

¹ Consult the functions and faculties of Genera's Board of Directors [↗](#)

² José Manuel Canal Hernando has 19 years as a Director and one year as an Honorary Director.

CHAIRPERSON

Carlos Antonio Danel Cendoya

SECRETARY

Manuel de la Fuente Morales

ALTERNATE SECRETARY

Zurihe Sylvia Manzur García

Five Committees support the Governing Body



1 AUDIT COMMITTEE

Member	Position	Type	Seniority on the committee
Martha Elena González Caballero ¹	Chairperson	Independent	12 years, 11 months
Antonio Rallo Verdugo	Member	Independent	1 year, 8 months
Luis Alfonso Nicolau Gutiérrez ¹	Member	Independent	3 years, 8 months
Jerónimo Luis Patricio Curto de la Calle ¹	Permanent guest*	Independent Specialist Advisor	8 years, 10 months
Manuel Constantino Félix Gutiérrez García ¹	Permanent guest*	Independent Specialist Advisor	8 years
Oscar Luis Ibarra Burgos	Permanent guest*	Internal Audit Officer	12 years, 11 months

*With voice, but without vote

¹ Financial Expert

The Audit Committee held nine regular sessions

Main functions

- To review the integrity of financial statements and reports, as well as the accounting and tax criteria and practices applied.
- To monitor the internal control system and the execution and follow-up of the operational processes that integrate it.
- To ensure that the internal and external audit function is carried out with the utmost objectivity and independence.
- To monitor the degree of compliance with the principles established in the Code of Ethics and Conduct of Genera and its companies.
- To review the results of the system tests comprising the business continuity plan of Genera and its companies.
- To review the Related Parties Transactions that are submitted by the Internal Audit Officer and, if appropriate, recommend to the Board of Directors the approval of those that are identified as Significant Related Party Transactions.



2 EXECUTIVE COMMITTEE

Member	Position	Type	Seniority on the committee
Carlos Antonio Danel Cendoya¹	> Chairperson	Related	9 years, 9 months
Carlos Labarthe Costas	> Member	Related	11 years, 9 months
Francisco Javier Arrigunaga Gómez del Campo¹	> Member	Independent	6 years, 9 months
José Ignacio Ávalos Hernández	> Member	Related	11 years, 9 months
Juan Ignacio Casanueva Pérez	> Member	Related	1 year, 8 months
Enrique Majós Ramírez	> Member	Related CEO	5 years, 3 months
Manuel de la Fuente Morales	> Member	Related Corporate CEO	4 years, 8 months
Patricio Diez de Bonilla García Vallejo	> Member	Related CEO of Banco Compartamos, S.A. Multiple Banking Institution	4 years, 8 months
Juan José Gutiérrez Chapa	> Permanent guest*	Specialist Advisor	4 years, 8 months
Álvaro Rodríguez Arregui	> Permanent guest*	Independent Specialist Advisor	7 years, 9 months

*With voice, but without vote

¹ Financial Expert

► Main functions

- To follow up on the strategy approved by the Board of Directors, including ESG aspects.
- To support the management team in the analysis and discussion of strategic or highly relevant matters, mainly during periods when the Board of Directors are not in session.
- To evaluate new business options and follow up on the negotiation.
- To link and reinforce communication between the Board of Directors and the administration's management team.

 **The Executive Committee held three ordinary sessions**



3 CORPORATE PRACTICES COMMITTEE

Member	Position	Type	Seniority on the committee
Francisco Javier Arrigunaga Gómez del Campo ¹	Chairperson	Independent	4 years, 8 months
John Anthony Santa María Otazua ¹	Member	Independent	6 years, 9 months
Marina Díaz Ibarra	Member	Independent	1 year, 8 months
Martha Elena González Caballero ¹	Member	Independent	11 years, 6 months
Manuel de la Fuente Morales	Permanent guest*	Corporate CEO	4 years, 8 months

*With voice, but without vote

¹ Financial Expert

The Corporate Practices Committee held five ordinary sessions and one extraordinary session

► Main functions

- To participate in the supervision, retention, evaluation and compensation of the CEO and the management team.
- To prepare and approve policies on talent development and succession planning, and if so, to make it available to the General Shareholders' Meeting.
- To determine salary and compensation policies for the members of the Board of Directors and relevant Genera executives.
- To assess and determine the comprehensive compensation packages for employees of Genera and its subsidiaries.
- To have knowledge of the transactions with related parties that are reported by the Audit Committee through the Internal Audit Officer..
- To prepare the annual activities report, including transactions with related parties held during the fiscal year, highlighting those considered significant.



4 RISK COMMITTEE

Member	Chairperson	Type	Seniority on the committee
Rose Nicole Dominique Reich Sapire	Member	Independent	7 years, 9 months
Carlos Labarthe Costas	Member	Related	11 years, 9 months
José Ignacio Avalos Hernández	Member	Related	4 years, 8 months
Marcela Morandeira Santamaría	Member	Head of the Unit for Integral Risk Management	4 years, 8 months
Patricio Diez de Bonilla García Vallejo	Permanent guest*	Related Banco Compartamos, S.A. Multiple Banking Institution CEO	4 years, 3 months
José Manuel Canal Hernando	Permanent guest*	Honorary Director	1 year, 8 months
Oscar Luis Ibarra Burgos	Invitado permanente*	Internal General Auditor	7 years, 9 months

*With voice, but without vote

Main functions

- To identify, monitor and develop mechanisms to mitigate the risks to which Genera or its companies are exposed.
- Together with the management team, it defines the risk map, mitigation strategies and the appropriate monitoring and follow-up controls.
- To define and propose risk exposure limits, including the ones related to ESG issues, and approve those that correspond to its powers, as well as to ensure that the organization's risk profile is in accordance with the guidelines approved by the Board of Directors and applicable legislation.
- To monitor the performance of the indicators, as well as the alerts that may be detected to define the appropriate mitigation and control measures for each case.

 The Risk Committee held 12 ordinary sessions

5 TECHNOLOGY COMMITTEE

Member	Position	Type	Seniority on committee
Enrique Majós Ramírez	> Chairperson	Related	5 months
Marina Díaz Ibarra	> Member	Independent	5 months
Antonio Rallo Verdugo	> Member	Independent	5 months
Juan Carlos Torres Cisneros	> Member	Related	5 months
Enrique Grapa Markuschamer	> Permanent guest*	Independent	5 months

*With voice, but without vote

Due to its recent creation, the Technology Committee did not have sessions in 2022.

The creation of the Technology Committee was approved at the Council meeting on 27 July 2022

Main functions

- To ensure the transformation of technological architecture as an enabler of digital transformation.
- To design and monitor the medium and long-term technological strategies of Genera and its subsidiaries.
- To check the main investments in technology of Genera and its subsidiaries.
- To assess the real progress of the strategies defined and, where appropriate, suggest the changes that are pertinent to ensure their successful implementation.
- To validate the priorities of technology investment programs that are aligned with the strategy and priorities of Genera and its subsidiaries.
- To suggest investment policies on technology issues.



BOARD OF DIRECTORS

	Marina Díaz Ibarra	Martha Elena González Caballero	Rose Nicole Dominique Reich Sapire	Antonio Rallo Verdugo
Year of appointment	2021	2006	2013	2015
Studies	Degree in Economics from the Torcuato Di Tella University, with a master's degree in Project Valuation and Management from the Technological Institute of Buenos Aires – CEMA University; MBA with specialization in Strategic Management and Marketing at The Wharton School, University of Pennsylvania where she recently concluded the executive program Analytics for Growth Using Machine Learning, AI, and Big Data.	Certified Public Accountant, graduated from Universidad Iberoamericana.	Bachelor's degree in Administrative Computer Science, graduated from Instituto Tecnológico de Estudios Superiores Monterrey, with a master's degree in Business Administration from Instituto Tecnológico Autónomo de México (ITAM); Corporate Leadership program from Harvard Business School, Boston, Massachusetts, and an executive program from the Kellogg School of Management at Northwestern University.	Marine Biologist graduated from the University of California in San Diego, California, with a postgraduate degree in Aquaculture at Aix Marseille III, in France.
Current activities	Advisor to several transformation companies such as Lionforge and Jumex. She is an Angel Investor in technology and impact ventures in the region and a mentor for Endeavour Mexico.	Independent Practice, Commissioner and Officer of several public and private sector companies, including Chairperson of the Audit Committee of Active Leasing.	Chairperson of the Board of Directors of BNP Paribas Cardif Mexico and Independent Director of several companies in Mexico and abroad.	Chairperson of ID345- Start UP, a company focused on the development of technology companies and scalable platforms.
Experience	Especially in digital transformation processes and digital business development through innovative technologies and marketing tools. She has collaborated at Wolox (acquired by Accenture in January 2021) as Partner & Chief Strategy Officer, Mercado Libre as General Manager for Argentina, Chile and Peru, Under Armour as Global Senior Manager, Nike as Emerging Markets Apparel Merchandising Manager, Unilever as Regional Brand Manager for the Dove brand and Monsanto as Financial Analysis Trainee and Six-Sigma Champion.	More than 30 years as an Independent auditor, from 1976 to August 2005 she worked at Ruiz Urquiza and Cía., S. C.- Arthur Andersen, now Galaz, Yamazaki, Ruiz Urquiza, S. C., representatives of Deloitte, and was appointed partner in 1991. Member of the Mexican Institute of Public Accountants and the College of Public Accountants of Mexico; partner in the project of harmonization of financial reporting standards with the standards issued by the National Banking and Securities Commission; and advisor to such Commission in the issuance of accounting regulations for financial institutions.	From 2007 to 2012 Executive Vice Chairperson and CEO of Grupo Financiero Scotiabank Mexico; CEO of Scotiabank in the Dominican Republic. At Citigroup he held senior management positions, including General Manager and CEO for Peru, Chile and the Dominican Republic, among others.	Former Vice President of Strategy and Technology of Grupo Televisa, Co-founder and Chairperson of the board of NCubo Holdings, an incubation company of technology companies such as: KIO Networks; Founder and Executive Chairperson of iWeb; Founder and Executive Chairperson of Digital Media Studio; Regional Officer of Multimedia Technologies for Apple's European division.
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple; Rotoplas and BITSO Group.	Banco Compartamos, S.A., Institución de Banca Múltiple; INFONAVIT and Active Leasing.	Banco Compartamos, S.A., Institución de Banca Múltiple and BNP Paribas Cardif México.	Banco Compartamos, S.A. Institución de Banca Múltiple and Kionetworks.
Field of expertise	Technology and systems.	Audit and consulting in the financial sector.	Finance, insurance and banking.	Systems and technology.



	Carlos Antonio Danel Cendoya	Carlos Labarthe Costas	Enrique Majós Ramírez	Francisco Javier Arrigunaga Gómez del Campo
Year of appointment	2000	2000	2022	2015
Studies	Architect graduated from the Universidad Iberoamericana, with a master's degree in business administration from Instituto Panamericano de Alta Dirección de Empresa (IPADE). He has studied microfinance programs at The Economic Institute in Boulder and taught at Harvard Business School.	Industrial engineer graduated from Universidad Anáhuac del Norte, with studies in Senior Business Management from the Instituto Panamericano de Alta Dirección de Empresa (IPADE).	Electromechanical Engineer from Universidad Panamericana, and master's degree in Senior Business Management from Instituto Panamericano de Alta Dirección de Empresa (IPADE), with an exchange at the University of Southern California.	Law Degree from Universidad Iberoamericana, with a master's degree in Law from Columbia University and a specialization in Corporate Law and Finance.
Current activities	Co-founder and Chairperson of the Board of Gentera, S.A.B. de C.V. and Member of the Board of Banco Compartamos, S.A. Institución de Banca Múltiple.	Co-founder and Chairperson of the Board of Banco Compartamos, S.A. Institución de Banca Múltiple and Member of the Board of Gentera, S.A.B. de C.V.	CEO of Gentera, S.A.B. de C.V.	Chairperson of the Board of Grupo Aeroméxico, S.A.B. de C.V. and CEO of Xokan, a financial advisory firm.
Experience	30 years in microfinance in Gentera, S.A.B. de C.V., a business group with presence in Mexico and Peru, whose purpose is to boost the dreams of its clients by attending to their financial needs with human touch, providing a warm and close treatment. Under the Compartamos brand, financial services of credit, savings, insurance and means of payment are provided to entrepreneurs. In 2007 he was selected as a Young Global Leader by the World Economic Forum.	30 years in microfinance in Gentera, S.A.B. de C.V., a business group with presence in Mexico and Peru, whose purpose is to boost the dreams of its clients by attending to their financial needs with human touch, providing a warm and close treatment. Under the Compartamos brand, financial services of credit, savings, insurance and means of payment are provided to entrepreneurs. In 2015, he was recognized by the Great Place to Work Institute and Wobi magazine as The Most Trusted CEO in Mexico.	Experience. CEO of Banco Compartamos, S.A. Institución de Banca Múltiple; CEO of Fiinlab.	CEO of Grupo Financiero Banamex (subsidiary of Citigroup), Mexican Ambassador to the OECD, various positions at Banco de México, Chief Executive Officer of Fondo Bancario de Protección al Ahorro, President of the Asociación de Bancos de México, Board member of different companies and institutions, including the Mexican Stock Exchange, Grupo Financiero Banamex, National Banking and Securities Commission and Inverlat Financial Group.
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple.	Banco Compartamos, S.A., Institución de Banca Múltiple; Kipling Group; Promotora Ignia, S.C.; Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) Mexico City Campus; Advenio and Worldfund.	Participation in other boards. Fundación Gentera and Compartamos Servicios, S.A. de C.V.	Banco Compartamos, S.A., Institución de Banca Múltiple; Investment Fund of the Pension Plan of Canada; Prestanómico, S.A.P.I. de C.V.; Grupo Dine; Grupo Kuo; El Puerto de Liverpool; Paralelo 19 and GBM Casa de Bolsa.
Field of expertise	Microfinance, financial services, and business.	Field of expertise. Microfinance, financial services, and business.	Finance and microfinance.	Finance and financial services.



	John Anthony Santa María Otazúa	José Ignacio Ávalos Hernández	Juan Carlos Torres Cisneros	Juan Ignacio Casanueva Pérez
Year of appointment	2008	2000	2022	2010
Studies	Business Administrator with master's degree in Finance, graduated from Southern Methodist University Dallas, Texas.	Degree in Business Administration graduated from Universidad Anáhuac del Norte.	Bachelor's degree in Economics from Universidad Anáhuac and master's degree of Business Administration from Pace University in New York, USA.	Public Accountant from Universidad Iberoamericana, with studies in Business Administration from Instituto Panamericano de Alta Dirección de Empresas (IPADE), Corporate Governance: Effectiveness and Accountability in the Boardroom, Kellogg Northwest University.
Current activities	CEO of the Mexico division of Coca-Cola FEMSA.	Chairperson of the Board of Promotora Social México, A.C., Founder and Chairperson of Un Kilo de Ayuda, A.C.	Chairperson of the board of Fin Útil, S.A. de C.V. S.O.F.O.M. E.R., CapMX and Conquer Estrategia Inmobiliaria.	Chairperson of Grupo Casanueva Pérez S.A.P.I. de C.V. and Chairperson of the Interprotección Agente de Seguros y de Fianzas.
Experience	Career at McKinsey & Company and PepsiCo, he joined Coca-Cola FEMSA since 1995, where he was Chief Operating Officer for Mexico, Strategic Planning and Mergers and Acquisitions Officer; Strategic Planning and Business Development Officer and Chief Operating Officer of Coca-Cola FEMSA's South American division.	More than 33 years of experience in philanthropy and finance.	More than 25 years of experience in the financial and real estate sectors. Founder of several companies where he has been Chairperson of the board, such as Hipotecaria Total, Conquer Estrategia Inmobiliaria and Fin Útil, S.A. de C.V. S.O.F.O.M. E.R. Additionally, he has been a Member of the Board of Directors of charitable foundations among which are Caritas Sinaloa and Casa del Carmen (Housing institution for the elderly).	More than 25 years of experience in the insurance, brokerage, reinsurance and surety sector with global presence and recognition. In 2018 he was granted with an award as Philanthropist of the Year, awarded by the Association of Fundraising Professionals (AFP).
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple; Coca-Cola FEMSA; Fundación FEMSA and Southern Methodist University's Cox School of Business.	Banco Compartamos, S.A., Institución de Banca Múltiple and Mexicanos Primero, A.C.	Banco Compartamos, S.A., Institución de Banca Múltiple; Fin Útil, S.A. de C.V. S.O.F.O.M. E.R.; Comfu, S.A. de C.V.; Talento ConCrédito, S.A. de C.V.; Hito, S.A.P.I. de C.V.; CapMX and Conquer Real Estate Strategy.	Banco Compartamos, S.A. Institución de Banca Múltiple; Grupo Casanueva Pérez S.A.P.I. de C.V.; Interprotección Agente de Seguros y de Fianzas, S.A. de C.V.; Grupo AXO, S.A. de C.V.; Aterna, Agente de Seguros y Fianzas, S.A. de C.V.; Controller AT, S.A.P.I. de C.V.; Casa Dragones, S.A. de C.V.; Cycling Club Table; Altius 360; BIVA Casa de Bolsa, S.A. de C.V.; UNIFIN Agente de Seguros, S.A. de C.V.; Man Nature A.C.; Carlos Casanueva Pérez Foundation and President of the Pro-bosque de Chapultepec Trust.
Field of expertise	Strategic planning, business administration and finance.	Philanthropy and microfinance.	Financial, real estate and technology.	Insurance and business.



	Luis Alfonso Nicolau Gutiérrez	José Manuel Canal Hernando
Year of appointment	2019	2003
Studies	Law Degree from Escuela Libre de Derecho, with a master's degree in Law from Columbia University.	Public Accountant graduated from Universidad Autónoma de México (UNAM).
Current activities	Independent Practice and Member of the Board of Directors of various companies.	Director, Commissioner and Advisor to the Board of Directors of several financial, industrial, and consumer products groups.
Experience	More than 30 years in mergers and acquisitions, transactions in capital markets, debt and equity and in the financial and banking sector, including regulatory aspects. Advisor to underwriters and issuers of debt and equity in Mexico and abroad. He worked as a foreign associate at Johnson & Gibbs, Dallas, and Shearman & Sterling, New York.	Independent Auditor, Counselor, Commissioner and Advisor to companies in various financial and industrial groups.
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple; Posadas Group; Coca Cola FEMSA; Grupo Cementos Chihuahua; Coppel Group; KIO Networks and Morgan Stanley Mexico.	KUO; BeGrand; RHL Properties and Anteris.
Field of expertise	Legal, investment and financial services.	Accounting, auditing, internal control and corporate governance.



Ethics and human rights

3-3, 2-15, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 3-3, 205-2, 205-3, 206-1, 406-1, 408-1, 409-1, 411-1, 417-3

FN-CB-510a.2

We conduct our business, decisions, actions, and commitments following the highest standards of ethics, integrity and transparency. Additionally, we promote and practice respect for human rights and people's freedoms.

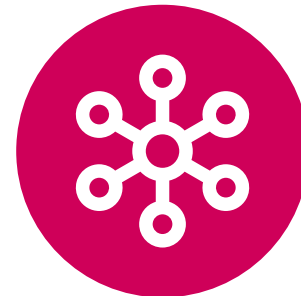
The document that sets the guide to be followed by Gentera and its companies is the **Code of Ethics and Conduct**³, a document that defines the expected behaviors of our directors, commissioners and employees on issues such as the value and respect for human rights, working environment, violence, harassment, anticorruption, conflict of interest, data management, fraud, prevention of money laundering and financing of terrorism, use of assets, relationship with suppliers, clients and competition, among others. Being inspired by our Philosophy, the Code of Ethics and Conduct includes what we understand as ethical acting.

The Board of Directors and the Audit Committee are responsible for reviewing and approving its content periodically, along with ratifying each year its attachment to regulate transactions with securities of Gentera and other issuers, of which confidential or privileged information is available.

Gentera's Code of Ethics and Conduct is available at:



Gentera
website



Intranet
of all our
companies



App Genterate
which has a section
dedicated to the Code of
Ethics and Conduct, as well
as the complaint mechanisms



**Our training
channels,**
specifically those
covering ethics
issues

The Code of Ethics and Conduct is a living document open to updates. In this regard, in 2022 we received 24 responses to the update call, where 13 employees from Peru and 11 from Mexico shared their proposals for changes.

All new employees are certified in our Code of Ethics and Conduct and sign a letter in which they commit to live and respect it. In addition, every year our entire workforce, including the Members of the Board of Directors, renews their commitment and get updated through a recertification.



³ See our Code of Ethics and Conduct [↗](#)



CERTIFICATIONS OF NEW EMPLOYEES IN CODE OF ETHICS AND CONDUCT BY COUNTRY

	Mexico	Peru	Total
2020	2,611	1,309	3,920
2021	2,376	452	2,828
2022	4,005	1,914	5,919

CERTIFICATIONS OF NEW EMPLOYEES IN CODE OF ETHICS AND CONDUCT BY GENDER



Women
2,795



Men
3,124



Also, for new employees, we have the **Ethical criteria workshop**, a course with which we seek to transmit the elementary principles and tools to make decisions that allow them to do as much good as possible, even in the face of ethical dilemmas typical of their operation. In this course we share the ethical culture of Gentera and we make known the complaint mechanisms available. In 2022, the content was updated considering the type of cases that were presented in the complaint mechanisms and adhering to the latest version of our code.

The Recertification in Code of Ethics and Conduct is compulsory, since it aims to renew the commitment of our employees to act ethically, know the updates to the Code and reinforce the ethical behaviors expected of us. This exercise considers signing a commitment letter and obtaining a certificate, and it lasted approximately 30 minutes in Mexico and 15 minutes in Peru.

In 2022, three training sessions were included with a focus on:

- Expected behaviors towards our colleagues, related to gender equality and non-discrimination, working environment, workplace harassment, mobbing, harassment and sexual harassment.
- Expected conduct towards our companies, on the use of assets and services, corruption, conflict of interest, data management and good care of name and brands.
- Complaint mechanisms, where the reporting channels are located, explaining their proper use.

In Mexico, the certification in customer protection was included, having two sessions related to the seven principles of customer protection.

RECERTIFICATIONS IN CODE OF ETHICS AND CONDUCT BY COUNTRY

	Mexico	Peru	Total
2020	15,184	5,314	20,498
2021	13,686	4,685	18,371
2022	13,423	4,596	18,019

RECERTIFICATIONS OF NEW EMPLOYEES IN CODE OF ETHICS AND CONDUCT BY GENDER

Women
9,009

Men
9,010





We conduct different actions to reinforce the experience of an ethical culture.

Unlike other years, this time we gave 245 online workshops to 4,063 employees with a duration of 75 minutes each, in addition to 38 face-to-face workshops to 1,324 employees, with a duration of 90 minutes each.

In addition to these workshops, we conducted 47 tailor-made training sessions to meet the specific needs of different field teams focused on issues such as conflict of interest, workplace violence, working environment and use of complaint mechanisms, impacting a total of 5,192 employees: 4,962 of them in Mexico and 230 in Peru.

In order to know the means to properly channel customers who wish to file a complaint or report a situation related to issues such as workplace violence, conflict of interest and / or fraud, nine training sessions were given for Customer Service providers in Call Center, impacting 141 people.

Seeking to improve the ethical criteria to evaluate the cases received through our complaint mechanisms and define the resolutive actions, the team of Ethics Committee of Genera received a specialized program for senior management in analysis of ethical situations and decision making. We had the participation of 13 employees.

Throughout the year we shared infographics and videos that reinforced the behaviors established in our Code of Ethics and Conduct, as well as recommendations on how to act in the face of critical situations. Also, through different communication platforms we shared **The ABC of our Code**, a synthesis with 10 essential behaviors to live our Philosophy and comply with our Code of Ethics

and Conduct; and we disseminated monthly articles to reinforce the ethical actions of employees inside and outside the company. These materials are available for consultation or download on a microsite on the Genera intranet.

We held a session aimed at trainers of employees in the field, key teams in the dissemination and strengthening of our ethical culture. The session impacted 38 trainers in Mexico with a duration of 120 minutes and focused on presenting an overview of the main behaviors established in our Code of Ethics and Conduct through the ABC of our Code, with special focus on those most necessary in the field, as well as on the knowledge and use of the complaint mechanisms.

In order to preserve the integrity and reliability of Genera, to ensure compliance with laws, protect the interests of our customers and establish a fair and equitable work environment for all, we have a **Code of Ethics and Conduct for Suppliers and Organizations**⁴, which describes the expected guidelines of conduct between Genera's employees and their companies and any of our suppliers, on issues such as conflict of interest, information management, relationships, corruption and workplace violence, among others.

In 2022 we updated the Code of Ethics and Conduct for Suppliers, which, in addition to being public, is shared with new suppliers through the Purchasing process. Additionally, we translated this document into English, making it accessible to interested parties whose official language is not Spanish.

With the updating of the Code of Ethics and Conduct for Suppliers and its translation into English, its compliance by the Procurement area in Compartamos Financiera was made official, allowing us to fully homologate the expected behaviors of our suppliers in our operation in Peru.

⁴ See our Code of Ethics and Conduct for Suppliers and Organizations [↗](#)



The Code of Ethics and Conduct, the Code of Ethics and Conduct for Suppliers, the ESG Strategic Policy, as well as Gentera's adherence to the 10 Principles of the United Nations Global Compact, support our commitment to operate under absolute respect for human rights with our customers, employees and throughout the value chain.

At Gentera we reject any act of corruption, bribery and coercion. We are committed to absolute respect for human rights in all our operations, procedures, relationships and interactions, discrimination, child exploitation, forced labor, violation of the rights of Indigenous peoples, abuses or any other that represents a violation thereof

During 2022, four cases of discrimination were reported, three of them were not corroborated. All were attended to and closed in a timely manner. For the corroborated case, the corresponding sanctions and pertinent resolutions were applied.

As a result of the actions to address cases of discrimination, we consolidated the creation of the Internal Investigations Manual. In addition, we provided training to the team that guards the Code



of Ethics and Conduct and that attends the complaint mechanisms to strengthen and improve the standards with which the attention to whistleblowers is carried out, the investigation of cases, the documentary protection of the information generated and the analysis of the findings. This measure favors users of our complaint mechanisms directly in situations of discrimination or any other breach of our code.

In case of breaches of any of the codes of ethics and conduct or our policies, we make publicly available the mechanisms of consultation and denunciation designed, so that anyone can report confidentially and without retaliation.



Mail
denuncia@gentera.com.mx



Telephones
(calls are free):
• Mexico: 800 5061 264 (option 3)
• Peru: 08000 0903



Transparency mailbox through the Gentera website:
www.gentera.com.mx > [Who we are](#) > [Code of Ethics](#) > [Transparency mailbox](#)

The complaint mechanisms are available 365 days a year

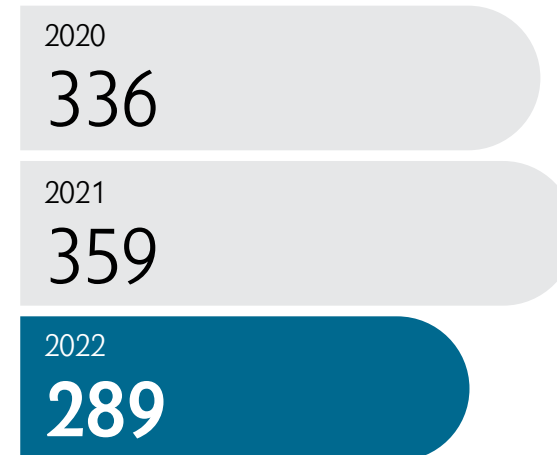
Process of attention to complaints



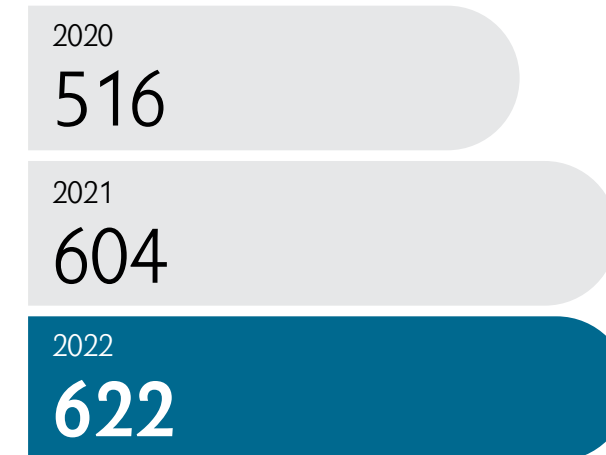
Note. Complaints of human rights offences are dealt with in accordance with the same process.



QUERIES⁵






COMPLAINTS



75% of the inquiries and complaints received were from Mexico and 25% from Peru

⁵ The consultations are cases that did not materialize in a breach of the Code of Ethics and Conduct, but on which guidance was provided.

INFORMATION ON COMPLAINTS RECEIVED

	 Telephone	 Email	 Transparency mailbox	Total
Number of complaints received	132	470	20	622
Number of complaints closed	123	430	15	568
Number of complaints that were not closed in 2022	9	40	5	54
Number of complaints received that are in the process of closure	4	19	2	25
Number of unsubstantiated allegations	5	13	9	27

Note. The complaints that are in the process of closing are those that were not closed in the reporting period but that are already in the process of closing them, that is, the investigation and documentation processes have already been concluded.

COMPLAINTS BY TYPE AND GENDER OF COMPLAINANT

Type of complaint	Complaints made by	
	Women	Men
Sexual harassment	29	8
Workplace harassment	47	39
Working environment	134	87
Non-conformity with processes	20	26
Poor customer service	12	3
Conflict of interest	62	54
Other	45	32
Total	349	249

Note. A total of 24 complaints were received without identifying the gender of the complainant, neither the type of complaint.

We did not receive any fines, nor sanctions or infringements on unfair competition, monopolistic and anti-competition practices, fraud and insider trading, or marketing breaches.



The inquiries and complaints received in 2022 were not related to corruption, cases of child labor, forced labor, violations of the rights of Indigenous peoples or human rights violations. All were given timely attention

Risk management

2-12, 3-3, 201-2

TCFD Governance (a) and (b), Strategy (a) and (b), Risk management (b) and (c)

Our commitment for 2023 is to develop an analysis of vulnerability of our portfolio to the physical risks caused by climate change, with the aim of identifying the physical risks with the greatest impact and quantifying them

Identifying the risks to which we are exposed is one of the activities in which the Integral Risk Management Unit (UAIR, by its acronym in Spanish) is involved, together with the Risk Committee and the Board of Directors, with the purpose of identifying and mitigating them in a resilient way.

Some of the risks that can impact Genera and its companies are political, economic, financial, reputational, environmental, social and governance issues, as well as natural disasters and risks related to climate change that could negatively impact the way we conduct our operations.

We have a strategy for each business unit, defined by the UAIR, which allows us to identify, prevent, attend, mitigate, and give timely and adequate monitoring to any risk. Risks related to climate change are monitored by the UAIR through the Risk Committee.

Genera's desired risk profile is reviewed and approved by the Board of Directors, which establishes global limits and tolerance levels according to the risk assumed. For its part, the Integral Risk Management Department and the Risk Committee are responsible for monitoring that the risk exposure is consistent with the risk levels established by the authority and that it does not exceed the internal limits established through the policies approved by the Board of Directors.

Each Genera company is responsible for the risks it assumes and the UAIR ensures that all are reported monthly to the Risk Committee, while the Audit Committee is responsible for monitoring on the risk observations of the supervisory entities and their own reviews of each of the companies.



MAIN CLIMATE CHANGE RISKS FOR GENERA AND ITS COMPANIES

Description of risk	Classification	Description of the impact Related to risk	Financial implications of risk before acting	Methods used to manage risk Cost of actions taken to manage risk	Cost of actions taken to manage risk
Increase in severe extreme weather events, cyclones and floods.	Physical	Operational contingency that interrupts the operation of the business	<ul style="list-style-type: none"> Reduction of income due to a decrease in the capacity of attention to clients Reduction in the recovery capacity of the loan portfolio Increase in capital costs (due to damages in the facilities) Increase in insurance premiums 	<ul style="list-style-type: none"> Training for Brigade members in the field, as well as alerting and monitoring of meteorological events that could have an impact on areas of operation and clients Report and monitoring of portfolio 	\$6.7 million Mexican pesos in training for brigade members



Data Security

3-3, 418-1

FN-CB-230a.1, FN-CB-230a.2, FN-CF-220a.1, FN-CF-230a.1, FN-CF-230a.3

With the Journey that we are living inside Genera and considering that more activities are conducted with some digital component, data security becomes truly relevant.

In this regard, we have an Information Security Policy, an Information Security Governance model and the Regulatory Framework that define the process to be followed to receive, store and manage data and information of our employees and customers.

We keep our employees updated on these issues, we have an annual program of awareness and training terms of safety and quality of the information applicable to Genera and its companies. Although data security is not part of the evaluation of our team's performance, its compliance is supported by the Code of Ethics and Conduct with the guidelines established for the proper management of information.

In case of incidents due to loss of information, we have response procedures, aligned with international best practices, which are carried out at least every six months to ensure their correct functioning and detect vulnerabilities in a timely manner.

The Executive Directorate of Government Risk and Compliance is responsible for supervising data security in all the activities we carry out in Genera and has the support of a Chief Information Security Officer (CISO) and a Chief Technology Officer (CTO).

This year we recorded 224 cybersecurity incidents and 23 incidents involving customers' personal information, none of which represented effects for our clients or employees.

We did not receive fines or penalties related with data security breaches or other cybersecurity incidents

05 ENVIRONMENT

IMPACT THAT

preserves





ENVIRONMENT

2-27, 302-1, 302-2, 3-3, 305-1, 305-2, 305-3, 305-4, 306-3, 306-4, 306-5

FN-CB-410a.2, FN-IN-410a.2

TCFD Metrics and targets a) and b)



Climate change brings along risks, opportunities, but above all great challenges. For a company like Genera, which interacts with millions of people, the first step is to acknowledge the existence of climate change and that, because of the type of business and the segment we serve, we play a crucial role in drawing prompt attention to the potential effects it may have on the economy and on the lives of our employees and clients.

In the event of a hurricane or flood, we have a map of the most vulnerable locations where we have a presence to provide immediate attention to our employees, clients and communities through financial provisions and a contingency plan.

Despite the fact that the use of natural resources in our industry is not very intensive, one challenge of climate change is to understand and report the environmental impact of Genera's operations, so that we can take action to reduce the negative effects, both in the communities where we operate and on a large scale.

At Genera, we are laying the groundwork to consolidate the information generated on our consumption, waste and emissions so that we can have comparable data to define efficiency goals for all of our companies.

Convinced that leading by example makes a difference, we implemented various actions to improve our environmental performance, such as:



Waste separation



Awareness campaigns



Proper management of electronic waste, cartridges, and toners



Water-saving systems in sinks and toilets

Actions are aimed at improving waste management, maintaining the process of securely destroying client records that by law have become obsolete, aligning and strengthening measurement across the group, and adhering to the commitment to measure Scope 3 emissions for the entire operation



Due to its particular infrastructure features, Gentera's headquarters building in Mexico is LEED¹ Silver certified in the interior design category



¹ LEED: Leadership in Energy and Environmental Design. LEED is a globally recognized initiative to certify sustainable buildings during their construction and operation.



To identify and mitigate any negative effects of our financial products and services, we monitor compliance with environmental regulations in Mexico and Peru. Preventively, trade and production actions that are not financed by the company are: illegal trade (purchase and/or sale of prohibited animals), production or trade of radioactive materials, unprotected asbestos fibers and sea fishing with nets longer than 2.5 km.

We did not receive any sanctions or fines for non-compliance



Energy and Greenhouse Gas (GHG) emissions

To report current and adequate information for decision-making, starting this year we are presenting data on energy consumption and Greenhouse Gas (GHG) emissions generation for 2021 and 2022, this means we standardize the reporting period as the rest of the information presented in Genera's Annual and Sustainability Report 2022. As part of this alignment exercise, we are also reporting work activity flights for the entire operation and, for the first time, we are conducting an exercise to measure the emissions generated by our employees' remote work.

To carry out our operations at the corporate headquarters, at the Service Offices and from our employees' homes, we mainly consume electricity for lighting and energizing workspaces, as well as fuels used in the transportation of our employees and for emergency power plants at our facilities, and refrigerants.

This consumption generates GHG emissions, which we quantify and report to evaluate the behavior of our consumption to define improvement actions aimed at achieving carbon neutrality in the future.

[Genera's GHG emissions inventories](#)



TOTAL FUEL CONSUMPTION

liters

2020

2,198,112

2021

1,883,109

2022

3,067,218

TOTAL ELECTRICITY CONSUMPTION

MWh

2020

17,088

2021

14,206

2022

14,282

TOTAL GHG EMISSIONS

tCO₂e

2020

14,584

2021

11,135

2022

17,421



MEXICO

GASOLINE CONSUMPTION (liters)

1,439,533 →

2,897,610

DIESEL CONSUMPTION (liters)*

6,852

ELECTRICITY CONSUMPTION (MWh)

11,057 →

10,662

TOTAL GHG EMISSIONS (tCO₂e)

8,780 →

14,270

GHG EMISSIONS INTENSITY (tCO₂e by employee)

0.57 →

0.86

TOTAL

2021

1,883,109

2022

3,059,966

2022

7,252

2021

14,206

2022

14,282

2021

11,135

2022

17,421

2021

0.55

2022

0.80

PERU

GASOLINE CONSUMPTION (liters)

← 443,576

162,356

DIESEL CONSUMPTION (liters)*

400

ELECTRICITY CONSUMPTION (MWh)

← 3,149

3,620

TOTAL GHG EMISSIONS (tCO₂e)

← 2,355

3,151

GHG EMISSIONS INTENSITY (tCO₂e by employee)

← 0.49




0.61

Note. The consumption and emissions reported for 2020 consider our operations in Guatemala, which since 2021 are no longer part of Genera. Emissions reported for 2022 increased compared to 2021 due to various factors such as the integration of new emission sources, in addition to the adoption of new global warming potentials based on the latest IPCC report on the physical bases of climate change.

*As of 2022, fuel consumption is considered diesel for emergency plants.



GHG EMISSIONS BY SCOPE AND COUNTRY tCO₂e

	SCOPE 1				SCOPE 2				SCOPE 3			
	2020	2021	2022		2020	2021	2022		2020	2021	2022	
Mexico	3,904	3,441	7,410		6,118	4,677	4,638		1,042	662	2,222	
Peru	1,159	931	319		1,886	1,424	1,637		-	-	1,195	
Total	5,063	4,372	7,729		8,004	6,101	6,275		1,042	662	3,417	

Water

At Genera and its companies, we use water mainly for personal hygiene and cleaning activities in our workspaces. We encourage water conservation by installing water-saving systems in sinks and toilets.

The public water supply is the primary source of water consumption in all our offices.

Accurate metering of our water consumption is complicated by the fact that our building is shared, but we are constantly looking for alternatives to achieve water efficiency.





Waste

Proper waste management is a priority for Gentera, which is why we have specialized suppliers who are responsible for its destruction, special handling, and recycling. This meant that in 2022, the 2,550 kilograms of waste we generated were separated by category and disposed of in the best way possible.

We reforested five hectares with the help of Gentera volunteers at the Agua de Pájaros property in Tianguismanalco and in other locations throughout Mexico



WASTE GENERATED AT THE HEADQUARTERS

Type	Description	Amount (kg)	
		2021	2022
Recyclable	Dead file and confidential documents, uniforms, banners, brand-presence materials, cardboard, paper, newspaper, PET and aluminum	27,700	840
Non-recyclable	Organic and inorganic	214	1,710
Special handling	Face masks, gloves, feminine hygiene products and e-waste	112	-
TOTAL		28,026	2,550

Note. To safeguard the confidentiality of the information, all dead file and confidential documents were shredded before being recycled.

06 FINANCIAL PERFORMANCE

IMPACT THAT

consolidates





FINANCIAL PERFORMANCE

Our commitment to people, their development and that of their community has enabled us to grow and generate value in recent years, despite the challenging environment caused by the pandemic and inflation. This is reflected in our financial results, which allow us to continue to serve our clients and help boost their dreams

Information for investors

2-2, 201-1, 203-2

FN-IN-270a.3

Genera achieved a net result for 2022 of \$4.658 billion pesos, a historic figure, reflecting the commitment we have to boost the dreams of our customers, growing and opening the financial system to more people. In addition, we have a capitalization ratio of 34%, which tells us about a strong liquidity position.

The total portfolio also reached the highest figure in our history, \$53,685 million pesos, which represented an increase of 16% compared to 2021. This allowed us to serve more than 4.4 million customers in Mexico and Peru¹.

More than \$171 billion pesos were disbursed during the year. In Mexico, Compartamos Banco reached a microcredit portfolio of \$31.009 billion pesos, while in Peru the total credit portfolio in Compartamos Financiera reached \$18.989 billion pesos. For its part, ConCrédito reached a portfolio of \$3.687 billion pesos.

The Yastás network registered more than 26 million operations this year, 10% more than the previous year, and has 6,974 affiliates. Aterna closed with more than 43 million active insurance policies, 21% more than in 2021.

Fundación Compartamos continued to work through partnerships to bring educational opportunities to vulnerable communities. At the end of 2022, more than 20,000 people were benefited through formal education, granting scholarships for young people and adults to continue their studies as well as training for entrepreneurs and support in early childhood activities. To provide care to communities affected by contingencies, we supported more than 22,000 people in vulnerable communities in Mexico. In addition, thanks to the more than 10,000 employees of Genera who participated in at least two volunteer activities throughout the year, more than 218,000 people benefited.

These results, together with proper spend management, enable us to ensure a strong position to meet current challenges and continue to contribute to economic recovery and greater financial inclusion, serving our clients with great human touch.

¹ During 2022 we served more than 4.4 million customers, of which 3.67 million come from the credit, savings and insurance portfolio. And additionally, we reached 740 thousand end users with ConCrédito.

Note. In Genera's Annual and Sustainability Report 2022, we include information on the performance of Genera and its companies, which is the same as that reported in our financial report.

**FINANCIAL AND OPERATING RESULTS**

(expressed in millions of Mexican pesos)

Concept	2020	2021	2022
Credit Clients	3,001,092	3,198,777	3,392,324
Employees	22,366	20,206	21,704
Service Offices	788	579	536
Branches	163	143	142
Portfolio (millions of pesos)	40,689	46,238	53,685
Average loan per client	13,558	14,455	15,825
NPLs / Total portfolio	5.43%	2.82%	3.46%
(Millions of pesos)			
Interest earned from credit portfolio	18,745	21,891	27,387
Income from financial investments	607	552	652
Proceeds from sale of assets	(10)	(5)	(1)
Interest income	19,352	22,443	28,039
Interest expense	2,302	1,965	3,449
Net interest income	17,050	20,478	24,590
Net interest income after provisions	10,070	16,596	19,270
Operating expenses	13,417	14,659	14,941
Salaries and benefits	8,716	9,423	9,312
Income tax	(709)	1,005	1,819
Net operating income (loss)	(2,482)	3,831	6,313
Net income (loss)	(1,635)	2,625	4,658
Capitalization (broken down in terms of debt)	42,793	40,839	42,693
Total stockholders' equity	22,282	24,834	25,512
Average portfolio	41,686	41,274	50,291
Average productive assets	57,493	57,632	61,155
Operating income / average portfolio	-6.0%	9.3%	12.6%
Net income / average portfolio	-3.9%	6.4%	9.3%
Operating income / average earning assets	-4.3%	6.6%	10.3%
Net income / average earning assets	-2.8%	4.6%	7.6%

Concept	2020	2021	2022
Assets			
Availability + Investments in securities + Debtors under repurchase agreements	18,481	13,850	10,345
Total Assets	68,951	70,272	74,954
Liquidity (availability + investments in securities) / total assets	26.8%	19.7%	13.8%
Total portfolio	40,689	46,238	53,685
Non-performing loans	2,209	1,303	1,856
Fixed assets	870	717	577
Liabilities			
Total liabilities	46,669	45,438	49,442
Liabilities with cost	42,793	40,839	42,693
Equity (Total stockholders' equity)	22,282	24,834	25,512
Net earnings per share (in Mexican pesos)	(1.02)	1.65	2.94
Average assets	66,740	69,226	72,849
Average equity	21,726	23,318	25,365
ROA (net income / average assets)	-2.4%	3.8%	6.4%
ROE (net income / average equity)	-7.5%	11.3%	18.4%
Other Metrics			
Book value per share (in Mexican pesos)	14.04	15.59	2.94
Exchange rate	19.91	20.51	19.51
Share price at year-end (in Mexican pesos)	9.73	13.18	21.94
Total number of shares for UPA and PCA calculation	1,587,593,876	1,592,856,876	1,582,743,876

**LOAN PORTFOLIO BY COUNTRY**

(millions of Mexican pesos)

	2020	2021	2022
Mexico*	22,093	26,769	31,009
Peru	15,624	16,518	18,989
ConCrédito	2,248	2,952	3,687
Total	39,965	46,239	53,685

* It only includes consumer credit portfolio, it excludes Ps. \$566 million pesos of commercial portfolio.

Total portfolio balance includes the data for Guatemala for 2020 (Ps. \$723.7 million Mexican pesos)

**AMOUNT DISBURSED BY COUNTRY**

(millions of Mexican pesos)

Concept	2020	2021	2022
Mexico	78,330	103,541	125,729
Peru	19,650	28,883	35,165
Guatemala	2,174	1,333	-
ConCrédito	n/a	7,944	10,881
Total	100,154	141,701	171,775

INTEREST INCOME BY COUNTRY

	2020		2021		2022	
	Millions of pesos	%	Millions of pesos	%	Millions of pesos	%
Mexico	14,630	75.6	18,238	81.3	22,759	81.2
Peru	4,274	22.1	4,205	18.7	5,280	18.8
Guatemala	448	2.3	0	0.0	0	0.0
Total	19,352	100.0	22,443	100	28,039	100

PERCENTAGE OF PORTFOLIO BROKEN DOWN BY BUSINESS UNIT

Year	Compartamos Banco	ConCrédito	Yastás	Aterna	Gentera	Compartamos Financiera	Compartamos S.A.
	Mexico					Peru	Guatemala
2020	54.3%	5.5%	0.0%	0.0%	0.0%	38.4%	1.8%
2021	57.9%	6.4%	0.0%	0.0%	0.0%	35.7%	-
2022	57.8%	6.9%	0.0%	0.0%	0.0%	35.4%	-

NET INCOME (loss)

(millions of Mexican pesos)

	2020	2021	2022
Mexico (Compartamos Banco)	(1,344)	2,285	3,773
Peru	(277)	(139)	464
Gentera, S.A.B. y subsidiaries	(1,635)	2,625	4,658
ConCrédito	-	543	514
Guatemala	(233)	-	-



MAIN INDICATORS 2020 VS 2019

	Banco Compartamos S.A.		Compartamos Financiera		Compartamos S.A.	
	2020	Δ vs 2019	2020	Δ vs 2019	2020	Δ vs 2019
NPLs / Total portfolio	5.64%	2.45 pp	4.58%	2.57 pp	12.59%	8.35 pp
Coverage ratio	174.9%	-28.7 pp	223.6%	-72.0 pp	199.8%	43.0 pp
ROA	-3.8%	-11.3 pp	-1.3%	-4.9 pp	-26.6%	-33.5 pp
ROE	-11.8%	-32.3 pp	-7.2%	-26.4 pp	-32.1%	-39.8 pp

MAIN INDICATORS 2021 VS 2020

	Banco Compartamos S.A.		Compartamos Financiera		ConCrédito	
	2021	Δ vs 2020	2021	Δ vs 2020	2021	Δ vs 2020
NPLs / Total portfolio	2.08%	-3.56 pp	3.72%	-0.86 pp	4.46%	-2.46 pp
Coverage ratio	281.5%	106.6 pp	243.7%	20.1 pp	317.0%	170.6 pp
ROA	6.1%	9.9 pp	-0.7%	0.6 pp	13.0%	N/C
ROE	20.7%	32.5 pp	-4.0%	3.2 pp	24.0%	N/C

MAIN INDICATORS 2022 VS 2021

	Banco Compartamos S.A.		Compartamos Financiera		ConCrédito	
	2022	Δ vs 2021	2022	Δ vs 2021	2022	Δ vs 2021
NPLs / Total portfolio	3.39%	1.31 pp	3.65%	-0.07 pp	3.07%	-1.39 pp
Coverage ratio	221.8%	-59.7 pp	243.3%	-0.4 pp	462.3%	145.3 pp
ROA	9.8%	3.7 pp	2.2%	2.9 pp	10.1%	-2.9 pp
ROE	31.1%	10.4 pp	12.2%	16.2 pp	19.1%	-4.9 pp

Economic value created, distributed and retained

Concept (millions of Mexican pesos)	2020	2021	2022
Direct economic value created ⁽¹⁾	20,820	24,889	30,551
Distributed economic value ⁽²⁾	14,848	17,528	19,557
Retained economic value ⁽³⁾	5,972	7,361	10,994
Net income	(1,635)	2,625	4,658
Number of Clients	3,001,092	3,198,777	3,392,324
Net Interest Income (millions of Mexican pesos)	17,050	20,478	24,590
Operating efficiency	20.1%	21.2%	20.5%
Net Operating Income (millions of Mexican pesos)	(2,482)	3,831	6,313
Net income (millions of Mexican pesos)	(1,635)	2,625	4,658

⁽¹⁾ Direct economic value created = interest income + commissions and fees charged + intermediation results + other operating income (expenses), net.

⁽²⁾ Distributed economic value = interest expense + commissions and fees paid + administrative and promotional expenses + share of associate's income + taxes - depreciation and amortization.

⁽³⁾ Retained economic value = direct economic value created - distributed economic value.

In 2022 we celebrated 15 years of being listed on the Mexican Stock Exchange as Genera

Fifteen years ago, we were just a bank. Today we are a group of companies with presence in Mexico and Peru, serving more than four million people. Being a public company has given us the necessary impetus to connect large capitals with the needs of clients at the base of the pyramid, while at the same time helping to generate an industry that today serves millions of people and offers opportunities for inclusion to those who need it most.

We have credit lines in Mexico and Peru that guarantee the liquidity of our operations and reflect the confidence of investors and the market in what we do.

This year IDB Invest granted Compartamos Banco senior financing in Mexican pesos for up to the equivalent to US\$ 50 million. This financing, with a four-year term, will have IDB Invest contributions of \$17.5 million and IDB contributions of \$32.5 million, granting the growth of productive microcredit to the women's segment.

In the middle of the year, Compartamos Banco once again issued a social bond,

placing \$2.5 billion pesos through the public issuance of *Certificados Bursátiles Bancarios* in the local debt market. This issuance once again reaffirms Compartamos Banco's ability to access diverse sources of financing, even in volatile market conditions, which will allow it to continue supporting millions of clients who need financial services to continue their businesses, improve their economies and those of their communities.

During February, Compartamos Financiera successfully placed 40.7 million soles through a public issuance of Negotiable Certificates of Deposit in the Peruvian debt market, with a rate of 5.5% and a demand of 2.9 times.

One month later, our Peruvian subsidiary also placed 61.2 million soles through a public issue of Negotiable Certificates of Deposit, with a rate of 6.0% and a call of 1.9 times. Both issues have a term of one year.

In September, Compartamos Financiera placed 60 million soles through a public issue of Negotiable Certificates of Deposit in the Peruvian debt market, with a rate of 8.12% and a call of 2.42 times.

COMPARTAMOS BANCO DATA

	Capital	Commercial Banking	Development Banking	Multilateral	Cebures (local bonds)	Funds raised	Total
dec-2020	30.3%	1.0%	36.8%	0.0%	24.0%	7.9%	100%
dec-2021	32.7%	0.0%	26.9%	0.0%	31.4%	9.0%	100%
dec-2022	35.5%	0.0%	24.0%	0.8%	31.2%	8.5%	100%

COMPARTAMOS FINANCIERA DATA

	Capital	Commercial Banking	Development Banking	Multilateral	Investment Funds	Funds raised	Total
dec-2020	17.5%	6.9%	11.3%	0.0%	0.0%	63.0%	1.3%
dec-2021	18.6%	7.8%	7.8%	0.0%	0.0%	64.1%	1.7%
dec-2022	18.4%	8.8%	9.5%	0.0%	0.0%	63.1%	0.2%

GENERA AND MEXICO DATA

















	Bank			Genera		
	2020	2021	2022	2020	2021	2022
Cumulative efficiency ratio	126.0%	79.4%	68.2%	122.7%	79.3%	70.3%
Accounting Capital / Total Assets	29.5%	30.5%	32.3%	32.3%	35.3%	34.0%
ICAP	31.44%	37.09%	39.05%	-	-	-

Annexes

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Affiliations

2-28

	 Coparmex ^{1, 2, 3}	 Consejo Mexicano de Negocios ²	 Unifimex	 Red Acción	 Consejo de la Comunicación ²	 Microfinance Network ^{1, 2}	 Women Economic Forum ^{1, 2, 3}
	 Prodesarrollo ^{1, 2, 3}	 Asociación de Bancos de México (ABM) ^{2, 3}	 Red Acción				
	 ASBANC	 ASOMIF	 Red Acción				

¹. The affiliated company occupies a position in the governing body of the association.
². The affiliated company participates in projects or committees of the association.
³. The affiliated company provides funding in addition to the membership fee.

Awards and recognitions



1ST PLACE

Great Culture to Innovate

3RD PLACE

Best Work Places for Women in Mexico

Category: over 5,000 employees

3RD PLACE

Great Place to Work

Category: over 5,000 employees

HALL OF FAME

For reaching 16 years in Great Place to Work

DISTINCTION

Factor Wellbeing 2022

EXCEPTIONAL COMPANIES 2022

Level: Exceptional Practice

Category: contribution to Sustainable Development Goals

Given by: Instituto para el Fomento a la Calidad y el Consejo de la Comunicación



1ST PLACE

Banking Sector Best Work Places 2022

Given by: Computrabajo



3RD PLACE

Ranking of the Best Places to Work for Millennials 2022

LEADING COMPANY

#CustomerExperience in the second version of CXI Index Peru 2022

Given by: Activa Research and CES UAI

8TH PLACE

Great Place to Work Peru

GRI Content Index

GRI Standard	Content	Page, response or omission reason	
GRI 1 Foundation 2021			
GRI 2 General Disclosures 2021			
1. The organization and its reporting practices			
	2-1	Organizational details.	9, 27
GRI 2	2-2	Entities included in the organization’s sustainability reporting.	112
General Disclosures 2021	2-3	Reporting period, frequency and contact point.	128, back cover
	2-4	Restatements of information.	128
	2-5	External assurance.	Only the financial statements have been verified by an external entity to Genera and its companies
2. Activities and workers			
GRI 2	2-6	Activities, value chain, and other business relationships.	9, 27, 29, 34, 36, 38, 40
General Disclosures 2021	2-7	Employees.	45
	2-8	Workers who are not employees.	All our personnel are employees of Genera or its companies
3. Governance			
	2-9	Governance structure and composition.	85
	2-10	Nomination and selection of the highest governance body.	85
	2-11	Chair of the highest governance body.	85
	2-12	Role of the highest governance body in overseeing the management of impacts.	85, 102
	2-13	Delegation of responsibility for managing impacts.	85
GRI 2	2-14	Role of the highest governance body in sustainability reporting.	The Shareholders' Meeting is responsible for approving Genera's 2022 Annual and Sustainability Report
General Disclosures 2021	2-15	Conflicts of interest.	96
	2-16	Communication of critical concerns.	96
	2-17	Collective knowledge of the highest governance body.	85
	2-18	Evaluation of the performance of the highest governance body.	85
	2-19	Remuneration policies.	61, 85
	2-20	Process to determine remuneration.	61, 85
	2-21	Annual total compensation ratio.	61
4. Strategy, policies and practices			
	2-22	Statement on sustainable development strategy.	5, 7
	2-23	Policy commitments.	13, 96
GRI 2	2-24	Embedding policy commitments.	13, 96
General Disclosures 2021	2-25	Processes to remediate negative impacts.	13, 96
	2-26	Mechanisms for seeking advice and raising concerns.	96
	2-27	Compliance with laws and regulations.	96, 105
	2-28	Membership associations.	118
5. Stakeholder engagement			
GRI 2 General Disclosures 2021	2-29	Approach to stakeholder engagement.	20
	2-30	Collective bargaining agreements.	49
GRI 3 Material Topics 2021			
GRI 3 Material Topics 2021	3-1	Process to determine material topics.	20
	3-2	List of material topics.	20

GRI Content Index

GRI Standard	Content	Page, response or omission reason
Material Topic: Ethics, code of conduct and internal regulatory framework		
GRI 3 Material Topics 2021	3-3 Management of material topics.	96
Tema material: Satisfacción del cliente		
GRI 3 Material Topics 2021	3-3 Management of material topics.	32
Tema material: Igualdad de oportunidades y equidad de género		
GRI 3 Material Topics 2021	3-3 Management of material topics.	48
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity in governing bodies and employees.	48
Material Topic: Financial inclusion		
GRI 3 Material Topics 2021	3-3 Management of material topics.	29, 34, 36, 38, 40
GRI Sector Disclosures: Financial Services	FS7 Monetary value of products and services designed to provide a specific social benefit for each line of business broken down by purpose.	29, 34, 36, 38, 40
	FS13 Access points by type in sparsely populated or economically disadvantaged areas.	29, 34, 36, 38, 40
	FS14 Initiatives to improve access to financial services for disadvantaged people.	29, 34, 36, 38, 40
Material Topic: Measurement of greenhouse gas (GHG) emissions		
GRI 3 Material Topics 2021	3-3 Management of material topics.	105
GRI 305 Emissions 2016	305-1 Direct GHG emissions (Scope 1).	105
	305-2 Indirect GHG emissions when generating energy (Scope 2).	105
	305-3 Other indirect GHG emissions (Scope 3).	105
	305-4 Intensity of GHG emissions.	105
Material Topic: Employee training and development		
GRI 3 Material Topics 2021	3-3 Management of material topics.	64
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee.	64
	Programs for upgrading employee skills and transition assistance programs.	55, 64
	404-3 Percentage of employees receiving regular performance and career development reviews.	64
Material Topic: Transparency, accountability, anti-corruption and bribery		
GRI 3 Material Topics 2021	3-3 Management of material topics.	96
GRI 205 Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures.	96
	205-3 Confirmed incidents of corruption and actions taken.	96
Material Topic: Management of economic, environmental and social risks		
GRI 3 Material Topics 2021	3-3 Management of material topics.	102
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change.	102
Material Topic: Corporate governance structure		
GRI 3 Material Topics 2021	3-3 Management of material topics.	85
Material Topic: Customer and employee privacy		
GRI 3 Material Topics 2021	3-3 Management of material topics.	103
GRI 418 Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and loss of customer data.	103

GRI Content Index

GRI Standard		Content	Page, response or omission reason
Material Topic: Information security			
GRI 3 Material Topics 2021	3-3	Management of material topics.	103
Material Topic: Occupational health and safety			
GRI 3 Material Topics 2021	3-3	Management of material topics.	67
GRI 403 Occupational health and safety 2018	403-1	Occupational health and safety management system.	67
	403-2	Hazard identification, risk assessment, and incident investigation.	67
	403-3	Occupational health services.	67
	403-4	Worker participation, consultation, and communication on occupational health and safety.	67
	403-5	Worker training on occupational health and safety.	55, 67
	403-6	Promotion of worker health.	55, 67
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	67
	403-8	Workers covered by an occupational health and safety management system.	67
	403-9	Work-related injuries.	67
	403-10	Work-related ill health.	67
GRI 200: Economic standards			
GRI 201 Economic performance 2016	201-1	Direct economic value generated and distributed.	112
	201-3	Defined benefit plan obligations and other retirement plans.	61
GRI 202 Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	61
	202-2	Proportion of senior management hired from the local community.	45
GRI 203 Indirect economic impacts 2016	203-1	Infrastructure investments and services supported.	71
	203-2	Significant indirect economic impacts.	71, 112
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers.	95% of our procurement budget in Mexico is allocated to local suppliers
GRI 206 Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	96
GRI 300: Environmental standards			
GRI 302 Energy 2016	302-1	Energy consumption within the organization.	105
	302-2	Energy consumption outside of the organization.	105
GRI 306 Waste 2020	306-3	Waste generated.	105
	306-4	Waste diverted from disposal.	105
	306-5	Waste directed to disposal.	105

GRI Content Index

GRI Standard		Content	Page, response or omission reason
GRI 400: Social standards			
GRI 401 Employment 2016	401-1	New employee hires and employee turnover.	49
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	61
	401-3	Parental leave.	61
GRI 405 Diversity and equal opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men.	61
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken.	96
GRI 408 Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor.	96
GRI 409 Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	96
GRI 411 Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples.	96
GRI 413 Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	71
GRI 417 Marketing and labeling 2016	417-3	Incidents of non-compliance concerning marketing communications.	96
GRI Sector Disclosures			
GRI Sector Disclosures: Financial Services	FS1	Policies with specific environmental and social aspects applied to business lines.	13
	FS4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business.	42
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large and by sector).	29, 34, 36
	FS15	Policies for the correct design and offer of financial products and services.	13
	FS16	Initiatives to improve financial literacy and education by type of beneficiary.	43, 71

SASB Index

Commercial Banks

Estándar SASB	Contenido	Página o respuesta	
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.	103
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks .	103
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	29, 34, 36
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development.	29, 34, 36
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers.	29, 34, 36
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	43, 71
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry.	29, 34, 36
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis.	105 Partially reported
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	During 2022, these type of monetary losses were not recorded in Genera or its companies
	FN-CB-510a.2	Description of whistleblower policies and procedures .	96
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category.	Does not apply
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	Does not apply
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business.	29 Small business does not apply to Genera"
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	29, 34 Small business does not apply to Genera"

SASB Index

Consumer Finance

SASB Standard	Content	Page or response	
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes.	103
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy.	During 2022, these type of monetary losses were not recorded in Genera or its companies
Data Security	FN-CF-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.	103
	FN-CF-230a.2	Card-related fraud losses from (1) card-notpresent fraud and (2) card-present and other fraud.	During 2022, these type of frauds were not recorded in Genera or its companies
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks.	103
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold.	61
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660.	Does not apply
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660.	Does not apply
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB.	Not reported
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products.	During 2022, these type of monetary losses were not recorded in Genera or its companies
Activity Metrics	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account.	All our clients receive their credit through a debit account
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts.	All our clients receive their credit through a debit account

SASB Index

Insurance

SASB Standard	Content	Page or response	
Transparent Information & Fair Advice for Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance productrelated information to new and returning customers.	During 2022, these type of monetary losses were not recorded in Genera or its companies
	FN-IN-270a.2	Complaints-to-claims ratio.	32
	FN-IN-270a.3	Customer retention rate.	29, 34, 112
	FN-IN-270a.4	Description of approach to informing customers about products.	42
Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class.	Not reported
	FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies.	105 Partially reported
Políticas diseñadas para incentivar la conducta responsable	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology.	Not reported
	FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors.	Not reported
Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes.	Not reported
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance).	Not reported
	FN-IN-450a.3	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy.	Not reported
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives.	Not reported
	FN-IN-550a.2	Total fair value of securities lending collateral assets.	Not reported
	FN-IN-550a.3	Description of approach to managing capitaland liquidity-related risks associated with systemic non-insurance activities.	Not reported
Activity Metrics	FN-IN-000.A	Number of policies in force, by segment: (1) property and casualty, (2) life, (3) assumed reinsurance.	40

TCFD Index

Estándar TCFD		Content	Page or response
TCFD - Governance	a)	Describe the board’s oversight of climate-related risks and opportunities.	102
	b)	Describe management’s role in assessing and managing climate-related risks and opportunities.	102
TCFD - Strategy	a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	102
	b)	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	102 Partially reported
	c)	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	No se reporta
TCFD - Risk Management	a)	Describe the organization’s processes for identifying and assessing climate-related risks.	Not reported
	b)	Describe the organization’s processes for managing climate-related risks.	102 Partially reported
	c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	102 Partially reported
TCFD - Metrics and Targets	a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	105 Partially reported
	b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	105
	c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Not reported

ABOUT THE REPORT

2-3, 2-4



With the aim of sharing with our stakeholders the financial, social, environmental, operational and governance results we obtained throughout the year, we present Genera's Annual and Sustainability Report 2022.

In this report, we share the financial, environmental, social and governance (ESG) information corresponding to the operations of Genera, its companies and its Foundation in a comprehensive manner, not including the results of other entities, institutions, companies, shareholders, customers, or business partners.

Genera has prepared this report according to the GRI Standards for the period from January 1st to December 31, 2022¹. It also considers the Sustainability Accounting Standards Board (SASB) indicators applicable to the Consumer Banking, Finance, and Insurance industries, and contains our progress in contributing to the UNEP FI Principles for Responsible Banking.

Committed to increasingly disclosing information about our risks and opportunities related to climate change, we follow some of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Reaffirming our commitment as signatories to the Ten Principles of the United Nations Global Compact, Genera's Annual and Sustainability Report 2022 represents and complements our Communication on Progress (CoP).

Genera, S.A.B. de C.V. is a stock exchange company listed on the Mexican Stock Exchange in accordance with the Commercial Companies Law and the Securities Market Law.

THE SHAREHOLDING COMPOSITION OF GENERA, S.A.B. DE C.V. AT THE CLOSE OF THE GENERAL SHAREHOLDERS' MEETING HELD ON APRIL 14, 2022, IS AS FOLLOWS:

Shareholders	Number of shares	% of equity interest
Repurchase fund	> 0	0
Free float	> 1,582,743,876.00	100
Total capital stock	> 1,582,743,876.00	100

¹ Note. GRI Sector Standards applicable to Genera and its companies are not included because they have not been published by GRI.



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

Consolidated financial statements

December 31, 2022

(With the Independent Auditors' Report Thereon)

(Translation from Spanish Language Original)



GENTERA, S. A. B. DE C. V.

INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND STOCKHOLDERS

(Millions of pesos)

Opinion

We have audited the consolidated financial statements of Genera, S. A. B. de C. V. and subsidiaries (Genera), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statements of comprehensive income, changes in stockholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Genera, S. A. B. de C. V. and subsidiaries, have been prepared, in all material respects, in accordance with the Accounting Criteria for Credit Institutions in Mexico (the Accounting Criteria), set forth by the National Banking and Securities Commission (the Commission).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of Genera in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 4 of the consolidated financial statements, which describes that accounting changes described in such note were made during 2022, which was performed in accordance with the Resolution that modifies the general provisions applicable to credit institutions, published in the Official Gazette of the Federation on December 20, 2020, which establishes that credit institutions may recognize the cumulative effect of such accounting changes, without restate the financial statements of prior years, as of January 1, 2022, and that the basic financial statements as of and for the year ended December 31, 2021, are not presented. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming of our opinion thereon, and we do not provide a separate opinion on these matters.



Allowance for loan losses for \$4,534, in the consolidated statement of financial position

See notes 3(g) and 8(f) to the consolidated financial statements

Key audit matter	How the key Audit matter was treated in our audit
<p>The consumer loan portfolio’s allowance for loan losses involves the evaluation of different factors established in the methodologies set forth by the Commission, which include, among others, past-due billings, payments, balances reported in credit bureau, as well as the reliability in the documentation and update of information, which serves as an input for the determination of the allowance for loan losses.</p> <p>Therefore, we have determined the allowance for loan losses as a key audit matter.</p>	<p>The audit procedures applied to the determination by Management of the allowance for loan losses and the effect on income for the year included the assessment, through selective tests, of both the inputs used and the calculation method for the consumer loan portfolio, based on the methodology in force established by the Commission.</p>

Goodwill impairment test assessment for \$4,693 (asset)

See notes 3(k), 13 and 15 to the consolidated financial statements

Key audit matter	How the key Audit matter was treated in our audit
<p>Genera has recognized goodwill for \$4,693. Such goodwill is subject to impairment testing which is performed through the use of valuation techniques that involve a significant judgment for the determination of the future cash flows estimated by Management.</p> <p>Most of the goodwill has been assigned to the cash flow generating units (CGUs) of the acquired businesses.</p> <p>The annual impairment test for goodwill is considered a key audit matter due to the complexity of the calculations and the significant judgments necessary in determining the assumptions to be used to estimate the recoverable amount.</p> <p>The recoverable amount of the CGUs is derived from the predicted discounted cash flow models.</p> <p>These models use several key assumptions, including future sales prices, growth percentages of the terminal values and the weighted average cost of capital (discount rate).</p>	<p>Our audit procedures for this key matter included, among others, the following:</p> <ul style="list-style-type: none"> ▶ We involved our specialists to assist us in evaluating the appropriateness of the discount rates used, which included comparing the weighted-average cost of capital to the average of the sectors of the relevant markets in which the CGUs operate. ▶ We assessed the appropriateness of the assumptions applied to key data such as volumes, operating costs, inflation and long-term growth rates, which included comparing such data to external sources as well as our evaluation based on our knowledge of the client and of the industry. ▶ We also evaluated the appropriateness of the disclosures in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information includes the information included in the Annual Report of Genera corresponding to the year ended December 31, 2022, to be presented to the National Banking and Securities Commission and Mexican Stock Exchange (the Annual Report), but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is estimated to be available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any kind of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when available and, in doing so, consider if the other information is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or if it appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement in that other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance in relation to the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the Accounting Criteria set forth by 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.

In preparing the consolidated financial statements, Management is responsible for assessing Genera's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Genera or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Genera's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Genera's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or with conditions that may cast significant doubt on Genera's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Genera to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Genera to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are thereof the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Cárdenas Dosal S.C.

Alberto Alarcón Padilla
Mexico City, February 22, 2023.

**GENTERA, S. A. B. DE C. V. AND SUBSIDIARIES**

INSURGENTES SUR 1458, COLONIA ACTIPAN, C. P. 03230, MEXICO CITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

(Millions of pesos)

This consolidated financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

Assets	2022
Cash and cash equivalents (note 6)	\$ 10,345
Investment in financial instrument (note 7):	
Financial instruments to collect and sell	1,712
Derivative financial instruments:	
Trading	24
Loan portfolio with stage 1 credit risk:	
Commercial loans:	
Business and comercial	148
Consumer loans	50,256
Total loan portfolio with stage 1 credit risk	50,404
Loan portfolio with stage 2 credit risk:	
Commercial loans:	
Business and comercial	7
Consumer loans	1,418
Total loan portfolio with stage 2 credit risk	1,425
Loan portfolio with stage 3 credit risk:	
Commercial loans:	
Business and comercial	5
Consumer loans	1,851
Total loan portfolio with stage 3 credit risk	1,856

Assets	2022
Loan portfolio (note 8)	53,685
(+/-) Deferred Items	176
(-) Less:	
Allowance for loan losses (note 8)	(4,534)
Total loan portfolio, net	49,327
Other accounts receivable, net (note 9)	2,599
Prepayments and other assets, net (note 10)	431
Property, furniture and equipment, net (note 11)	577
Assets from rights to use property, furniture and equipment, net (note 12)	908
Permanent investments (note 13)	119
Deferred income tax, net (note 20)	2,194
Intangible assets, net (note 14)	2,025
Goodwill (note 15)	4,693
Total assets	\$ 74,954

Liabilities and stockholders' equity		2022
Deposit funding (note 16):		
Demand deposits	\$	3,305
Time deposits:		
General public		11,756
Money market		1,093
Debt securities issued		10,912
Global account of deposits with no movements		124
		27,190
Banking and other borrowings (note 17):		
Short-term		3,458
Long-term		11,409
		14,867
Creditors on repurchase/resell agreements		40
Obligation in securitization operations (note 18)		596
Lease liability (note 12)		930
Other accounts payable		
Statutory taxes		895
Sundry creditors and other accounts payable (note 19)		2,358
		3,253
Income tax liability (note 20)		813
Employee benefit liability (note 21)		1,632
Deferred credits and early prepayments		
Total liabilities		49,442

The historical capital stock as of December 31, 2022, amount to \$4,764.

The accompanying notes are an integral part of this consolidated financial statement.

"This consolidated statement of financial position, was formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Article 78 of the "General Provisions Applicable to Securities Issuers and Other Securities Market Participants", applied consistently, reflecting the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and legal provisions and applicable administrative".

"This consolidated statement of financial position were approved by the Board of Directors under the responsibility of the following officers".

Enrique Majós Ramírez
Chief Executive Officer

Mario Ignacio Langarica Ávila
Chief Financial Officer

Marco Antonio Guadarrama Villalobos
Controller

Oscar Luis Ibarra Burgos
General Internal Auditor

Liabilities and stockholders' equity		2022
Stockholders' equity (note 23):		
Paid-in capital:		
Capital stock		4,764
Additional paid in capital		(455)
		4,309
Earned capital:		
Statutory reserves		1,771
Retained earnings		17,718
Other comprehensive income:		
Valuation of financial instruments for trading		(2)
Remeasurement for defined employees' benefits		(91)
Cumulative traslation adjustment		(121)
		(214)
Total controlling interest		23,584
Total non-controlling interest		1,928
Total stockholders' equity		25,512
Commitments and contingent liabilities (note 24)		
Total liabilities and stockholders' equity	\$	74,954
Memorandum accounts:		2022
Guarantees granted	\$	2,163
Loan commitments		14,292
Uncollected interest accrued on loan portfolio with stage 3 credit risk		637
Other memorandum account		14,022

**GENTERA, S. A. B. DE C. V. AND SUBSIDIARIES**

INSURGENTES SUR 1458, COLONIA ACTIPAN, C. P. 03230, MEXICO CITY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2022

(Millions of pesos, except earnings per share)

This consolidated financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

	2022
Interest income (note 27)	\$ 28,039
Interest expense (note 27)	(3,449)
Financial margin	24,590
Provision for loan losses (note 8)	(5,320)
Financial margin after provision for loan losses	19,270
Comissions and fee income (note 27)	2,391
Comissions and fee expense (note 27)	(528)
Financial intermediation result	(1)
Other operating income (expenses), net (note 27)	122
Administrative and promotional expenses	(14,941)
Operating results	6,313
Participation in the net result of other entities (note 13)	(18)
Operating income before income tax	6,295
Income tax (note 20)	
Current income tax	(2,136)
Deferred income tax	317
Result of continuing operations	4,476
Discontinued operations (note 13)	182
Net income	4,658

	2022
Other comprehensive income:	
Remeasurement for defined employees' benefits	(5)
Cumulative traslation adjustment	(229)
	(234)
Net comprehensive income	\$ 4,424
Net income attributable to:	
Controlling interest	\$ 4,554
Non-controlling interest	104
Comprehensive income attributable to:	
Controlling interest	\$ 4,320
Non-controlling interest	104
Earning per share (in pesos)	\$ 2.94

The accompanying notes are an integral part of this consolidated financial statement.

"This consolidated statement of comprehensive income, was formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Article 78 of the "General Provisions Applicable to Securities Issuers and Other Securities Market Participants", applied consistently, reflecting the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and legal provisions and applicable administrative".

"This consolidated statement of comprehensive income were approved by the Board of Directors under the responsibility of the following officers".

Enrique Majós Ramírez
Chief Executive OfficerMario Ignacio Langarica Ávila
Chief Financial OfficerMarco Antonio Guadarrama Villalobos
ControllerOscar Luis Ibarra Burgos
General Internal Auditor



GENEREA, S. A. B. DE C. V. AND SUBSIDIARIES
 INSURGENTES SUR 1458, COLONIA ACTIPAN, C. P. 03230, MEXICO CITY

This consolidated financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2022

(Millions of pesos)

	CONTRIBUTED CAPITAL				EARNED CAPITAL					Total stockholders' equity
	Capital stock	Additional paid in capital	Statutory reserves	Retained earnings	Valuation of financial instruments for trading	Remeasurements for defined employees' benefits	Cumulative traslation adjustment	Total controlling interest	Total non-controlling interes	
Balances as of December 31, 2021	\$ 4,764	514	1,845	14,091	(2)	(85)	108	21,235	3,599	24,834
Retrospective adjustments for accounting changes	-	-	-	8	-	-	-	8	-	8
Adjusted balance as of January 1, 2022	4,764	514	1,845	14,099	(2)	(85)	108	21,243	3,599	24,842
Changes resulting from stockholders' decisions:										
Dividends payment (note 23)	-	-	-	(939)	-	-	-	(939)	-	(939)
Premium paid for change in participation of subsidiaries	-	(969)	-	4	-	-	-	(965)	-	(965)
Changes in the controlling interest that do not imply loss of control (note 3(b))	-	-	-	-	-	-	-	-	(1,674)	(1,674)
Total	-	(969)	-	(935)	-	-	-	(1,904)	(1,674)	(3,578)
Movement of reserves:										
Share repurchase	-	-	(74)	-	-	-	-	(74)	-	(74)
Integral result:										
Net income:	-	-	-	4,554	-	-	-	4,554	104	4,658
Other comprehensive results:										
Remeasurement for defined employees' benefits	-	-	-	-	-	(6)	-	(6)	-	(6)
Cumulative traslation adjustment	-	-	-	-	-	-	(229)	(229)	-	(229)
Non-controlling interest	-	-	-	-	-	-	-	-	(101)	(101)
Total	-	-	-	4,554	-	(6)	(229)	4,319	3	4,322
Balances as of December 31, 2022	\$ 4,764	(455)	1,771	17,718	(2)	(91)	(121)	23,584	1,928	25,512

The accompanying notes are an integral part of this consolidated financial statement.

"This consolidated statement of changes in stockholders' equity, was formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Article 78 of the "General Provisions Applicable to Securities Issuers and Other Securities Market Participants", applied consistently, reflecting the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and legal provisions and applicable administrative"

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

Enrique Majós Ramírez
Chief Executive Officer

Mario Ignacio Langarica Ávila
Chief Financial Officer

Marco Antonio Guadarrama Villalobos
Controller

Oscar Luis Ibarra Burgos
General Internal Auditor



GENEREA, S. A. B. DE C. V. AND SUBSIDIARIES
 INSURGENTES SUR 1458, COLONIA ACTIPAN, C. P. 03230, MEXICO CITY

This consolidated financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

CONSOLIDATED STATEMENT OF CASH FLOWS

DECEMBER 31, 2022
 (Millions of pesos)

	2022
Operating activities:	
Operating income before income tax	\$ 6,295
Adjustments for items associated with investment activities:	
Depreciation of furniture and equipment	292
Amortization of intangibles assets	397
Losses due to impairment of long-lived assets	21
Goodwill impairment losses	300
Loss on sale of property, furniture and equipment	215
Participation in the net result of other entities	18
Discontinued operations	(182)
	1,061
Adjustments for items associated with financing activities:	
Interest associated with banking and other borrowings	1,118
Sum	8,474
Changes in operating items:	
Change in investments in financial instruments (securities), net	4
Change in derivative financial instruments (asset)	(11)
Change in loan portfolio (net)	(6,570)

	2022
Change in other accounts receivable, net	(125)
Change in other operating assets (net)	452
Change in deposit funding	756
Change in creditors on repurchase/resell agreements	(287)
Change in obligations in securitization operations	(808)
Change in other operating liabilities	169
Change in assets/liabilities for employee benefits	409
Change in other accounts payable	(285)
Changes in other provisions	388
Income tax refunds	2
Income tax payments	(617)
Net cash flows from operating activities	1,951
Investment activities:	
Payments for the acquisition of property, furniture and equipment	(395)
Proceeds for disposition of property, furniture and equipment	17
Collections for discontinued operations	334

	2022
Payments for acquisition of associates, joint ventures and other permanent investments	(24)
Payments for the acquisition of intangible assets	(507)
Net cash flows in investment activities	(575)
Financing activities:	
Charges from banking and other borrowings	13,672
Payments of banking and other borrowings	(12,574)
Payments for changes in the participation of subsidiaries	(2,643)
Lease liability payments	(497)
Interest payments for lease liabilities	(73)
Payment of dividends in cash	(939)
Payments associated with the repurchase of own shares	(74)
Net cash flows in financing activities	(3,128)
Net decrease in cash and cash equivalents	(1,752)
Effects of changes in the value of cash and cash equivalents	(37)
Cash and cash equivalents at the beginning of the year	12,134
Cash and cash equivalents at the end of the year	\$ 10,345

The accompanying notes are an integral part of this consolidated financial statement.

"This consolidated statement of cash flows, was formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Article 78 of the "General Provisions Applicable to Securities Issuers and Other Securities Market Participants", applied consistently, reflecting the operations carried out by the institution up to the aforementioned date, which were carried out and valued in accordance with sound banking practices and legal provisions and applicable administrative".

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

Enrique Majós Ramírez
 Chief Executive Officer

Mario Ignacio Langarica Ávila
 Chief Financial Officer

Marco Antonio Guadarrama Villalobos
 Controller

Oscar Luis Ibarra Burgos
 General Internal Auditor



GENERER, S. A. B. DE C. V. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

(Millions of pesos, except otherwise noted)

This consolidated financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.

(1) DESCRIPTION OF BUSINESS -

Description of business -

Genera S. A. B. de C. V. (Genera) is a Mexican corporation, domiciled at Insurgentes Sur 1458, Colonia Actipan, C. P. 03230, Mexico City, which purpose is to acquire interests or participations in other commercial or civil entities, as well as dispose of or transfer such shares or participations and enter into partnership or association contracts with domestic or foreign individuals or legal entities.

As of December 31, 2022, Genera and its consolidated subsidiaries are comprised of:

- i. Banco Compartamos, S. A., Institución de Banca Múltiple (Banco Compartamos or the Bank) which in accordance with the Credit Institutions Law, is authorized to carry out multiple banking operations in Mexico, which include, among others, granting loans, receipt of deposits, acceptance of borrowings, operation with securities and other financial instruments.
- ii. 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, through the modalities, types and forms that are applicable and correspond, as established in the legal provisions that regulate companies of this nature in accordance with Peruvian legislation. In the months of April and May 2022, Compartamos Financiera increased its shareholding in Pagos Digitales Peruanos, S. A. with an increase in share capital of 9,348,773 Peruvian soles, the value of the share went from 0.9 soles to 1 sol, thus its shareholding was increased to 79.49%.
- iii. Compartamos, S. A. (Compartamos Guatemala) established in Guatemala, which until July 5, 2021 had as its corporate purpose, among others, granting of all types of loans and financing to individuals or legal entities. On that date, it entered into a purchase and sale agreement with the purpose of selling 100% of its loan portfolio and assets; As of that date, it has been in the process of closing its operations. On September 8, 2022, Genera repatriated the capital of Compartamos Guatemala which amounted to \$334. It is currently in the legal process of business liquidation, thus for the period ended December 31, 2022, the results of the period are presented under the caption "Discontinued operations".
- 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 the provision of services for the planning, organization and management of companies.
- 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's purpose is acquiring interest or participations in other commercial or civil entities, as well as dispose of or transfer such shares or participations and enter into partnership or association contracts with individuals or legal entities. Aterna is an entity incorporated in Mexico, which purpose is to act as insurance and bonding agent under the terms of the Law on Insurance and Bonding Institutions and Regulation of Insurance and Bonding Agents. On April 12, 2022, Aterna Corredores de Seguros S. A. was incorporated under the laws of the Republic of Peru, to operate as an Insurance and Bonding Agent, which initiated operations on July 12, 2022, Controladora AT controls this entity with a 99.99% interest.
- vii. Fin Útil, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Fin Útil), is a financial institution established in Mexico, which main activity is granting commercial and personal loans to individuals. For such purpose, Fin Útil obtains financing from Mexican financial institutions and from issuances of stock certificates through public trust Fideicomiso Irrevocable de Emisión de Certificados Bursátiles Fiduciarios, Administración y Pago number F/01064 (Issuer Trust), backed by Fin Útil's loans. This trust, which is detailed below, is consolidated by Fin Útil considering that it acts as portfolio manager and second trustee, and therefore has the power over it to direct its relevant activities, and is exposed and entitled to variable yields from the remaining portfolio of the trust when settling the totality of the trust certificates to the investing public.

► Fideicomiso Irrevocable de Emisión de Certificados Bursátiles Fiduciarios, Administración y Pago number F/01064, which main purpose is to issue stock certificates and manage the Trust's assets contributed by Fin Útil.

viii. Comfu, S. A. de C. V. (Comfu), is a company established in Mexico which main activity is the sale, distribution, purchase, import, export, sale or acquisition of all kinds of articles, merchandise and consumer products such as household appliances, kitchen and dining appliances, electronics, cell phones, among other services that are provided to Fin Útil's customers.

ix. Talento Concrédito, S. A. de C. V. (Talento Concrédito), is a company established in Mexico which main activity is providing personnel supply, recruitment, training and management services for the companies Fin Útil and Comfu.

(2) AUTHORIZATION AND BASIS OF PRESENTATION-

Authorization

On February 22, 2023, the Board of Directors and the following officers approved the issuance of the accompanying consolidated financial statements and their related notes:

Enrique Majós Ramírez	Chief Executive Officer
Mario Ignacio Langarica Ávila	Chief Financial Officer
Marco Antonio Guadarrama Villalobos	Controller
Oscar Luis Ibarra Burgos	General Internal Auditor

The Stockholders of Genera are empowered to modify the consolidated financial statements after its issuance.

Basis of preparation

a) Statement of compliance

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, it is deemed required to have three fiscal years in which the activity represents less than 50% of the total consolidated assets, liabilities or revenues of an issuer, or, in the fiscal year immediately preceding the fiscal year in question, represents less than 20% of such activity. Consequently, since the Bank comprises 51% and 73% and Fin Útil 12% and 8% of the consolidated assets and revenues, respectively, as of and for the year ended December 31, 2022, the accompanying consolidated financial statements have been prepared in conformity with the Accounting Criteria for Credit Institutions in Mexico (Accounting Criteria) established in Article 33 of the General Provisions applicable to Credit Institutions issued by the Commission.

The Accounting Criteria establish that the accounting of Credit Institutions must comply with the basic structure of the Mexican Financial Reporting Standards (MFRS) defined by the Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, A. C. - CINIF) in MFRS A-1 "Structure of Financial Reporting Standards", considering in first instance the MFRS contained in the MFRS A Series "Conceptual framework", as well as the provisions of accounting criteria A-4 "Supplementary application to accounting criteria". Likewise, Accounting Criteria establish that institutions must observe the accounting guidelines of the MFRS except when it is necessary, in the Commission's judgment, to apply specific accounting standards or criteria on recognition, valuation, presentation and disclosure applicable to specific caption of the financial statements and those applicable to their preparation, considering that entities carry out specialized transactions.

Likewise, the Accounting Criteria points out that in the absence of specific accounting criteria from the Commission and in a broader context the MFRS, supplementary use of Mexican MFRS A-8 will be followed and only in the event that the International Financial Reporting Standards (IFRS), referred to by Mexican MFRS 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 accounting standard that is part of a formal and recognized set of standards, provided that it meets the requirements of the Commission's criteria A-4 "Supplementary application to accounting criteria".

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. Actual results may differ from these estimates and assumptions.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- ▶ Notes 3(k) and 13 – Equity-accounted investees: Whether Genera has significant influence over an investee.
- ▶ Notes 3(j) and 12 – Leases: whether an arrangement contains a lease.
- ▶ Note 3(b) – Consolidation: whether Genera has de facto control over an investee.
- ▶ Notes 3(e) and 8 – Loan portfolio: definition of the business model, either to collect principal and interest (FICPI) or to collect or sell (FICS).

Assumptions and estimation uncertainties

Information on assumptions and uncertainties of estimation that have a material risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- ▶ Notes 3(g), 3(h), 8 and 9 – Determination of the allowance for loan losses and recoverability of other accounts receivable: assumptions and inputs used for their determination.
- ▶ Notes 3(i), 11, 13, 14 and 15- Impairment assessment of book value of properties, furniture and equipment, intangibles, permanent investments, and goodwill: key assumptions for the recoverable amount, including recoverability of development costs, measurement of impairment of investment in associated companies.
- ▶ Notes 3(m) and 20 – Recognition of deferred tax assets: availability of future taxable profits and the realization of deferred tax assets.
- ▶ Notes 3(t) and 21 – Measurement of defined benefit obligations; key actuarial assumptions.

Measurement of fair values

A number of Genera's accounting policies and disclosures require measurement of the fair values, for both financial and non-financial assets and liabilities.

Genera has an established control framework with respect to the measurement of fair values. This includes the authorization by the Board of Directors of the appointment of a price provider.

When measuring the fair value of an asset or liability, Genera uses observable market data as far as possible. Fair values are categorized into different levels within a fair value hierarchy based on inputs used (observability of inputs) in valuation techniques, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities, that correspond to the highest level, corresponding to prices obtained exclusively with Level 1 input data.

Level 2: input data other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices) corresponding to prices obtained with Level 2 input data.

Level 3: data or inputs to measure the asset or liability that are not based on observable market data (unobservable input data), that corresponds to the lowest level, for those previously obtained with Level 3 input data.

Pursuant to the Provisions, Genera determines the fair value of the following financial instruments through direct vendor price, which consists of applying to the Genera's position in securities or agreements the current price for valuation provided by a price vendor:

- I. Securities registered in the national securities registry or authorized, registered or regulated on markets recognized by the Commission.

The price provider engaged by Genera that provides the prices and inputs for the determination of the valuation of the financial instruments is Valuación Operativa y Referencias de Mercado, S. A. de C. V.

Note 21 "Employee Benefit Liabilities" includes additional information on assumptions made when measuring fair values.



c) Functional and reporting currency and translation of financial statements of foreign operations

The consolidated financial statements are presented in Mexican peso reporting currency.

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) year-end for monetary and non-monetary assets and liabilities (\$5.1151 Mexican pesos per Peruvian sol and \$2.4845 Mexican pesos per Guatemalan quetzal as of December 31, 2022, b) historical for stockholder’s equity and c) weighted average of the period (\$5.2912 Mexican pesos per Peruvian sol and \$2.8786 Mexican pesos per Guatemalan quetzal) for revenues, costs and expenses, translation effects are presented as part of stockholders’ equity.

For disclosure purposes in the notes to the consolidated financial statements, when reference is made to pesos or "\$", it refers to millions of Mexican pesos, when reference is made to dollars or USD, it refers to dollars of the United States of America, when referring to soles, it is soles of the Republic of Peru.

d) Statement of comprehensive income presentation

In compliance with accounting criterion D-2 "Statement of comprehensive income" established by the Commission, Genera presents the consolidated comprehensive income in a single statement that presents in a single document all the captions that comprise the net result, increased or decreased by the Other Comprehensive Income (OCI) of the period, as well as the participation in the other entities’ OCIs, and is called "Consolidated Statement of Comprehensive Income"

e) Recognition of financial assets and liabilities at the trade date

Genera's consolidated financial statements recognize assets and liabilities arising from the purchase and sale of foreign currency, investment securities, securities lending and derivative financial instruments on the trade date, regardless of its settlement date.

(3) SUMMARY OF THE MAIN ACCOUNTING POLICIES-

The following summarizes the most significant accounting policies used in the preparation of the consolidated financial statements, which have been consistently applied by Genera, except as explained in Note 4, which includes changes in accounting policies recognized during the period.

(a) Recognition of the effects of inflation-

The accompanying financial statements have been prepared in accordance with the Accounting Criteria, which considers that Genera operates in a non-inflationary economic environment as established in MFRS B-10 "Effects of inflation", and thus include the recognition of the effects of inflation on financial information until December 31, 2007 based on the value of the Investment Unit (UDI – Spanish acronym), which is a unit of measurement which value is determined by Banco de México (Central Bank) based on inflation.

The percentage of annual inflation, accumulated in the last three years and the values of the UDI used to determine inflation, are shown below:

INFLATION			
December 31 of	UDI	Yearly	Cumulative
2022	7.646804	7.58%	19.50%
2021	7.108233	7.61%	14.16%
2020	6.605597	3.23%	11.31%



(b) Principles of consolidation-

The accompanying consolidated financial statements as of and for the year ended December 31, 2022, include the balances of Genera and its subsidiaries listed below. The financial statements of the subsidiaries have been translated into, prior to consolidation, the Accounting Criteria set forth by the Commission. All significant balances and transactions between Genera and the subsidiaries have been eliminated in the consolidation:

Company	Percentage of participation	Functional currency
Banco Compartamos	99.98%	Mexican Pesos
Compartamos Financiera ⁽¹⁾	99.99%	Peruvian Soles
Red Yastás	99.99%	Mexican Pesos
Compartamos Servicios	99.99%	Mexican Pesos
Controladora AT ⁽²⁾⁽³⁾	50.00%	Mexican Pesos
Fin Útil	74.91%	Mexican Pesos
Comfu	74.91%	Mexican Pesos
Talento Concrédito	74.91%	Mexican Pesos

⁽¹⁾ Compartamos Financiera consolidates its financial statements with Pagos Digitales Peruanos, S. A.

⁽²⁾ Controladora AT is consolidated because Genera has control on the financial policies and operating decisions of the subsidiary.

⁽³⁾ Controladora AT consolidates Aterna Corredores de Seguros beginning July 2022, having a 99.99% of interest.

During the months of January and August 2022, Genera increased its interest in its subsidiaries Fin Útil, Comfu and Talento Concrédito through a payment of \$2,643, which represented an increase of 23.42% to reach a percentage of participation of 74.91% in these entities. Such increase in the investment of these entities represented a decrease in the non-controlling interest of \$1,674 and an effect on the premium paid for \$969.

(c) Cash and cash equivalents-

This caption comprises cash, domestic and foreign bank balances, and cash equivalents, which are recorded at face value, and foreign currency cash equivalents are valued at the exchange rate issued by the Central Bank at the date of presentation of these consolidated financial statements. Interest earned from cash equivalents is recognized in earnings, as accrued (note 6).

Cash equivalents are initially recognized at fair value. These include short-term, highly liquid, easily cash-convertible securities that are subject to minor risks in their value (where the latter are those whose maturity is expected within a maximum of 48 hours from their acquisition), among others, interbank loans with maturities equal to or less than three business days ("Call Money" operations), purchases of foreign currency that are not considered derivative financial instruments as established by the Central Bank in the applicable regulation, and other cash equivalents such as coined precious metals and highly liquid investments.

The foreign currencies acquired and agreed to be settled at later date to the purchase/ sale transaction are recognized at that date as restricted cash and cash equivalent, while the currencies sold will be recorded as an outflow of cash and cash equivalents. The rights and obligations arising from sales and purchases of foreign currency are recorded under "Other accounts receivable, net" and "Creditors for settlement of transactions", respectively.

The amount of overdrafts in checking accounts, the offset balance, of currencies to be received and currencies to be delivered, or some concept that comprises the cash equivalents, when they show credit balances, is presented in the caption of "Other accounts payable".

Interest earned and valuation gains or losses are included in profit or loss for the period as accrued as part of interest income or expense. The results for valuation and purchase and sale of foreign currencies are recognized in the financial intermediation result.

Cash and cash equivalents in foreign currency are valued at the exchange rate issued by the Central Bank at the date of preparation of these financial statements.

Restricted cash equivalents include operations for documented bank loans with maturities of up to three business days ("Call Money operations"), deposit auctions and the monetary regulation deposit, both with the Central Bank in accordance with the Law, in order to regulate the money market liquidity; such deposits accrue interest at the interbank funding rate. Additionally, it includes the savings fund of Genera's employees and guarantee deposits with financial institutions in Peru.

(d) Investments in financial instruments-

i. Recognition and initial measurement

Investments in financial instruments include net equity instruments, government and banking securities, listed and non-listed, which Genera holds as its own position. Financial instruments are initially measured and recognized at fair value, in the case of financial assets or liabilities not measured at fair value with changes therein, carried through comprehensive income, plus the transaction costs directly attributable to their acquisition or issuance, when subsequently measured at amortized cost.

ii. Classification and subsequent measurement

Upon initial recognition, financial instruments are classified in the following categories, according to the business model and the characteristics of the contractual flows therefrom, as follows:

- ▶ *Financial instruments to collect principal and interest (FICPI)*, whereby the holder intends to recover the contractual cash flows that the instrument entails. The terms of the contract provide for cash flows on pre-established dates, which correspond only to payments of principal and interest (yield), typically based on the amount of the outstanding principal. The FICPI must have characteristics of a financing arrangement and be managed based on contractual performance.
- ▶ *Financial instruments to collect or sell (FICS)*, measured at fair value with changes through other comprehensive income (FVOCI), whereby the holder intends both to collect contractual cash flows of principal and interest and to obtain a profit on sale when the opportunity arises. The Bank irrevocably recognizes changes in the fair value of FICS through OCI; and
- ▶ *Negotiable financial instruments (NFI)*, measured at fair value with changes through income (VFI) that represents investments in debt or equity financial instruments, whereby the holder intends to obtain a profit through purchase and sale.

The classification of investments in financial instruments is based on both the business model and the characteristics of the contractual cash flows therefrom. According to the business model, a financial instrument or a class of financial instruments (a portfolio), can be managed under:

- ▶ A model that seeks to recover contractual flows (consisting of principal and interest).
- ▶ A business model that seeks both the recovery of contractual cash flows as in the previous model, as well as obtaining profit through the sale of financial instruments, necessitating a combined management model of these financial instruments.
- ▶ A model that seeks maximum return through the purchase and sale of financial instruments.

Financial instruments are not reclassified subsequent to their initial recognition unless Genera changes its business model, in which case all affected financial instruments are reclassified to the new category at the time the change in business model has occurred.

The reclassification of investments in financial instruments between categories is applied prospectively as of the date of change in the business model, without modifying any previously recognized income, such as interest or impairment losses.

When any reclassification is made in accordance with the aforementioned, Genera must inform the Banking Commission of this fact in writing within 10 business days of its determination, explaining in detail the change in the business model. This change must be authorized by the Genera Risk Committee.

A financial instrument is measured at amortized cost if it meets both of the following conditions and is not classified as measured at fair value through income:

- ▶ the financial instrument is held within a business model whose objective is to hold the financial instruments to collect contractual cash flows; and
- ▶ the contractual terms of the financial instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (Solely Payment of Principal and Interest, or SPPI).

A debt investment instrument is measured at fair value through changes in other comprehensive income (OCI) if it meets both of the following conditions and is not classified as measured at fair value through changes in income:

- ▶ the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ▶ the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

All financial instruments not classified as measured at amortized cost or fair value through changes in other comprehensive income (ORI) as described above are measured at fair value through changes in income. This includes all derivative financial instruments (see numeral (ii) of this note).

Financial instruments: Business model assessment –

Genera performs an assessment of the objective of the business model in which a financial instrument is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- ▶ the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on collecting contractual interest income, maintaining a particular interest rate profile or matching the duration of financial instruments to the duration of any related liabilities that such instruments are financing or expected cash outflows or realizing cash flows through the sale of the instruments;
- ▶ how the portfolio performance is evaluated and reported to Bank Management;
- ▶ the risks that affect the performance of the business model (and the financial instruments held within that business model) and, in particular, how those risks are managed;
- ▶ how business managers are compensated (e.g. whether compensation is based on the fair value of instruments managed or on contractual cash flows collected); and
- ▶ the frequency, volume and timing of sales in previous periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial instruments to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with Genera's continuing recognition of the instruments.

Financial instruments that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value through changes in income.

Financial instruments: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI) –

For the purposes of this assessment, "principal" amount is defined as the fair value of the financial instrument on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), Genera considers the contractual terms of the instrument. This includes assessing whether a financial instrument contains a contractual condition that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, Genera considers:

- ▶ contingent events that would change the amount or timing of cash flows;
- ▶ terms that may generate leverage;
- ▶ terms that refer to the time value of money, such as adjusting the coupon rate, including variable rate characteristics;
- ▶ terms that generate implicit derivative instruments, or changes in their terms and conditions, by indexation to variables outside the nature of the contract;
- ▶ prepayment and extension features; and
- ▶ terms that limit Genera's right to cash flows from specified instruments (e.g. "non-recourse" features).

A prepayment feature is consistent with solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional offsets for early termination of the contract. In addition, in the case of a financial instrument purchased at a significant discount or premium to its contractual par amount, a feature that allows or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for an early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at the initial recognition.

Financial instruments: Subsequent measurement and profit and loss –

Negotiable Financial instruments (NFI)	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in income (FVTPL). However, see letter (i) of this note for derivatives designated as hedging instruments.
Financial instruments to collect principal and interest (FICPI)	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in income. Any gain or loss on derecognition is recognized in income.
Financial instruments to collect or sell (FICS)	These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, gains and losses from translation of foreign currency and impairment are recognized in income. Other net gains and losses are recognized in OCI (FVTOCI). At the time of derecognition, the gains and losses accumulated in OCI are reclassified to income.
Stock investments through OCI	These assets are then measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income.

iii. Derecognition

Genera derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Genera enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized (see letter (ii) of this note).

iv. Impairment

Genera evaluates from its initial recognition the expected credit losses (ECL) of the FICS and the FICPI, which are determined considering the level of expected recoverability that corresponds to the different FICS and recognizes the effect of the loss, based on the amortized cost of the FICS and the FICPI. Since the fair value of the FICS already recognizes impairment for expected credit losses, the Bank does not create an estimate that reduces the fair value of the FICS; therefore, the effect is recognized in net profit or loss, affecting the value of the FICS before recognizing the effect on OCI by fair value valuation. For FICPIs, the ECL determined is recognized affecting the fair value of the FICPI. This does not affect NFIs, since the question of collectability does not arise in the absence of the intention to collect and because the market value therein generally captures the effects of expected credit losses therein.

ECLs are the average weighted by the probability of credit losses and are measured as the present value of cash shortfalls. When estimating ECLs, Genera considers reasonable and sustainable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on Genera's historical experience and on an informed credit assessment and including forward-looking information.

Genera monitors that the ECL for the impairment of the securities issued by a counterparty, is consistent with the impairment determined for loans that are granted to the same counterparty.

In the event that there are favorable changes in the credit quality of the FICS that are duly supported based on observable subsequent events, the already recognized ECL is reversed in the period in which such changes occur, against the net profit or loss of the period, as a previously recognized ECL reversal.

Transactions date value-

The acquired securities that are agreed to settle at a later date up to a maximum period of four business days following the trade date of the purchase and sale operation, are recognized as restricted securities, while the securities sold are recognized as securities to be delivered, reducing investments in securities. The counterparty shall be a settlement account, creditor or debtor, as appropriate. When the amount of securities to be delivered exceeds the balance of securities in its own position of the same nature (governmental, banking, stock and other debt securities), it is presented in the liability under the caption "Assigned securities to be settled".

(e) Loan portfolio-

The loan portfolio consists of financing granted to clients by Genera through loan agreements, which are recognized when they are originated.

The loan portfolio includes:

Loan portfolio valued at amortized cost. The business model of this loan portfolio is to keep it to collect contractual cash flows and the terms of the contract provide for cash flows on pre-established dates, which correspond only to principal and interest payments on the amount of outstanding principal. It is initially recognized at fair value which corresponds to the transaction amount, that is, the net amount financed resulting from adding to or subtracting from the original amount of credit, insurance financed, transaction costs, commissions, interest and other items charged in advance. For subsequent recognition, the loan portfolio is valued at its amortized cost. Amortized cost corresponds to the present value of contractual cash flows receivable from the loan portfolio, plus transaction costs to be amortized, using the effective interest method and subtracting the allowance for loan losses.

The transaction costs referred to include the credit assessment of the debtor, preparation and processing of credit documentation, as well as the proportion of compensation to employees directly related to the time invested in the development of those activities.

Classification of the loan portfolio

The loan portfolio is presented in the categories of commercial and consumer, as described below:

Commercial loans. It includes direct loans granted to entities or individuals with business or commercial activity other than interbank loans with a term of less than three business days.

Consumer loans. It includes direct loans, as well as the interest they generate, granted to individuals, derived from personal loans and microcredits.

The granting of commercial and consumer loans is based on the analysis of the client's request and consultations in credit information societies. In some cases, as required, the analysis of the financial situation of the borrower is made the other general characteristics established in the applicable laws, manuals and internal policies of Genera.

The control of consumer loans is carried out through periodic visits to the client by Genera staff, as well as through the daily monitoring of payments received through the system, so that the assigned personnel follow up on loans with arrears.

Loans are collected weekly, biweekly or monthly. According with the contracted credit, clients make loan payments through deposits in banking accounts contracted by Genera with other multiple banking institutions solely for that purpose, as well as its correspondents to conduct this type of operations and through its branch offices.

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

Credit lines

In the case of credit lines that Genera has granted, in which not all the authorized amount is exercised, the unused part thereof is recognized in memorandum accounts as "Credit commitments".

As of December 31, 2022, Genera had mainly a portfolio of short-term consumer loans in Mexican pesos.

In the event that Genera sells previously written-off loan portfolio, Genera's policy corresponding to this process provides that the participants in it are unrelated parties with the purpose of obtaining the best possible market price. In addition, both an economic and reputational evaluation of each participant is carried out for decision making. During the year ended December 31, 2022, Genera did not carry out loan portfolio sales.

In the case of sale, cession or derecognition of financial assets, where substantially all the risks and rewards of the financial assets are transferred, Genera derecognizes such financial assets from its consolidated financial statements, recognizes the amount received in the transaction and recognizes the gain or loss on the transaction in consolidated income for the year.

Loan portfolio business model

Business model determination for the loan portfolio is based on the history of how Genera manages it. Genera considers the following:

- a) The way in which the performance of the loan portfolio on returns associated with contractual collection is determined and informed to the person in charge of approving the model (CEO).
- b) The risks that affect the performance of the business model and the loan portfolio and how those risks are managed.
- c) The guidelines on which the remuneration of the credit management is based, which is based on collecting its contractual flows.

As of January 1, 2022, Genera carried out the evaluations corresponding to the terms and characteristics of the credit agreements that only foresee flows containing principal and interest through templates preparing an evaluation test to the credit agreements, including all general aspects and the results were validated and approved by the CEO. Therefore, Genera documented the evidence with which it determines that the loan portfolio complies with the assumption that the cash flows of the contract correspond solely payments of principal and interest. Genera determined that its model for classifying the loan portfolio based on the objective complies with its established policies.

Reclassifications of the revaluation method

As of December 31, 2022, Genera did not reclassify the valuation method of business model.

Restructurings

The following are considered restructurings of loan portfolio operations:

Restructurings. It is a renegotiation from which any modification to the original conditions of the credit is derived, among others, the following:

- change in the interest rate established for the remaining term of the loan;
- granting a waiting period in respect of the fulfilment of payment obligations in accordance with the original terms of the loan;
- extension of the term of the loan;
- Modification to the agreed payment scheme.

For restructurings, with which the original loan is partially settled, Genera recognizes a profit or loss for the difference between the cash flows of the new loan discounted at the original effective interest rate and the carrying value of the original loan at the date of the renegotiation, without considering its allowance for credit losses.

For the purposes of the foregoing, book value is considered the amount effectively credited, adjusted for accrued interest, principal and interest charges, as well as for the write-downs, cancellations and discounts that have been granted, and where appropriate the income or financial expenses to accrue.

For the determination of the effective interest rate of the new loan, consequence of the restructuring, the financed amount is added the transaction costs incurred and the result is taken as a basis to apply the original effective interest rate. Transaction costs are recognized as a deferred charge or credit, respectively, and are amortized over the remaining life of the loan.

Credit risk level of the loan portfolio

The loan portfolio is periodically evaluated to determine the credit risk, which represents the potential loss due to the non-payment of a borrower or counterparty in the operations carried out by Genera. The credit risk level of the loan portfolio is classified in stages that are, in ascending order in their risk level, Stage 1, Stage 2 and Stage 3.

Stage 1

It refers to a loan portfolio whose credit risk has not increased significantly since its initial recognition until the date of the financial statements, that is, it is not in the assumptions to be considered in stages 2 and 3 mentioned below.

Additionally, in accordance with the Provisions for the determination of the allowance for credit losses, the Bank considers the following criteria to define when loans are in Stage 1:

- ▶ On non-revolving consumer loans (Personal and Others), when they are up to one month late.
- ▶ In the case of microcredits, when they are up to one month late.
- ▶ In the case of a commercial loan portfolio, when it presents arrears less than or equal to 30 calendar days (one calendar month).

Stage 2

It includes loans that have shown a significant increase in risk since their initial recognition and to date of the financial statements according to the models for calculating the allowance for loan losses.

Additionally, in accordance with the provisions of the Provisions for the determination of the allowance for credit losses, Genera considers the following criteria to define when the loans are in Stage 2:

- ▶ For non-revolving consumer loans, when they present arrears of more than one month and up to three months or their equivalences.
- ▶ Microcredits, when they present arrears of more than one month and up to three months or their equivalences.
- ▶ Commercial loan portfolio, when it presents arrears greater than 30 calendar days (one calendar month) and less than 90 calendar days (three calendar months).

Loans that have fully settled outstanding balances while in stage 2, or that have been restructured or renewed have complied with the sustained payment, are reclassified to stage 1.

Stage 3

It corresponds to the loan portfolio with loan impairment originated by the occurrence of one or more of the events, which have a significant impact on the future cash flows of such loans. Specifically, the following appropriations at this stage are considered:

1. Those for which Genera is aware that the accredited has been declared in bankruptcy.

Without prejudice to the provisions of the foregoing, the loans that continue to receive payment in terms of the provisions of section VIII of article 43 of the Law on Commercial Bankruptcy (LCM for its acronym in Spanish), as well as the loans granted under article 75 in relation to sections II and III of article 224 of the aforementioned Law, They are transferred to loan portfolio with credit risk stage 3 when they incur the assumptions provided for in numeral 2 below.

2. In the case of non-revolving consumer loans and microcredits, which have been partially paid, when the maturities of their debts are as follows:
 - a. Partial periodic payments of principal and interest, when they present 90 calendar days (three calendar months) or more than overdue in principal or interest.

For consumer loans in which the payment conditions established in the contract establish payments with periodicity of less than one calendar month, Genera considers the following equivalences:

PERIODICITY OF CONTRACTUAL PAYMENT	EQUIVALENCE	
	90 days	120 days
Weekly	More than 4 weeks and more than 13 weeks	-
Fortnightly	More than 6 fourteen and more than 8 fourteen	-
Biweekly	-	More than 8 fortnights
Monthly	More than 2 months	-

Likewise, if the fixed period expires on a non-working day, that period shall be deemed to have ended on the first following working day.

Additionally, in accordance with the Provisions for the determination of the allowance for loan losses, Genera considers the following criteria to define when the loans are in Stage 3, which are mentioned below:

- ▶ For non-revolving consumer loans when it presents arrears greater than three months.
- ▶ Microcredits, when they are more than three months in arrears.
- ▶ Commercial loan portfolio, if it has arrears greater than or equal to 90 calendar days (3 calendar months).

Loans that have fully settled outstanding receivables during stage 3, or which, having been restructured, have complied with sustained payment, are reclassified to stage 1.

Effect of restructuring on the level of credit risk.

Stage 2 or stage 3 credit risk loans that are restructured are not reclassified to a stage with lower credit risk as a result of their restructuring, as long as there is no evidence of sustained payment.

Loans with credit risk stages 1 and 2, which are restructured, without at least 80% of the original term of the credit having elapsed, may remain in the same category, only when:

- a) the borrower has covered all the interest accruing at the date of the restructuring, and
- b) the borrower had covered the principal of the original amount of the credit, which at the date of the restructuring should have been covered.

In the case of loans with credit risk stages 1 and 2, which are restructured during the course of the final 20% of the original term of the credit, they must be transferred to the next immediate category with greater credit risk, unless the creditor has:

- a) settled all interest accrued at the date of restructuring;
- b) covered the principal of the original amount of the credit, which at the date of the restructuring should have been covered, and
- c) covered 60% of the original amount of the credit.

If the conditions described in the preceding paragraphs are not met, as appropriate, the credit must be transferred to the next immediate category with the greatest credit risk from the moment it is restructured or renewed and until there is evidence of sustained payment.

The requirement referred to in the preceding paragraphs in their corresponding subparagraphs (a) shall be deemed fulfilled when, having covered the interest accrued on the last cut-off date, the period elapsed between that date and the restructuring does not exceed the minor between half of the current payment period and 90 days.

Loans with credit risk in stage 1 or stage 2 that are restructured on more than one occasion, are transferred to portfolio with credit risk in stage 3, except when Genera has elements that justify the debtor's ability to pay. In the case of commercial portfolio, such elements are duly documented and integrated into the credit file.

When there is an outstanding balance corresponding to the profit or loss due to the renegotiation effect and the loan must be transferred to a loan portfolio with stage 3 credit risk in accordance with the previous paragraph, the entity must recognize that balance in the result of the year.

Loans classified as stage 2 credit risk as a result of a restructuring are periodically evaluated to determine whether there is an increase in their risk that causes them to be transferred to credit risk stage 3, as described in the first paragraph of subsection "Stage 3" of this note.

Loans are not transferred to a category with greater credit risk, as a result of their restructuring, if at the date of or the operation they present payment fulfillment for the total amount of principal and interest due and only modify one or more of the original conditions of the credit:

- ▶ Interest rate: when the agreed interest rate is improved to the creditor.
- ▶ Payment date: only in the event that the change does not involve exceeding or modifying the periodicity of payments. In no case does the change in the payment date allow the omission of payment in any period.

The accumulation of accrued interest on credit operations must be suspended at the moment when the outstanding balance of the credit is considered as having stage 3 credit risk. Likewise, the outstanding balance of the transaction costs must be recognized, and if any, the effect of the profit or loss in renegotiation pending amortization against the results of the year.

As long as the loan is held in a portfolio with stage 3 credit risk, interest control is carried out in memorandum accounts. In the event that such interest is charged, it is recognized directly in the consolidated results for the year under the caption "Interest income".

When interest recorded in memorandum accounts in accordance with the preceding paragraph is written-down or written-off, it is cancelled from memorandum accounts without affecting the caption of the allowance for loan losses.

Sustained payment of the loan.

It is considered that there is sustained payment when the creditor covers the total amount of principal and interest payable without delay in the case of amortizations less than or equal to 60 days, a minimum of three consecutive amortizations of the credit payment scheme is covered.

The advance payment of the amortizations of restructured loans is not considered sustained payment.

The loans that as a result of a restructuring are transferred to a category with greater credit risk, until they prove sustained payment and consequently be transferred to the next immediate stage with less credit risk except in the case of restructured loans that have been granted for a term less than or equal to 6 months and that are not restructured consecutively for the same term, which must comply with the following: sustained payment of the credit is credited when the creditor covers the total amount of principal and interest payable without delay, with a minimum of three consecutive amortizations of the credit payment scheme in the case of amortizations less than or equal to 60 days, or the payment of two amortizations in the case of loans with periods of between 61 and 90 calendar days, and in the case of loans with amortizations that cover periods greater than 90 calendar days, the payment of an amortization.

Recognition of revenues, costs and expenses

The effective interest determined by applying the effective interest rate is recognized as accrued. Effective interest includes the accrual of portfolio interest, presented in the consolidated statement of comprehensive income under the caption "Interest income", as well as the amortization of transaction costs for the granting of credit presented under the caption "Interest expense".

The price of the transaction must be quantified, which corresponds to the net amount financed, which results from adding or subtracting from the original amount of the credit, the insurance that has been financed, the transaction costs and interest. This transaction price shall be the basis of the loan portfolio in the initial recognition and shall be the basis for applying the effective interest method at the effective interest rate; that is, it is the basis for calculating the amortized cost of the loan portfolio for subsequent recognition.

The balance in the loan portfolio will be the amount actually granted to the borrower and will be recorded independently of the transaction costs, which will be recognized as a deferred charge and must be amortized against the results of the year during the life of the credit, according to the effective interest rate.

Any other expense that is not associated with the granting of the credit such as those related to promotion, advertising, potential customers, administration of existing loans (follow-up, control, recoveries, etc.) and other auxiliary activities related to the establishment and monitoring of credit policies, will be recognized directly in the results of the year as they accrue in the item that corresponds to them according to the nature of the expense.

To determine the effective interest rate, Genera does the following:

1. Determines the amount of estimated future cash flows to be received. It consists of adding the principal and interest that will be received according to the credit payment scheme, during the contractual term.
2. Determine the effective interest. It is the result of subtracting from the estimated future cash flows to be received, the net financed amount determined as described in the previous paragraph.
3. Determine the effective interest rate. It represents the ratio of actual interest to net amount financed.

The commissions recognized after the granting of credit that are generated as part of the arrears of such loans, are recognized against the results of the year as they accrue.

(f) Deferred items

It is integrated by the net amount between transaction costs for granting credit.

(g) Allowance for loan losses-

The determination of the allowance for loan losses of each category of the loan portfolio is made based on the general methodologies established in the provisions, which are based on the expected credit loss model, which is determined by multiplying the Probability of Default (PD) by the product of the Loss Given Default (LGD) and Exposure at Default (ED).

The Probability of Default is the probability expressed as a percentage of either or both of the following circumstances occurring in relation to a specific debtor:

- a) The debtor is in arrears for 90 calendar days or more with respect to any credit obligation to Genera, or such credit obligation meets the assumptions to be classified with stage 3 credit risk, described above.
- b) It is considered likely that the debtor will not pay all of its credit obligations to Genera.

The Loss Given Default in case of Default corresponds to the intensity of the loss in case of default expressed as a percentage of the Exposure at Default, once the value of the guarantees and the costs associated with the processes of realization (judicial, administrative collection and deed, among others) have been taken into account.

Exposure at Default is the expected gross reserve position of the credit transaction if the debtor defaults. The Exposure at Default may not be less than the amount disposed of for the transaction at the time of calculation of the capital requirement.

On the loans with credit risk in stage 3 that are subject to restructuring Genera does not capitalize the accrued interest not previously recorded in memorandum accounts.

Commercial loan portfolio-

The calculation of allowance for loan losses of the commercial loan portfolio is carried out in accordance with the general methodology established by the Commission, which initially considers the level of credit risk in which the loans are classified, which for Genera are classified as legal entities and individuals with business activity with net income or annual net sales less than the equivalent in Mexican pesos to 14 million UDIS.

The calculation of the PD of commercial loans is carried out in accordance with the Provisions, according to each of the groups described above, which consists of evaluating quantitative and qualitative factors of the borrower and assigning them a credit score, which is totalized and used to calculate the PD.

For the calculation of the LGD, if the loans lack coverage of real guarantees, personal or derived from credit, it is determined according to the elapsed months of delay, depending on the group to which they belong, likewise, the determination of the LGD is considered through a differentiated calculation for the loans of borrowers that have been declared in bankruptcy.

The ED, in the case of uncommitted credit lines that are unconditionally cancelable or that allow automatic cancellation at any time and without prior notice from Genera, corresponds to the unpaid balance of the loan.

The loan portfolio with legal entities and individuals with business activity, with net income or annual net sales of less than 14 million UDIS is qualified through the application of the methodology described in Annexes 20 and 21 of the Provisions. This methodology is based on the expected loss model for credit risk, considering the probability of default, loss given default and exposure at default.

Consumer loan portfolio-

The allowance for loan losses of the consumer loan portfolio is determined in accordance with the general methodology established by the Commission, which initially considers the level of credit risk at which the loans are classified.

The calculation of the non-revolving consumer loan portfolio allowance for loan losses corresponding considers the following: (i) amount due, (ii) payment made, (iii) delay, (iv) seniority of the borrower in Genera, (v) seniority of the borrower with institutions, (vi) amount to be paid to Genera, (vii) amount payable reported in the credit information societies, (viii) balance reported in the credit information societies, (ix) indebtedness, (x) monthly income of the creditor, (xi) original amount of the credit and (xii) balance of the credit.

Degree of risk of allowance for loan losses

The allowance for loan losses constituted by Genera are classified according to their degree of risk, according to the following table:

ALLOWANCE FOR LOAN LOSSES PERCENTAGE RANGES

Degree risk	Consumer			
	Non-Revolving		Commercial	
	From	To	From	To
A-1	0%	2.0%	0%	0.90%
A-2	2.01%	3.0%	0.91	1.5%
B-1	3.01%	4.0%	1.51	2.0%
B-2	4.01%	5.0%	2.01	2.5%
B-3	5.01%	6.0%	2.51	5.0%
C-1	6.01%	8.0%	5.01	10.0%
C-2	8.01%	15.0%	10.01	15.5%
D	15.01%	35.0%	15.51	45.0%
E	35.01%	100%	45.01	100%

Write-offs, eliminations and recoveries of loan portfolio –

Genera periodically evaluates whether a consumer loan with risk credit in stage 3 should remain in the statement of financial position or be written-off. To this end, Genera has the policy of writing-off consumer loans pending collection that have 180 days after being considered as stage 3, since, during this period, once the recovery procedures have been exhausted, their practical impossibility of collection is determined, except in cases where the Administration determines that a credit or group of loans must be written-off prior to this period of days. This write-off is carried out during the first days of each month, considering the loans that meet this term until the last day of the immediately preceding month, canceling the unpaid balance of the credit against the allowance for loan losses. In the event that the balance of the credit to be written-off exceeds that corresponding to its associated estimate, before making the write-off, such estimate is increased up to the amount of the difference. The write-off is recognized by canceling the balance of the credit determined by the Administration, against the allowance for loan losses. When the credit to be written-off exceeds the amount of the estimate, before making the write-off, Genera recognizes an estimate up to the amount of the difference.

In the case of commercial loans, the write-off policy is adjusted to the moment in which its practical impossibility of recovery is determined.

In any case, Genera has evidence of the formal collection procedures that have been exercised with respect to these loans, as well as the elements that prove the practical impossibility of recovering the credit in accordance with its internal policies established in the credit manual.

Any recovery derived from loans written-off or eliminated from the consolidated statement of financial position is recognized in the consolidated results of the year under the caption "Allowance for loan losses".

The costs and expenses incurred for the recovery of the loan portfolio must be recognized as an expense under the caption of "Other income (expenses) of the operation".

Write-downs, cancellations and discounts on the loan portfolio

The write-downs, cancellations and discounts on the amount reduced of the payment of the credit in partial or total form that Genera makes to the borrowers will be made by canceling the unpaid balance of the credit against the allowance for loan losses associated with the credit and, if this is less than the amount forgiven, Genera previously constitutes estimates up to the amount of the difference.

The cancellation of the allowance for loan losses on the write-downs, cancellations and discounts on the loan portfolio is applicable to the amounts forgiven derived from increases in credit risk, otherwise they must be reduced from the income that gave rise to it.

Cancellation of surpluses in the allowance for loan losses-

The excess of the allowance for loan losses must be canceled from the statement of financial position against the results of the year, affecting the caption "Allowance for loan losses".

(h) Other accounts receivable, net-

They represent, among others, employee debts, correspondents' debts, income tax balances and other accounts directly related to the loan portfolio, , which an allowance for doubtful receivables is determined based on the same percentage of risk assigned to the associated loan.

For other accounts receivable, the practical solutions referred to in MFRS C-16 "Impairment of financial instruments receivable" are used, through the constitution of estimates for the total amount of the debit and that do not exceed the following terms:

- a) 60 calendar days after their initial registration, where they correspond to unidentified debtors, and
- b) 90 calendar days after their initial registration, when they correspond to identified debtors.

No estimate of expected credit losses shall be constituted by:

- a) tax balances, and
- b) creditable Value Added Tax.

Management considers that the allowance for expected credit losses is sufficient to absorb losses in accordance with the policies established by Genera.

(i) Property, furniture and equipment-

Property, furniture and equipment 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's Management. The total useful lives and annual depreciation rates of the main asset groups are mentioned below:

	Years	Depreciation rate
Constructions	5 years	20%
Office furniture and equipment	10 and 20 years	10% and 5%
Transport equipment	4 years	25%
Computer equipment	1.5 to 3.3 years	15% to 67%
Other:		
Adaptations and improvements	*	*
Telecommunications equipment	10 years	10%

*The rate and years of amortization for adaptations and improvements is in accordance with the term of the lease of each property.

(j) Leases-

At inception of a contract, Genera assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in MFRS D-5.

To assess whether a contract transfers control of the right to use an identified asset, Genera assesses whether:

1. the contract involves the use of an identified asset; This can be specified explicitly or implicitly, and must be physically distinct or substantially represent the entire capability of a physically distinct asset. If the supplier has a substantial right of substitution, then the asset is not identifiable;
2. Genera is entitled to substantially all economic benefits from the use of the asset throughout the period of use; and

3. Genera has the right to direct the use of the asset. Genera has this right when it has the right to make the most relevant decisions to change how and for what purpose the asset is used. In exceptional cases where the decision on how and for what purpose the asset is used is predetermined, the Genera has the right to direct the use of the asset if:

- Genera has the right to operate the asset; or
- Genera designed the asset in a way that predetermines how and for what purpose it will be used.

At commencement or on modification of a contract containing a lease component, Genera allocates the consideration in the contract to each lease or service component on the basis of their relative independent prices. However, for property leases, Genera has chosen not to separate non-lease components and to account for lease and non-lease components as a single lease component.

Genera recognizes a right-of-use asset and a lease liability on the lease commencement date. Right of use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made on or before the start date, plus initial direct costs incurred and an estimate of the costs to dismantle or restore the underlying asset or the site on which it is located, minus the lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of the underlying asset to Genera at the end of the lease term or the right-of-use asset cost reflects that Genera will exercise a call option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if applicable, and adjusted for certain new valuations of lease liabilities such as changes in the amount of inflation adjusted rent.

Lease liabilities are initially measured at the present value of lease payments that are not paid on the start date, discounted using the interest rate implied in the lease or, if that rate cannot be easily determined, Genera's incremental financing rate. Generally, Genera uses its incremental interest rate as a discount rate.

Genera determines its incremental rate of financing by obtaining interest rates from various sources of external financing and makes certain adjustments to reflect the terms of the lease (such as lease term and currency in which payments are denominated) and the type of leased asset.

Lease payments included in the valuation of lease liabilities include the following:

- ▀ fixed payments, including in-substance fixed payments.
- ▀ variable lease payments dependent on an index or rate, initially valued using the index or fee on the start date.
- ▀ amounts expected to be paid under a residual value guarantee; and
- ▀ the exercise price under a call option that Genera is reasonably certain to exercise, lease payments in an optional renewal period if Genera is reasonably certain of exercising an extension option, and penalties for early termination of a lease unless Genera is reasonably certain not to terminate early.

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Genera's estimate, of the amount expected to be paid under a residual value guarantee, if Genera changes its assessment of whether it will exercise a call option, extension or termination or if there is a revised in-substance fixed payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Additionally, under MFRS D-5, an expense for depreciation or amortization of right-of-use assets and an interest expense on lease liabilities are recognized. Modifies the presentation of related cash flows as cash flow outflows from operating activities are reduced, with an increase in cash flow outflows from financing activities.

As of December 31, 2022, transportation equipment lease assets and liabilities were valued at the present value of future payments for each lease, discounted at the implied interest rate; For all other leases, with reasonably similar characteristics, the single rate used to discount future payments is the incremental financing rate.

(k) Permanent investment-

Permanent investments in associated companies, in which Genera has no significant influence or control, are valued using the equity method based on the financial statements of the issuing companies as of December 31, 2022.

The other permanent investments made by Genera are recorded at cost.

Goodwill

Goodwill represents future economic benefits arising from other acquired assets that are not individually identifiable or separately recognized and is recognized under the caption "Goodwill". Goodwill is subject to impairment testing at the close of the reporting period and when there is an indication of impairment.

(l) Long-lived assets available for sale-

Long-lived assets are classified as intended to be sold if they meet all the following requirements:

- i) Genera's governance that approves this activity has committed to a sales plan.
- ii) The assets are available for immediate sale, in their current conditions, subject exclusively to the usual and customary terms for the sale of those assets and their sale is highly probable.
- iii) Actions to locate the buyer and other activities to complete the plan are underway. If the buyer is not located, at least the potential market has been identified.
- iv) It is expected that the sales plan will be completed in less than a year. This requirement is not met in the cases in which the entity enters into sales agreements that are essentially purchase options and sale contracts with a return lease. An extension of the one-year period to complete the sale does not prevent the asset from being classified as held for sale, if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed with a plan to sell the asset.
- v) There is an adequate estimate of the prices to be received in exchange for the asset or group of assets.

- vi) It is not probable that there will be significant changes to the sale plan or it will be canceled. Assets for sale that meet the requirements of the preceding paragraph, are evaluated on the date of approval of the sale plan at their net book value or the net sale price, the lower. If applicable, the impairment loss should be applied to the results of the year.

(m) Income tax (IT) and employee statutory profit sharing (ESPS)-

The current IT and ESPS are determined according to current tax legislation.

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 loss carryforwards and other recoverable tax credit.

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 consolidated results of the period in which they were enacted.

The current and deferred IT are presented and classified to the consolidated results of the period, except for those originated from a transaction that was recognized directly in stockholders' equity under the caption "Other Comprehensive Income (OCI)". The caused and deferred PTU is incorporated under the caption "Administrative and promotional expenses" in the "Consolidated Statement of Comprehensive Income".

(n) Prepayments and other assets-

The caption consists mainly of guarantee deposits, insurance and expenses paid in advance, intangibles, goodwill and deferred ESPS. The amortization is made during the term of each transaction in a straight line.

Advance payments as of December 31, 2022 are not subject to impairment losses or impairment loss reversals, as they still have the capacity to generate future economic benefits.

(o) Intangible assets

Intangible assets with defined useful lives mainly include the development of an electronic system for the registration and control of banking operations, licenses and software, which began its full use in May 2014. Intangible assets with a defined useful life are recorded at their acquisition or development cost and amortized in a straight line, based on the useful life of the intangibles estimated by Genera's Management.

(p) Impairment of long-lived assets-

Genera periodically assesses the updated carrying amounts of property, furniture and equipment, 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 updated 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 financial statements at the lower of updated 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.

(q) Deposit funding-

This caption includes demand deposits, time deposits, debt securities issued and global account of deposits with no movements are recorded at placement cost, plus interest expense, determined using the straight-line method as accrued within the caption the caption "Interest expense".

If in the course of three years from the time the resources are deposited in the global collection account without movements, the amount of which does not exceed on account, the equivalent of three hundred units of measurement and updating (UMAS for its acronym in Spanish), they will prescribe in favor of the patrimony of the public charity, Genera will be obliged to pay the resources corresponding to the public charity within a maximum period of fifteen days counted from December 31 of the year in which the envisaged assumption described above is fulfilled.

Additionally, it includes the credit titles issued (Financial Instrument Payable), which are initially recognized:

- a) the transaction price for financing received, adding or subtracting issuance expenses, such as commissions, fees and fees and interest,
- b) The future value of the estimated cash flows to be paid for contractual principal and interest over the remaining term of the Financial Instrument Payable (FIP) is determined.
- c) The effective interest rate is determined based on the provisions of MFRS C-19 "Financial Instruments Payable", which is calculated considering the relationship between the amounts determined in the two previous paragraphs,
- d) Genera evaluates whether the given rate is within the market, comparing it with an interest rate that considers the value of money over time and the inherent payment risks for similar financing, to which it has access.
- e) Only if the market interest rate is substantially different from the effective rate, should the market rate be used as the effective interest rate in the valuation of the instrument, recognizing in the net profit or loss the effects that occur in the value of the FIP by the change in interest rate.

After the initial recognition, Genera values the FIPs at their amortized cost. Amortized cost includes, but is not limited to, increases for actual accrued interest and provisions for principal and interest payments. Actual interest is recognized in the period accrued in the consolidated statement of comprehensive income for the year, under the caption "Interest expense".

Those securities placed at a price other than the nominal value must recognize a credit or deferred charge for the difference between the nominal value of the security and the amount of cash received by it, and must be recognized in the consolidated results of the year as an income or interest expense as accrued, taking into account the term of the title that gave rise to them.

(r) Banking and other borrowings-

This caption refers to borrowings obtained from banks and financing from development banking institutions and development funds aimed at financing the country's economic, productive or development activities, in Mexican pesos or foreign currency. The borrowings are recorded at the contractual value of the obligation, those denominated in foreign currency were converted at the exchange rate published by the Central Bank, recognizing the contractual interest in results as they accrue under the caption "Interest expense".

The balance of unused credit lines received is recorded in memorandum accounts.

Borrowings must be recognized initially at the transaction price, transaction costs must be added or subtracted, as well as other items paid in advance, such as commissions and interest, Genera must determine the future value of the estimated cash flows that will be paid for principal and contractual interest, during the remaining term of the loan or in a shorter term, if there is a probability of prepayment or other circumstance that requires using a shorter term.

Genera must determine the effective interest rate, for the calculation Genera must estimate the expected cash flows considering all the contractual terms of the FIP (such as prepayment, extension, early repayment and other similar options), additionally, it must evaluate if the determined effective interest rate is within the market, comparing it with an interest rate that considers the value of money over time and the inherent payment risks for similar financing, to which the entity has access.

If Genera receives a borrowing with a contractual interest rate that is substantially out of market, but an upfront commission is paid at the start of the loan when determining the effective interest rate based on the preceding paragraphs, and such commission must be taken into account.

Borrowings obtained by Genera for the year ended December 31, 2022 were not subject to transaction costs.

(s) Other accounts payable-

Other accounts payable include provisions, miscellaneous creditors for the provision of goods and services, carry-over VAT and other taxes and contributions payable.

Genera's liabilities are valued and recognized in the consolidated statement of financial position, for this purpose they must comply with the characteristic of being a present obligation, where the transfer of assets or presentation of services is likely, arises as a result of a past event and their amount and maturity are clearly established.

Genera recognizes a provision when its amount or maturities are uncertain and the following conditions are met: a) there is a present obligation resulting from a past event in charge of Genera, b) it is likely that the outflow of economic resources will occur as a means to settle such obligation and c) the obligation can be reasonably estimated. These provisions have been recorded under the best estimate made by Management.

(t) Employee benefits-

The benefits granted by Genera to its employees are described below:

Short-term direct benefits-

Short-term direct benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if Genera has a legal or assumed obligation to pay this amount as a result of the past services provided and the obligation can be reasonably estimated.

Long-term direct benefits-

Genera's net obligation in relation to the direct long-term benefits and which is expected to pay at least twelve months after the date of the most recent consolidated statement of financial position presented, is the amount of future benefits that the employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in income in the period in which they are accrued.

Termination benefits -

A liability is recognized for termination benefits along with a cost or expense when Genera has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when conditions that require the recognition of restructuring costs are met, whichever occurs first. If benefits are not expected to be settled within twelve after the date of the most recent consolidated balance sheet presented, then they are discounted.

Post-employment benefits-

Genera has implemented a pension plan, which purpose is that the personnel at retirement receive additional income through this plan.

The retirement pension plan that was established is a mixed scheme in which the benefit granted to staff is derived from two components which are mentioned below:

A. Defined contribution plan.

B. Defined Benefit Plans.

The defined contribution plan:

Defined contribution obligations are recognized in results as related services are provided by employees.

The defined contribution plan is funded by contributions from both Genera and employees.

Defined benefit plans:

Genera's net obligation for benefit plans defined by pension plans, seniority premium and termination of employment benefits is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current and previous years, discounting that amount and deducting from it, the fair value of the plan's assets.

The calculation of obligations for defined benefit plans is performed annually by actuaries, using the projected unit credit method. When the calculation results in a potential asset for Genera, the recognized asset is limited to the present value of the economic benefits available in the form of future repayments of the plan or reductions in future contributions to it. To calculate the present value of economic benefits, any minimum financing requirements should be considered.

The labor cost of the current service, which represents the cost of the benefit period to the employee for having completed an additional year of work life based on benefit plans, is recognized in operating expenses.

Genera determines the net interest expense (income) on the net defined profit liability (asset) for the period by multiplying the discount rate used to measure the defined benefit obligation by the defined net liability (assets) at the beginning of the reporting annual period, taking into account changes in net defined profit liabilities (assets) during the period as a result of estimates of contributions and payments of proceeds.

Modifications to plans that affect the cost of past services are recognized in the results immediately in the year in which the modification occurs, with no possibility of deferral in subsequent years. In addition, the effects of liquidation events or reduction of obligations in the period, which significantly reduce the cost of future services and/or significantly reduce the population subject to benefits, respectively, are recognized in the results of the period.

Remeasurements (formerly actuarial gains and losses), resulting from differences between projected and actual actuarial assumptions at the end of the period, are recognized in the period incurred as part of the "Remeasurements for defined employee benefits" caption within the OCI.

Genera is obliged to pay compensation to employees in the event of unjustified dismissal.

(u) 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.

(v) 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.

(w) Consolidated comprehensive income-

Comprehensive income comprises the net income and other comprehensive income, cumulative translation adjustment of subsidiaries, remeasurements for defined employee benefits and 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) Cumulative effect per conversion-

Represents the difference that results from converting foreign operations from their functional currency to the reporting currency.

(y) Revenue recognition-

Interest earned from cash and cash equivalents, investments in securities are recognized in the consolidated statement of comprehensive income as accrued, as per the effective interest method; while equity instruments are recognized at the time the right to receive payment is generated, against the consolidated results for the year.

The loan portfolio is valued at amortized cost because Genera's business model is recovery through the collection of cash flows in accordance with the terms and conditions established in the contracts.

The effective interest determined by applying the effective interest rate is recognized as accrued. Effective interest includes the accrual of portfolio interest, presented in the consolidated statement of comprehensive income under the caption "Interest income".

The price of the transaction must be quantified, which corresponds to the net amount financed, which results from adding or subtracting from the original amount of the credit, the insurance that has been financed, the transaction costs and interest. This transaction price shall be the basis of the loan portfolio in the initial recognition and shall be the basis for applying the effective interest method at the effective interest rate; that is, it is the basis for calculating the amortized cost of the loan portfolio for subsequent recognition.

The balance in the loan portfolio shall be the amount actually granted to the borrower and shall be recorded independently of the transaction costs, which shall be recognized in the consolidated statement of financial position as a deferred charge and shall be amortized and recorded in the consolidated statement of comprehensive income for the period during the life of the credit, according to the effective interest rate.

Income from sales of furniture and equipment is recognized in the consolidated statement of comprehensive 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.

Also considered income, the amortization of prizes won by placement of debt.

The commissions recognized after the granting of credit that are generated as part of the delay of such loans, are recognized against the results of the year as they accrue in the caption "Commissions and fees charged".

(z) 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 and the global account of deposits without movements, debt securities issued and banking and other borrowings, as well as the amortization of the transaction costs for granting the loan portfolio, the amortized cost to value debt securities issued and the effective interest method, though the effective interest rate.

(aa) Other operating income (expense)-

This caption includes income and expenses such as write-offs, donations, impairment losses of long-lived assets and result in the sale of furniture and equipment.

(bb) Earning or (loss) per share-

This caption represents the result of dividing the net result for the period by the weighted average of current shares during the period. For the year ended on December 31, 2022, the earnings per share is \$2.95 Mexican pesos.

(cc) Contributions to the Institute for the Protection of Bank Savings (IPAB-for its acronym in Spanish)-

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.

(dd) 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 Mexican pesos 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 accrual basis in the consolidated results of the year.

(ee) Financial intermediation result-

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 referred to in the preceding paragraph, as well as the valuation at fair value of trading securities.

(ff) Memorandum accounts-

The memorandum accounts record assets or commitments that are not part of Genera's consolidated statement of financial position since the rights to these are not acquired or such commitments are not recognized as liabilities of the entities as long as such eventualities do not materialize, respectively.

▮ Credit commitments:

The balance represents the amount of credit lines granted by Genera authorized not exercised.

▮ Uncollected accrued interest derived from stage 3 credit risk loan portfolio:

Uncollected accrued interest derived from loan portfolio with credit risk stage 3 is recorded, the amount of accrued interest not collected derived from loans held in portfolio with credit risk stage 3.

▮ Other memorandum accounts:

They consist mainly of credit lines received authorized not exercised by Genera (see note 26).

(gg) 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 certain.

(hh) 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 include: 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 29).

(ii) Derivatives-

Transactions with derivative financial instruments include those for trading purposes, which regardless of their intent, are recognized at fair value and their valuation effect is recognized in income.

(jj) Repurchase/resell agreements-

Repurchase/resell agreement transactions that do not comply with the terms established in MFRS C-14 "Transfer and deregistration of financial assets" are treated as financing with collateral according to the economic substance of such transactions and regardless of whether they are "cash oriented" or "value-oriented" repurchase/resell agreements. In "cash-oriented" transactions the intention as repurchasee is to obtain cash financing and the intention of the reporter is to invest her excess cash, and in the "values-oriented" transaction the reporter aims to access certain specific securities and the intention of the repurchasee is to increase the returns on their investments in securities.

Acting as repurchasee-

On the date of contracting the reporting operation, Genera recognizes the entry of cash or cash equivalents or a debtor settlement account, as well as an account payable initially measured at the agreed price presented in the caption "Creditors on repurchase/resell agreements", which represents the obligation to return such cash to the repurchaser. Throughout the term of the repurchase/resell transaction, the account payable is valued at its amortized cost by recognizing the interest per repurchase/resell transaction in the results of the year as accrued, according to the effective interest method, under the caption "Interest expense". The financial assets transferred to the repurchaser are reclassified in the consolidated statement of financial position, presenting them as restricted, and continue to be valued in accordance with the accounting criteria that correspond to the asset.

(4) ACCOUNTING CHANGES, RECLASSIFICATION AND MISSTATEMENT CORRECTIONS-

Accounting changes

Accounting criteria issued by the Commission

Amendments to the General Provisions applicable to credit institutions, including those related to the determination of allowance for loan losses and accounting

On December 27, 2017, the Commission announced, through the Official Gazette, in the Fourth Transitory Article of Article 105 amending resolution, which establishes the incorporation of new MFRS issued by the CINIF

within the accounting criterion A-2 "Application of Particular Standards" contained in Annex 33 of the Provisions, where the application and entry into force for credit institutions of the aforementioned MFRS as of January 1, 2019 was established, however, on November 4, 2019, the Commission announced through the Official Gazette the reform to the aforementioned transitory article that established its application and entry into from January 1, 2021, however, through a subsequent reform to such article published in the Official Gazette on December 4, 2020 and the publication of December 30, 2021, January 1, 2022 was established as the date of application and entry into force of such MFRS, as well as accounting changes presented below:

Modification to accounting criteria

The accounting criteria are amended as follows:

Series A — Criteria relating to the general outline of accounts for credit institutions

Series A — Criteria relating to the general outline of accounts for credit institutions		
A-1 Basic outline of the set of accounting criteria applicable to credit institutions	A-1 Basic outline of the set of accounting criteria applicable to credit institutions	No change.
		The following MFRS issued by the CINIF are added as applicable, establishing particularities in some of them: MFRS B-5 "Financial information by segments". (The impact is not material.) MFRS B-11 "Disposition of long-lived assets and discontinued operations" (The impact is not material). MFRS B-12 "Compensation of financial assets and liabilities" (The impact is not material). MFRS B-17 "Determination of fair value". Impact on the valuation of instruments that are not valued by a price provider. (The impact is not material.) MFRS C-2 "Investment in financial instruments". Impact on presentation given the classification of investments in financial instruments according to the business model and their valuation according to such model. (The impact is not material) MFRS C-9 "Provisions, contingencies and commitments". (The impact is not material.) MFRS C-13 "Related parties". (The impact is not material.) MFRS C-16 "Impairment of financial instruments receivable". It has an impact on the determination of impairment of financial instruments receivable principal and interest, according to risk stages 1 to 3. MFRS C-19 "Financial instruments payable". Its application to deposits, interbank loans, and other agencies (when applicable) is considered. MFRS C-20 "Financial instruments to collect principal and interest". Change in the valuation of the instruments that are considered under this business model and that previously applied a different valuation at amortized cost. (The impact is not material) MFRS D-1 Revenue from contracts with customers. (The impact is not material.) MFRS D-2 Costs for contracts with customers. (The impact is not material.) MFRS D-5 Leases. Impact on leases where Genera is a lessee because it recognizes the asset by right of use of the leased goods and recognizes the liabilities. In income, the right-of-use asset is depreciated according to the useful life, while the liability generates interest at the effective interest rate of the lease or market and liquidates it as it is paid.
A-2 Application of special rules	A-2 Application of special rules	
A-3 Application of general rules	A-3 Application of general rules	No change
A-4 Default application to accounting criteria	A-4 Default application to accounting criteria	No change

Series B. Criteria relating to the captions comprising the financial statements

B-1 Availabilities	B-1 Cash and cash equivalents	The name of the caption and the accounting criteria are changed. The definition of the Investments available for viewing is added, considering a maturity period of 48 hours from its acquisition.
B-2 Investments in securities	B-2 Repealed	It is repealed, but in the new accounting criterion A-2 establishes the application of MFRS C-2 "Investment in financial instruments", MFRS C-20 "Financial instruments to collect principal and interest" and MFRS C-16 "Impairment of financial instruments receivable. The classification of financial instruments based on the intention of the administration is eliminated and a new classification of financial instruments is established according to the business model applied by Genera, which can be for negotiation, to collect principal and interest, or to collect and sell.
B-6 Loan portfolio	BB-6 Loan portfolio	The accounting criterion is substantially modified: It is established that the valuation of the loan portfolio is carried out according to the business model. They are established as business models: to charge principal and interest, to collect sell, for negotiation. The classification of the current portfolio is eliminated and a classification by risk stage is established in stage 1, stage 2 and stage 3. The form of amortization of the commissions charged and transaction costs related to the granting of the credit is modified. The methodology for determining the effective interest rate for the valuation of the loan portfolio based on the applicable business model is incorporated.

Series C — Criteria applicable to specific concepts

C-1 Recognition and deregistration of financial assets	C-1 Repealed	It is repealed, but the new accounting criterion A-2 establishes the application of MFRS C-14 "Transfer and deregistration of financial assets". (The impact is non-material.)
C-3 Related Parties	C-3 Repealed	It is repealed, but the new accounting criterion A-2 establishes the application of MFRS C-13 "Related parties". (The impact is non-material.)
C-4 Information by segments	C-4 Repealed	It is repealed, but the new accounting criterion A-2 establishes the application of MFRS B-5 "Financial information by segments", establishing at least the operating segments that were already defined in the previous accounting criterion C-4. (The impact is non-material.)

Series D. Criteria for the basic financial statements

D-1 Balance sheet	D-1 Statement of financial position	Change of the name of the financial statement and presentation, including changes in the names of the caption in accordance with the new accounting criteria.
D-2 Income statement	D-2 Statement of Comprehensive income	Change of the name of the financial statement and presentation, including changes in the names of the captions in accordance with the new accounting criteria.
D-3 Statement of changes in stockholders' equity	D-3 Statement of changes in stockholders' equity	Change of the name of the financial statement and presentation, including changes in the names of the captions in accordance with the new accounting criteria.
D-4 Statement of cash flows	D-4 Statement of cash flows	Change in presentation, including changes in caption names in accordance with the new accounting criteria.

► **MFRS B-17 "Determination of fair value"** - Defines fair value as the starting price that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is mentioned that fair value is a determination based on the market and not on a specific value of an asset or liability for Genera and that, in determining fair value, Genera must use assumptions that market participants would use when pricing an asset or liability under current market conditions at a certain date, including assumptions about risk. As a result, Genera's intention to hold an asset or liquidate, or otherwise satisfy a liability, is not relevant in the determination of fair value.

► **MFRS C-3 "Accounts Receivable"** - The main characteristics issued for this MFRS are shown below:

- Abolishes Bulletin C-3 "Accounts Receivable".
- It specifies that accounts receivable that are based on a contract represent a financial instrument, while some of the other accounts receivable generated by a legal or fiscal provision may have certain characteristics of a financial instrument, such as generating interest, but are not themselves financial instruments.
- It states that the estimate for uncollectability for commercial accounts receivable is recognized from the time the income accrues, based on expected credit losses.
- It establishes that, from the initial recognition, the value of money over time must be considered, so if the effect of the present value of the account receivable is important in view of its term, it must be adjusted based on that present value. The effect of the present value is material when the collection of the account receivable is agreed, totally or partially, for a term greater than one year, since in these cases there is a financing operation.

► **MFRS C-9 "Provisions, contingencies and commitments"** - Abolishes Bulletin C-9 "Liabilities, provisions, contingent assets and liabilities and commitments", reduces its scope by relocating the issue related to the accounting treatment of financial liabilities to MFRS C-19 "Financial instruments payable" and modifies the definition of liabilities by eliminating the qualification of "virtually unavoidable" and including the term "probable".

► **MFRS C-16 "Impairment of financial instruments receivable"** - Notes that, in determining the recognition of the expected loss, the historical experience of the entity of credit losses, current conditions and reasonable and sustainable forecasts of the different quantifiable future events that could affect the amount of future cash flows to be recovered from financial instruments receivable (FIR) should be considered.

Also points out that the expected credit loss should be recognized when, as credit risk has increased, it is concluded that a portion of FIR's future cash flows will not be recovered.

► **MFRS C-19 "Financial instruments payable"** - The main characteristics issued for this MFRS are shown below:

- It provides for the possibility of valuing, subsequent to its initial recognition, certain financial liabilities at fair value, when certain conditions are met.
- Measure long-term liabilities at their present value at their initial recognition.
- When restructuring a liability, without substantially modifying future cash flows to settle it, the costs and commissions incurred in this process will affect the amount of the liability and will be amortized on a modified effective interest rate, instead of directly affecting net profit or loss.
- It incorporates the provisions of IFRIC 19 "Extinction of Financial Liabilities with Capital Instruments", an issue that was not included in the existing regulations.
- The effect of extinguishing a financial liability should be presented as a financial result in the statement of comprehensive income.
- It introduces the concepts of amortized cost to value financial liabilities and the effective interest method, based on the effective interest rate.

► **MFRS C-20 "Financial instruments to collect principal and interest"** - The main characteristics issued for this IFRS are shown below:

- The way of classifying financial instruments in the asset is modified, since the concept of intention to acquire and hold them is discarded to determine their classification, instead the concept of business model of the administration is adopted.
- This classification groups the financial instruments whose objective is to collect the contractual cash flows and obtain a profit for the contractual interest they generate, having a loan characteristic, except for the loan portfolio that adheres to criterion B-6 of the Accounting Criteria.
- They include both financial instruments generated by sales of goods or services, financial leases or loans, and those acquired in the market.

► **MFRS D-1 "Revenue from contracts with clients"** - The main characteristics issued for this MFRS are shown below:

- The transfer of control, basis for the opportunity of income recognition.
- The identification of the obligations to be fulfilled in a contract.
- The allocation of the transaction price between the obligations to be fulfilled based on independent sales prices.
- The introduction of the concept of conditional accounts receivable.
- The recognition of collection rights.
- The valuation of income.

► **MFRS D-2 "Costs for contracts with customers"** - The main change in this standard is the separation of the regulations relating to the recognition of revenue from contracts with customers from the regulations corresponding to the recognition of costs for contracts with customers.

► **MFRS D-5 "Leases"** - Rescinds Bulletin D-5 "Leases" and among the main aspects covered by this MFRS are the following:

- A single lease recognition model is introduced by the lessee and requires the lessee to recognise the assets and liabilities of all leases with a duration longer than 12 months, unless the underlying asset is of low value.
- The classification of leases as operational or financial (capitalizable) for a lessee is eliminated, and the lessee recognizes a lease liability at present value that represents its obligation to make lease payments and a right-of-use asset of the same amount, which represents its right to use the leased underlying asset.
- Operating lease expense is replaced in a straight line, with depreciation or amortization expense of rights of use assets (in operating expenses) and interest expense on lease liabilities (in comprehensive financing income).
- The recognition of profit or loss is modified when a seller-lessee transfers an asset to another entity and leases that asset on the way back.
- The presentation of cash flows related to previous operating leases is modified. Cash flow outflows from operating activities are reduced, with an increase in cash flow outflows from financing activities.
- The recognition of leases by the lessee changes significantly, however, the accounting recognition by the lessor is unchanged and is unchanged from the previous Bulletin D-5.

The Provisions provide that credit institutions may recognize the cumulative effect of the accounting changes described above, without restating the consolidated financial statements for prior years, as of January 1, 2022, and that the accompanying basic consolidated financial statements are not presented in comparison with the financial statements at and for the year ended December 31, 2021.

Management estimated to apply the effects by adopting the aforementioned accounting criteria, resulting in a favorable effect due to a decrease in the allowance for loan losses by \$61, of which \$8 was recognized in accumulated results. The calculated amount of origination costs for the loan portfolio in effect as of January 1, 2022 was \$82. A debit and credit for \$1,306 under "Rights-of-use assets, property, furniture and equipment" and "Lease Liabilities."

Financial reporting standards issued by CINIF

Improvements to MFRS 2022-

In December 2021, the CINIF issued the document called "Improvements to the MFRS 2022", which contains specific modifications to some existing MFRS. The main improvement that generates accounting changes is MFRS D-3 "Employee Benefits", which establishes the basis for recognizing uncertain tax treatments in the Participation of Workers in Profit (PTU) both caused and deferred, as well as the disclosure requirements in this regard. This improvement entered into force for fiscal years beginning on or after January 1, 2022.

(5) FOREIGN CURRENCY POSITION-

Central Bank regulations establish the following standards and limits for operations in foreign currencies carried out by the credit institutions shown consist of the following:

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 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. The net foreign currency position 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, 2022, the Bank complies with the limits and standards established by Central Bank.

Foreign currency position (figures in millions) of Genera and subsidiaries as of December 31, 2022, is analyzed as follows:

	2022	
	Dollars	Pesos
Assets		
National banks	1 \$	27
Foreign banks	17	341
Liabilities		
Accounts Payable	(15)	(296)
Long position - net	3 \$	72

	2022	
	Peruvian Soles	Pesos
Assets		
	4,536 \$	23,179
Liabilities		
	(3,620)	(18,515)
Long position - net	916 \$	4,664

As of December 31, 2022, the exchange rate determined by Central Bank and used by Genera to value foreign currency assets was \$19.5089 pesos per dollar. As of February 22, 2023, the exchange rate is \$18.3760 pesos per dollar.

(6) CASH AND CASH EQUIVALENTS-

As of December 31, 2022, cash and cash equivalents consist of the following:

	2022
Cash on hand	\$ 1,884
Mexican banks	2,424
Foreign banks	439
Restricted funds:	
Monetary regulation deposit with the Central Bank*	2
Deposits with the Central Bank (Actions)*	2,296
Other restricted funds	3,300
	\$ 10,345

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

The restriction associated with monetary regulation deposits with the Central Bank is that, by provision, Genera is obliged to maintain a specific level of monetary resources with the Central Bank for the purpose of providing liquidity to the financial system. The resources maintained in this type of instruments are freely available to Genera and do not have a definite date for their disposal, so they are permanently restricted.

Monetary regulation deposits (DRM for its acronym in Spanish) in the Central Bank accrue interest at the average rate of bank deposits for an indefinite term. The amount of these deposits is established by the Central Bank on the basis of a proration with reference to the participation of each of the banks in the total traditional deposit of the banking system.

For the year ended December 31, 2022, interest earned from cash and cash equivalents, amounted to \$570, recorded under the caption "Interest income" in the consolidated statement of comprehensive income (see note 27) is composed as follows:

The interest earned from Mexican and foreign banks amounted to \$313 for the year ended on December 31, 2022.



At December 31, 2022, the monetary regulation deposits with Central Bank accrue interest at the average rate of bank deposits for an indefinite term. The amount of these deposits is established by the Central Bank on the basis of a proration with reference to the participation of each of the banks in the total traditional deposit of the banking system.

At December 31, 2022, the average annual rate of interbank loans with terms of up to 3 days was 7.19% (unaudited). For the year ended December 31, 2022, the interest income earned from Call Money transactions amounted \$50.

At December 31, 2022, the average annual rate of trusts administrated was 7.35% (unaudited). As of December 31, 2022, interest income earned from trusts administrated to \$11.

At December 31, 2022, the average annual rate of the deposit auction at the Central Bank with an average term of 1 and 91 days was 7.50% (unaudited). For the year ended on December 31, 2022, the interest income amounted to \$196.

At December 31, 2022, the other restricted funds correspond to Genera's employees savings fund for \$8 Mexican pesos, time deposits in Mexican pesos for \$2,961, with an average term of 5 days, and an average rate of 7.64% (unaudited), as well as balances in the Trusts for \$331, used to cover the debt recognition agreements of 3 months of interest and expenses with Trusts.

As of December 31, 2022, Genera has no coined precious metals.

(7) INVESTMENTS IN FINANCIAL INSTRUMENTS-

The excess liquid resources, product of the operation of Genera, are invested in debt and equity instruments, always seeking the best available rate with the counterparties with whom it is authorized to operate.

Investments in financial instruments are subject to various types of risks, directly related to the market in which they are operated, such as interest rates and the inherent risks of credit and market liquidity.

The risk management policies, as well as the analysis of the risks to which Geneta is exposed, are described in note 29.

As of December 31, 2022, the caption of "Financial Instruments to Collect or Sell" is integrated by certificates of deposit from the Central Bank of the Republic of Peru for \$1,712.

For the year ended December 31, 2022, investments in securities classified as financial instruments receivable or sold recognized a profit on other comprehensive income net of deferred taxes, of \$0.5.

As of December 31, 2022, the average annual rate of investments was 5.20% (unaudited). For the year ended December 31, 2022, interest income from investments was \$72, recorded under "Interest income" in the consolidated statement of comprehensive income.

As of December 31, 2022, no transfers of securities were made between categories and there are no indications of impairment in the value of the securities.

(8) LOAN PORTFOLIO-

The loan portfolio comprised mainly of non-revolving consumer loans granted with a four-month term with a fixed rate and a joint and several guarantee for borrowers. Principal and interest are mainly paid on a weekly basis.

a) Loan portfolio business model

The loan portfolio is valued at amortized cost because Genera's business model is the recovery through the collection of cash flows in accordance with the terms and conditions established in the contracts.

b) Breakdown and analysis of the loan portfolio

The classification of the loan portfolio in the different stages of risk as of December 31, 2022 valued at amortized cost, analyzed by type of loan, is presented below:

	2022		
	Principal	Accrued interest	Total
Commercial loans			
Stage 1	\$ 147	1	148
Stage 2	7	-	7
Stage 3	4	1	5
	\$ 158	2	160

	2022		
	Principal	Accrued interest	Total
Consumer loans			
Stage 1	\$ 49,446	810	50,256
Stage 2	1,313	105	1,418
Stage 3	1,649	202	1,851
	\$ 52,408	1,117	53,525
Total loan portfolio	\$ 52,566	1,119	53,685

Revocable undrawn lines of credit

Revocable the amount of unused authorized credit lines, from the consumer portfolio as of December 31, 2022, amounted to \$14,292.

Concentration of loan portfolio

The integration of the loan portfolio by economic activity and its percentage of concentration as of December 31, 2022, is presented below:

Economic activity	2022	
	Amount	Concentration
Agriculture	\$ 547	1%
Agricultural	1,857	3%
Food & Beverage	17,420	33%
Rent or rent	954	2%
Articles of leather or leather	126	-%
Construction	782	1%
Electronics, machinery and equipment	652	1%
Exploitation and extraction	29	-%
Hardware, house tools and locksmith	624	1%
Financial	18	-%
Manufacturing	3,269	6%
Jewelry	613	1%
Wood	82	-%
Metals	97	-%
Furniture and decorative items	510	1%
Other shops	6,642	13%
Other services	2,566	5%
Stationery, books and printing	575	1%
Plastic and rubber	277	1%
Chemists	1,568	3%
Textiles, clothing, footwear and fabrics	13,515	25%
Transport	962	2%
Total	\$ 53,685	100%

The integration of the loan portfolio by geographic region as of December 31, 2022, is presented below:

In Mexico	2022	In Mexico	2022
Aguascalientes	\$ 114	Puebla	1,917
Baja California	1,203	Queretaro	355
Baja California Sur	531	Quintana Roo	356
Campeche	232	San Luis Potosi	533
Chiapas	1,632	Sinaloa	1,074
Chihuahua	714	Sonora	1,080
Coahuila	1,243	Tabasco	1,262
Colima	197	Tamaulipas	1,522
Mexico City	1,730	Tlaxcala	753
Durango	522	Veracruz	3,872
State of Mexico	4,574	Yucatan	390
Guanajuato	892	Zacatecas	454
Guerrero	1,180	Total capital	33,934
Hidalgo	986	Accrued interest	762
Jalisco	611	Total from Mexico	\$ 34,696
Michoacán	1,221	Abroad:	
Morelos	484	Peru	18,632
Nayarit	346	Accrued interest	357
Nuevo León	834	Total abroad	18,989
Oaxaca	1,120	Total loan portfolio	53,685

Defaults on loans with payment periods of less than 30 days

Genera does not have information to disclose related to the volume of loans less than 30 days that present defaults, as well as the stage of credit risk in which they could be classified, since it is not applicable due to the classification of consumer loans maintained by Genera as of December 31, 2022.

Business model reclassifications

During 2022 there were no reclassifications of the business model.

c) Income, costs and expenses on loan portfolio

The interest and commission income recorded in the financial margin for the year ended December 31, 2022, segmented by type of loan is composed as follows:

	2022		
	Interests	Commissions	Total
Commercial loans	\$ 1	-	1
Consumer loans	27,388	169	27,557
	\$ 27,389	169	27,558

The balance as of December 31, 2022 of the costs and expenses associated with the granting of consumer loans amounts to \$176 with average terms of 7 and 12 months for Banco Compartamos and Fin Útil, respectively.

Transaction costs include the credit assessment of the debtor, preparation and processing of credit documentation, as well as the proportion of compensation to employees directly related to the time invested in the development of those activities. Credit costs accrued in the year ended December 31, 2022 amounted to \$653.

As of December 31, 2022, Genera did not identify transaction costs related to the commercial loan portfolio.

As of December 31, 2022, there is \$1,342 of portfolio ceded to guarantee the debt of stock issuances (note 16).

As of December 31, 2022, Compartamos Financiera's portfolio given as collateral for the financing received for its credit operation amounts to \$2,329.

d) Breakdown and analysis of the loan portfolio with credit risk stage 3

As of December 31, 2022, the aging of the stage 3 loan portfolio is shown below:

2022	AGING				Total
	Days		Years		
	1 to 180	181 to 365	1 to 2	More than 2	
Commercial loans:					
Business or commercial activity	\$ 2	3	-	-	5
Consumer loans	1,412	277	147	15	1,851
	\$ 1,414	280	147	15	1,856

The following is an analysis of stage 3 loan portfolio movements for the year ended December 31, 2022:

	2022
Balance as of January 1, 2022	\$ 1,286
More:	
Transfers from the stage 2 loan portfolio	5,114
Restructuring	42
Less:	
Write-offs	3,864
Collections	416
Write-downs	193
Cancellation of interest	3
Transfers to the stage 2 loan portfolio	88
Transfers to the stage 1 loan portfolio	18
Exchange rate fluctuation	4
	\$ 1,856

The accrued interest not collected from the loan portfolio in stage 3, which by accounting criteria are recorded in memorandums accounts and recognized in the results for the year until collection, as of December 31, 2022, amount to \$637.

Recoveries from previously written-off portfolio, recognized in the consolidated results, amounted to \$139.

e) Restructuring

The restructuring loans as of December 31, 2022 are integrated as follows:

	Commercial	Consumption
Restructuring loans in previous years		
Stage 2 and stage 3 credit risk loans that were restructured	\$ -	24
Restructurings that were transferred to portfolio with stage 3 credit risk.	-	38
Restructured loans that remained in portfolio with stage 1 and stage 2 credit risk.	-	44
Restructuring loans during the year		
Stage 2 and stage 3 credit risk loans that were restructured	\$ -	31
Restructurings that were transferred to portfolio with stage 3 credit risk.	-	24
Restructured loans held in a portfolio with stage 1 and stage 2 credit risk.	1	224

f) Allowance for loan losses

Genera constitutes allowance for loan losses to cover the risks associated with the recovery of the loan portfolio.

The allowance for loan losses as of December 31, 2022, comprised by the origin of its determination, is presented below:

	2022
Derived from the ECL model application	\$ 4,291
Ordered by the Commission	2
Additional allowance	241
	\$ 4,534

As a result of the application of the rating methodologies, the probability of default (PD) and loss given default (LGD), obtained as a weighted average (unaudited), and the exposure at default (ED) of each category as of December 31, 2022, are as follows:

Category	2022		
	PD	LGD	ED
Commercial loans	4.6%	33.4%	\$ 160
Consumer loans	13.9%	73.4%	53,525

The rating of the overall loan portfolio and the allowance created based on the actual risk, classified by risk grade as of December 31, 2022, is presented below:

2022 Risk grade	Rated loan portfolio			Required allowance		
	Commercial	Consumer	Total	Commercial	Consumer	Total
"A-1"	\$ -	22,223	22,223	-	260	260
"A-2"	-	1,150	1,150	-	30	30
"B-1"	36	4,674	4,710	1	185	186
"B-2"	-	11,526	11,526	-	474	474
"B-3"	101	1,200	1,301	4	68	72
"C-1"	6	4,116	4,122	-	300	300
"C-2"	8	3,785	3,793	1	411	412
"D"	4	1,578	1,582	1	357	358
"E"	5	3,273	3,278	3	2,196	2,199
Subtotal	\$ 160	53,525	53,685	10	4,281	4,291
Additional allowance				-	243	243
Total	\$ 160	53,525	53,685	10	4,524	4,534

Additional allowance

As of December 31, 2022, Genera has constituted additional allowance for loan losses, ordered by the Commission to the Bank and derived from the economic and political situation in Peru and considering that Compartamos Financiera clients are clients who are mostly in a situation of special vulnerability because they are people with self-employment activities or owners of micro or small businesses, an additional allowance amounting to \$2 and (S/41') \$241, respectively, was recorded.

Movements of allowance for loan losses

The movements of the allowance for loan losses during the year ended December 31, 2022, are shown below:

	Commercial	Consumer	Total
Stage 1			
Balance at the beginning of the year	\$ 17	1,805	1,822
Increase (cancellation) of allowance	(11)	454	443
Reductions	-	(1)	(1)
Write-offs	-	(102)	(102)
Exchange rate fluctuation	-	(4)	(4)
	\$ 6	2,152	2,158

	Commercial	Consumer	Total
Stage 2			
Balance at the beginning of the year	\$ 2	498	500
Increase (cancellation) of allowance	(1)	291	290
Reductions	-	(2)	(2)
Write-offs	-	(75)	(75)
Exchange rate fluctuation	-	(1)	(1)
	\$ 1	711	712

	Commercial	Consumer	Total
Stage 3			
Balance at the beginning of the year	\$ 4	1,127	1,131
Increase (cancellation) of allowance	(1)	4,277	4,276
Reductions	-	(192)	(192)
Write-offs	-	(3,788)	(3,788)
Release	-	(3)	(3)
Refunds	-	(3)	(3)
	3	1,418	1,421
	\$ 10	4,281	4,291



During 2021, Genera granted its customers a new credit with a non-revolving line of credit. As of December 31, 2022, the amount of unused authorized consumer credit lines, recorded under "Credit Commitments" in memorandum accounts, amounts to \$14,292.

The amount of write-offs for the year ended December 31, 2022, amounted to \$3,965.

(9) OTHER ACCOUNTS RECEIVABLE-

As of December 31, 2022, other accounts receivable is integrated as follows:

	2022
Other accounts associated with loan portfolio	\$ 164
Other receivables:	
Sundry debtors (includes balances with related and associated parties for \$52 (note 25))	500
Debits from transactions with correspondents	1,251
Recoverable balances of taxes	137
Other accounts receivable	794
	2,846
Less:	
Allowance for doubtful accounts	(247)
	\$ 2,599

The following is an analysis of the movements in the allowance for losses of accounts receivable:

	2022
Opening balance	\$ (88)
Increase	(300)
Cancellations	9
Applications	132
Final balance	\$ (247)

(10) PREPAYMENTS AND OTHER ASSETS

As of December 31, 2022, this caption is integrated as mentioned below:

	2022
Insurance (a)	\$ 3
Guarantee deposits (b)	49
Advance payments	286
Plan assets	15
Other assets	20
Deferred ESPS asset (note 20)	506
	879
Deferred ESPS valuation allowance (note 20)	(448)
	\$ 431

- a) The insurance is amortized according to the term of each policy, the amount charged to results in the year ended December 31, 2022 amounts to \$79.
- b) Non-amortizable deposits, subject to recovery upon expiration of each leasing agreement of the respective service office.

(11) PROPERTIES, FURNITURE AND EQUIPMENT-

At December 31, 2022, this caption is comprised as follows:

2021	Original cost	Accumulated depreciation and amortization	Net value
Land	\$ 4	\$ -	4
Constructions	21	(13)	8
Office furniture and equipment	289	(221)	68
Transportation equipment	159	(86)	73
Computer equipment	524	(345)	179
Others:			
Leasehold improvements	1,201	(1,037)	164
Telecommunications equipment	320	(239)	81
	\$ 2,518	\$ (1,941)	577

In the year ended December 31, 2022, the charge to results under the caption "Administrative and promotional expenses" caption, related to depreciation and amortization amounted to \$653 and \$100.

The property, furniture and equipment owned by Genera, is not pledged or restricted for its use or disposal.

(12) RIGHT-OF-USE ASSETS, PROPERTY, FURNITURE AND EQUIPMENT, NET

Below is information on leases for which Genera is a lessee.

Leased assets (right-of-use assets)

Right-of-use assets related to leased properties that do not meet the definition of investment property are integrated by the following:

	Buildings	Construction	Transportation equipment	Office furniture and equipment	Total
Balance at January 1, 2022	\$ 9	1,215	80	2	1,306
Depreciation charge for the year	(3)	(430)	(35)	(1)	(469)
Additions	-	125	45	2	172
Derecognition	-	(100)	(1)	-	(101)
Balance at December 31, 2022	6	810	89	3	908

Amounts recognized in results:

Leases under MFRS D-5	2022
Interest on lease liabilities	\$ 62
Expenses related to short-term leases	9

Total cash outflows for leases during 2022 were \$445.

The liability for capitalizable leases is payable as follows:

	2022		
	Future minimum payments	Discounted interest	Present value
In less than a year	\$ 662	(28)	634
Between one and five years	314	(18)	296
	\$ 976	(46)	930

The average implied interest rate used as of December 31, 2022, to value the present value of future lease payments for transportation equipment was 6.43%. The incremental financing rate used as of December 31, 2022, to value the present value of future lease payments for the building was 7.60%. utilizada al 31 de diciembre de 2022, para valuar el valor presente de los pagos futuros de arrendamiento para el edificio fue de 7.60%.

(13) INVESTMENT IN ASSOCIATED COMPANIES-

At December 31, 2022, the permanent investments are comprised as follows:

	2022
Associated companies	\$ 20
Other permanent investments at acquisition cost	99
	\$ 119

At December 31, 2022, the investment in associated companies is valued by the equity method, considering the results and the stockholders' equity of the companies whereby there is not control over the financial policies and the operating decisions are led by the controlling shareholders. The associated companies as follows:

December 31, 2022	Activities	% of participation	Stock Capital	Equity in net assets
Aflore	Microfinance	24.06	\$ 1	-
Reinventando el Sistema S. A. P. I. de C. V.	Placement of insurance	26.94	73	20
			\$ 74	20

Participation in the result of associated companies for the year ended December 31, 2022, is as follows:

December 31, 2022	% participation	Results	Participation in the result
Aflore	24.06%	\$ (70)	(17)
Reinventing the S. A. P. I. System of C.V.	26.94%	(3)	(1)
		\$ (73)	(18)

Other permanent investments-

At December 31, 2022, are as follows:

	2022
Avante.com.vc SOLUÇÕES E PARTICIPAÇÕES, S. A. ⁽¹⁾	\$ 109
Epesos, S. A. P. I. de C. V. ⁽¹⁾	50
Reinventando el Sistema S.A.P.I de C.V.	-
Fondadora 2. 0., S. A. P. I. de C. V.	25
IDE345 III S.A.P.I de C.V.	39
IDE345 II, S. A. P. I. de C. V.	15
ALLVP Fund III,L.P.	19
500 Luchadores, L.P.	1
Subtotal	258
Impairment reserve	(159)
	\$ 99

⁽¹⁾ As of December 31, 2022, an impairment reserve was recognized in these permanent investments equivalent to 100% of the investment amount.

Long-lived assets available for sale – Liquidation of Compartamos S. A. (Compartamos Guatemala)

On July 5, 2021, the subsidiary, Compartamos Guatemala, entered into a purchase agreement whose purpose is the sale of 100% of its portfolio and assets, and as of that date it has been in the process of closing its operation. On September 8, 2022, Gentera repatriated the capital of Compartamos Guatemala which amounted to \$334. It is currently in the legal liquidation process, so for the period ended December 31, 2022, the results of the period are presented under the caption "Discontinued operations" in the consolidated statement of comprehensive income.

As of December 31, 2022, the net income from the discontinued operation of Compartamos Guatemala is derived from the cancellation of the balances in the different accounts at the time of the repatriation of capital and is analyzed as follows:

	2022
Interest income	\$ 7
Administrative and promotional expenses	(3)
	\$ 4

Cancellation of balances	2022
Permanent investments	\$ (14)
Accounting accounts and correction of errors	(4)
Exchange rate fluctuation	196
	\$ 178
Discontinued operations	\$ 182

(14) INTANGIBLE ASSETS, NET-

At December 31, 2022, this caption is comprised as follows:

	2022
Electronic banking system, intangibles and licenses (a)	\$ 4,065
Trademark Concrédito (b)	74
Pre-operational expenses	7
Subtotal	4,146
Less:	
Accumulated amortization of intangibles	2,100
Deterioration of trademark	21
	\$ 2,025

- a) Investment in intangibles includes the development of an electronic system for the control and management of banking operation, licenses and acquisition of software. The estimated useful life of the intangible asset and software is ten and seven years, respectively. Amortization of intangible assets and software for the years ended December 31, 2022 amounted to \$397.
- b) Derived from the acquisition of Fin Útil, the Concrédito trademark with indefinite life, which is subject to impairment tests, and the network of women entrepreneurs with a useful life of 10 years were registered as intangible. Amortization charged to earnings as of December 31, 2022 amounted to \$69, as well as a \$21 impairment of the brand, with a charge to the consolidated result for the period.

(15) GOODWILL

The goodwill originated from the acquisition of the businesses shown below:

	2022
Compartamos Financiera	\$ 784
Fin útil	3,646
Comfu	535
Talento Concredito	28
	4,993
Less:	
Accumulated impairment ⁽¹⁾	(300)
	\$ 4,693

⁽¹⁾ Accumulated impairment as of December 31, 2022 corresponding to the Fin útil, Cumfu and Talento Concredito businesses.

(16) DEPOSIT FUNDING -

The analysis and breakdown of the deposit funding show below:

	2022
Demand deposits	
Banco Compartamos	\$ 1,470
Compartamos financiera (\$359 Peruvian soles)	1,835
	3,305
General public deposits ⁽¹⁾	
Banco Compartamos	1,359
Compartamos financiera (\$1,996 Peruvian soles)	10,397
	11,756
Money market deposits	
Compartamos financiera (\$206 Peruvian soles) ⁽²⁾	1,093
Debt securities issued	
Banco Compartamos debt securities	10,912
Global account of deposits with no movements	
Banco Compartamos	124
	\$ 27,190

⁽¹⁾ Interest expense for demand deposits in the year ended December 31, 2022, is \$641 (see note 27).

⁽²⁾ Interest expense for CEDES in the year ended December 31, 2022, amounts to \$54 (see note 27).

The weighted (unaudited) average effective rates of deposit as of December 31, 2022, are presented below:

	2022
Demand deposits	3.94%
General public deposits	5.33%
Money market deposits	6.95%



Debt securities issued

The following integration of the credit titles issued by Genera as of December 31, 2022:

CEBURES	Face value in original currency	Currency origin	Date of issue	Due date	Deadline (days)	Interest rate	Effective interest rate	Principal balance	Interest payable	Interest expense for the year	Share of emission
Stock certificates											
Compart 16-2	2,000	MXN	10-Oct-16	02-Oct-23	2,548	Fixed 7.50%	7.55%	2,000	38	152	18%
Compart 18	2,500	MXN	10-Oct-18	26-Sep-22	-	-	-	-	-	83	-%
Compart 19	2,000	MXN	30-May-19	23-May-24 ⁽¹⁾	1,820	TIEE 28 days + 42 bp	10.88%	2,000	14	165	18%
Compart 20	1,860	MXN	30-Jun-20	24-Jun-25	1,820	Fixed 8.09%	8.23%	1,860	2	153	17%
Compart 21s	1,783	MXN	23-Nov-21	15-Nov-24	1,088	TIEE 28 days + 40 bp	11.29%	1,783	7	147	17%
Compart 21-2s	717	MXN	23-Nov-21	13-Nov-26	1,816	Fixed 9.19%	9.31%	717	7	67	7%
Compart 22s	2,500	MXN	26-Ago-22	21-Ago-26	1,456	TIEE 28 days + 60 bp	11.11%	2,500	12	90	23%
								\$ 10,860	80	857	100%

The financial instruments payable associated with the debt securities issued were placed on the stock market under the placement program for a total amount of up to \$15,000, of which \$10,860 has been placed to date. The remainder that Genera could issue under this program amounts to \$4,140. These instruments are chirographers so they do not have a specific guarantee.

The transaction costs associated with debt securities issued as of December 31, 2022 are presented below:

Whiteboard Key	2022		
	Total	Accrual	Accrued in the year
Stock certificates			
Compart 16-2	\$ 2	1	1
Compart 18	2	-	2
Compart 19	4	2	2
Compart 20	8	6	2
Compart 21s	3	1	2
Compart 21-2s	8	7	1
Compart 22s	12	11	1
	\$ 39	28	11

⁽¹⁾ According to the placement prospectus COMPART 19, such certificate will be amortized pro rata by 50% on the date of payment number 58 (which will be carried out in November 2023) and the remaining 50% on the due date of the issue.

As of December 31, 2022, the Cebures had the following maturity terms:

Expiration year	2022
2023	\$ 3,000
2024	2,783
2025	1,860
2026	3,217
	\$ 10,860

(17) BANKING AND OTHER BORROWINGS-

As of December 31, 2022, banking and other borrowings are integrated as follows:

	2022		
	Pesos	Foreign currency	Total
Short term			
Borrowings from multiple banking institutions	\$ 2,163	2	2,165
Borrowings from development banks	3	-	3
Public trusts borrowings	403	-	403
Other institutions	251	636	887
	2,820	638	3,458
Long term			
Borrowings from multiple banking institutions	1,750	-	1,750
Borrowings from development banks	4,700	-	4,700
Public trusts borrowings	3,289	-	3,289
Other institutions	1,669	1	1,670
	11,408	1	11,409
Totales			
Borrowings from multiple banking institutions	3,913	2	3,915
Borrowings from development banks	4,703	-	4,703
Public trusts borrowings	3,692	-	3,692
Other institutions	1,920	637	2,557
	\$ 14,228	639	14,867

As of December 31, 2022, there is a liability related to interest accrued for the amount of \$103.

Interest expense on banking and other borrowings for the year ended December 31, 2022 was \$1,152, see note 27.

As of December 31, 2022, the maturities of banking and other borrowings long-term loans are shown below:

Maturity	2022
2024	\$ 3,836
More than 5 years	7,573
	\$ 11,409



Genera's received credit facilities as of December 31, 2022, as well as the unused portion thereof, are shown below:

Genera	2022	
	Credit facility received	Unused portion*
Fideicomiso Instituido en Relación con la Agricultura (FIRA)	\$ 12,000	8,339
Nacional Financiera, S. N. C. (NAFIN)	5,000	300
BBVA Bancomer, S. A.	60	-
Banco Nacional de México, S. A.	560	560
HSBC México, S. A.	550	550
Banco Mercantil del Norte, S. A.	950	-
Corporación Financiera de Desarrollo S. A. (COFIDE)	2,539	573
FONDEMI - COFIDE	66	43
Citibank, S.A.	390	390
Banco de la Nación	563	563
BBVA Banco Continental	690	3
Banco Interbank	136	10
Banco GNB Perú, S.	307	-
Citibank Perú, S. A.	460	460
Banco Invex, S.A. Institución de Banca Multiple Gpo Financiero	150	-
Japan Interntinal Cooperation Agency	975	682
Caja Municipal de Ahorro y Crédito de Arequipa, S. A.	102	102
ICBC International Trade Processing Center	195	5
Banco Santander, S. A.	300	-
Banco de Crédito del Perú, S. A.	394	-
Banco Ve por Mas, S. A.	350	250
Banco Actinver, S.A.	600	100
FONCODES	77	77
Construcredito S.A. de C.V.	100	-
Subtotal (Continued)	\$ 27,514	13,007

Genera	2022	
	Credit facility received	Unused portion*
Subtotal	\$ 27,514	13,007
N5 S.A. de C.V.	75	-
ITA 12 S.A.P.I. de C.V.	47	-
ITA 14 S.A.P.I. de C.V.	14	-
ITA 15 S.A.P.I. de C.V.	14	-
FAE MYPE - COFIDE	15	-
BCI	100	-
IDB INVEST	1,015	1,015
	\$ 28,794	14,022

* The amount of unused credit lines is recognized in memorandum accounts under "Other memorandum accounts".

Interbank and other agency loans as of December 31, 2022, accrued interest at average annual rates (unaudited) in Mexican pesos of 11.36%, in foreign currency of 5.58%.

(18) OBLIGATIONS IN SECURITIZATION OPERATIONS-

As of December 31, 2022, the balance of securitization operation are included as follows:

The credit titles issued by Fin Útil corresponding to stock certificates are integrated as follows:

Issuance	Trust	Amount of issuance	Rating	Maturity date	Interest rate	Amount
FUTILCB 21	F/01064	6,000,000	HR AAA/ MX AAA	Junio-25	TIEE a 28 días+218 pb	\$ 600
						600
Interest payable						5
Issuing costs						(9)
						\$ 596

The trust has a revolving period mentioned below, in which Fin Útil as Settlor and Trustee in second place has the right to discount the portfolio prior to the objective amortizations of each issue. As established in the contract of each trust, Fin Útil is entitled to receive back the assets and rights it contributed to the trust, as well as all the amounts and assets that are part of the Trust Estate, in the corresponding proportion according to the terms agreed in the contract, once the principal and interest and other amounts payable under the Stock Certificates have been fully paid.

(19) OTHER ACCOUNTS PAYABLE-

As of December 31, 2022, the balance of this caption is comprised as follows:

	2022
Taxes and duties	\$ 895
Liabilities arising from the provision of banking services	4
Maintenance service creditors	17
Sundry provisions	1,117
Secure creditors	351
Sundry creditors	869
	\$ 3,253

(1) Includes \$66 as of December 31, 2022, of labor liability mainly from the subsidiaries abroad.

Following is the analysis of the most significant provisions for the year ended December 31, 2022:

Type of provision	Balance at January 1, 2022	Provisions for acquisition of bussines	Plus increases	Less applications	Balance at December 31, 2022
Short term:					
Sundry provisions	729	3,350	2,491	471	1,117
					2022
Employees bonuses					\$ 322
Gratuities for officials					431
Advisory and services					128
Legal provisions					8
Other provisions					228
Total provisions					\$ 1,117

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. The following are the main provisions at December 31, 2022:

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

According to the current IT Law in Mexico, the IT rate for the 2022 was 30%. The ESPS current 2022 rate was 10%. The IT rate in Peru for 2022 was 29.5%.

The tax result differs 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.

Genera does not consolidate its subsidiaries for tax purposes carryforward, following is presented for informative purposes the expense (income) in the consolidated statement of comprehensive income related to current and deferred income taxes for the year ended December 31, 2022:

	2022		
	Current IT	Deferred IT in OCI	Deferred IT
Bank	\$ (1,510)	(10)	165
Compartamos Financiera	(156)	-	(36)
Compartamos Servicios	(89)	(3)	34
Controladora AT	(68)	-	1
Red Yastás	-	-	(7)
Fin Útil	(135)	-	141
Comfu	(87)	-	19
Talento Concrédito	(91)	-	-
	\$ (2,136)	(13)	317

On the next page, the reconciliation between the current and effective IT tax rates of the Bank for the year ended on December 31, 2022, which provision is the main consolidated IT expense, is shown.

	2022
IT at 30% rate on income before IT	\$ 1,536
Plus (less) the effect of IT on:	
Deductible annual inflation adjustment	(270)
Allowance for loan losses	812
Write-offs	(587)
Employee liability	9
Others, net (mainly provisions)	10
Current IT	1,510
Deferred IT	(165)
IT expense in the Bank	\$ 1,345
Effective IT rate	26%

At December 31, 2022, the main temporary differences of Genera on which deferred IT asset (liability) arises, are analyzed as follows:

Allowance for loan losses	\$ 1,123
Furniture and equipment	268
Intangible	(67)
Right-of-use property, furniture and equipment	6
Advance payments	(46)
Employee Statutory Profit Sharing	14
Liabilities	159
Employee liabilities	242
Provisions	337
Non-deductible interest	22
Tax losses carryforward	215
Losses on disposal of shares	207
Other	138
	2,618
Less:	
Valuation allowance *	(424)
Deferred assets, net	\$ 2,194

* As of December 31, 2022, such reserve corresponds mainly to the deferred tax loss carryforwards of Genera of \$529; as well as the disposal on sale of shares of \$700.

As of December 31, 2022, Genera recognized a deferred tax liability arising from the recognition of intangible assets in the business acquisition (note 14), as shown below:

	2022
Trademark Concrédito	\$ 22
Intangible for network of women entrepreneurs	151
Deferred liabilities	\$ 173

As of December 31, 2022, 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, 2022, the deferred income tax movement represented a charge to earnings for the year of \$317 and a charge to stockholders' equity under the caption "Remeasurement for defined employee benefits" for \$13.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

Current and deferred ESPS

For the year ended December 31, 2022, determined ESPS amounts to \$544, which was recognized under the "Administrative and promotional expenses" caption in the consolidated statement of comprehensive income.

As of December 31, 2022, deferred ESPS assets amount to \$506. The deferred ESPS as of December 31, 2022 is reserved at \$448.

As of December 31, 2022, the ESPS payable from previous years amounts to \$9.

(21) EMPLOYEE BENEFIT LIABILITIES-

Short-term direct benefits are recognized in the results of the period in which the services rendered accrue.

Gentera has a mixed pension plan for its employees, which includes: a) defined benefit, which represents the present value of the benefits accrued according to the years of service provided by the employee and that Gentera expects to incur at the time of retirement and b) defined contribution, which represents a savings incentive to the employee, whereby Gentera makes contributions equivalent to 100% of the contribution paid by the collaborator with a maximum limit of 6%. Gentera's policy for funding the defined benefit pension plan is to contribute according to the projected unit credit method, while to fund the defined contribution pension plan is according to the seniority and age of the participant.

As of December 31, 2022, the balance of this caption is integrated as follows:

	2022
Employee statutory profit sharing	\$ 558
Direct short-term benefits	154
Defined benefit liabilities	920
	\$ 1,632

Cash flows

Contributions and benefits paid for the year ended December 31, 2022, are listed below:

2022	Contributions to the fund	Benefits paid
Termination	\$ -	161

Cost-

The cost, liabilities and other elements of the pension plans, seniority premiums and severance payments mentioned above were determined based on calculations prepared by independent actuaries as of December 31, 2022.

Obligations-

The defined cost of benefit components for the year ended December 31, 2022 are shown on the following sheet.



	Termination of employment	Seniority premium	Pension plan
	2022	2022	2022
Current Service Labor Cost (CSLC)	\$ 76	28	56
Prior Service Labor (income) cost provided in the year	15	2	9
Loss (gain) on early settlement of obligations (ESO)	(4)	(1)	-
Net interest on defined benefit net liability (DBNL)	47	12	(5)
Reclassification of remeasurements of DBNL in OCI	44	0	(1)
Reclassifications of remeasurements for ESO	1	-	-
Net cost of the period	179	41	59
Increase (decrease) in remeasurements of the DBNL or (DBNA) in OCI	(5)	(8)	29
Cost of defined benefits	\$ 174	33	88
Beginning balance of DBNL or (DBNA)	\$ 608	8	(31)
Remeasurements generated in the year	38	(7)	25
Reclassification of remeasurements recognized in OCI of the year	(43)	(1)	4
Reclassification of remeasurements for ESO	1	-	-
Ending balance of DBNL remeasurements	604	-	(2)
Increase (decrease) in remeasurements of the DBNL or (DBNA) in OCI	\$ (4)	(8)	29
Beginning balance of DBNL	702	159	(41)
Cost of defined benefits	174	33	88
Contributions to the plan	-	-	(32)
Payments from DBNL	(162)	(23)	(14)
Final balance of DBNL	\$ 714	169	1
Defined benefit obligations (DBO)	714	169	479
Plan Assets	-	-	(478)
Financial position of the obligation	\$ 714	169	1

During the months of November and December 2022, Genera paid termination benefits to employees for an amount of of \$ 22, reducing the labor obligations liability with respect to the one actuarially determined.

The cost, obligations and other elements of pension plans, seniority premiums and legal termination benefits other than restructuring, mentioned in note 3(r), was determined based on calculations prepared by independent actuaries at December 31, 2022.

Main actuarial assumptions-

The main actuarial assumptions used, expressed in absolute terms, as well as the discount rates, yield of the plan assets, salary increases and changes in the indexes or other variables referred, at December 31, 2022, are as follows:

	2022
Discount rate:	
Bank y Compartamos Servicios	
Sales Division	9.16%
CEAS Division	9.16%
Talento, Fin útil and Comfu	9.45%
Rate of salary increase:	
Bank y Compartamos Servicios	
Sales/Operations Division	6.75%
CEAS Division	8.00%
Talento, Fin útil and Comfu	6.08%
Minimum wage increase rate:	
Sales Division	4.00%
CEAS Division	4.00%
Talento, Fin útil and Comfu	6.00%

Actuarial gains and losses are recognized as accrued under the caption " Remeasurements for defined employee benefits " and will be recycled into profit or loss for the period based on remaining business life.

(22) INSTITUTE FOR THE PROTECTION OF BANK SAVINGS (IPAB - FOR ITS ACRONYM IN SPANISH)-

The 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 \$3.1 at December 31, 2022), excluding interbank deposits and those payable to its stockholders and upper bank management, among others.

Fees paid to the IPAB during the year ended December 31, 2022, amounted to \$88, which were charged directly to the consolidated results of the year within the caption of "Other income (expenses) of the operation".

(23) STOCKHOLDERS' EQUITY-

(a) Structure of share capital

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

As of December 31, 2022, the subscribed and displayed share capital of Genera is composed as follows:

SERIES	ACTIONS	DESCRIPTION	AMOUNT
2022			
"Unique"	415,595,676	Minimum fixed capital without the right to withdrawal	1,201
	1,171,998,200	Variable capital	3,563
	1,587,593,876	Capital stock	4,764

(b) Stock capital structure-

At the Annual Ordinary General Meeting of Shareholders, held on April 13, 2022, the transfer to the results of previous years was approved for the amount of \$2,347 corresponding to the result of the 2022 financial year.

**(c) Dividends-**

At the Ordinary General Shareholders' Meeting, held on April 13, 2022, dividends were decreed in the amount of \$469, which were paid via electronic transfer through Indeval.

At the Ordinary General Shareholders' Meeting, held on November 11, 2022, dividends were decreed in the amount of \$470, which were paid via electronic transfer through Indeval.

(d) Other comprehensive incomes (OCI)-

OCI include:

	2022
Cumulative effect per conversion	\$ 229
Remeasurements for defined employee benefits	6
Total	\$ 235

The movements recorded in the components of the OCIs during the 2022 financial year are presented below:

Remeasurements for defined employee benefits	OCI before income taxes	Deferred income taxes	OCI net
Balances as of December 31, 2021	114	(29)	85
Remeasurements and recycling, net	19	(13)	6
Balances as of December 31, 2022	\$ 133	(42)	91

Cumulative effect per conversion

	OCI before income tax [and ESPS]
Balances as of December 31, 2021	\$ (108)
Result of the period	229
Balances as of December 31, 2022	\$ 121

(e) Stockholders' equity restrictions-

The dividends paid will be free of IT if they come from the Net Fiscal Profit Account (CUFIN). Dividends that exceed CUFIN will cause ISR. The tax caused will be borne by Genera and may be credited against the ISR of the year or that of the following two immediate years.

In the event of a capital reduction, the procedures established by the LISR provide that any excess of stockholders' equity over the balances of the contributed capital accounts is given the same tax treatment as that applicable to dividends.

(f) Capital requirements (unaudited)-

The SHCP requires credit institutions in Mexico to have a percentage of capitalization on the assets at risk, which are calculated by applying certain percentages, according to the risk assigned. As of December 31, 2022, this percentage was met by the Bank.

Minimum capital-

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 a 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.

As of December 31, 2022, the Bank is in compliance with the capitalization rules, which require the Institution 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 Ratio-

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. As of December 31, 2022, the Bank's Capitalization Ratio (ICAP by its acronym in Spanish) is 39.05% according to current rules.

The ICAP on assets subject to credit risk ("ASRC" by its acronym in Spanish) as of December 31, 2022 is 45.64%.

The information for the Bank's capitalization ratio as of December 31, 2022 is presented below.

	2022
Assets at market risk	\$ 2,091
Assets at credit risk	26,129
Assets at operational risk	2,319
Total assets at risk	\$ 30,539
Net capital	\$ 11,924
Ratio on assets subject to credit risk	45.64%
Ratio on assets subject to credit risk	39.05%

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.

Net capital is determined as shown below:

	2022
Stockholders' equity ¹	\$ 12,438
Deduction of intangibles and deferred expenses or costs	(514)
Basic capital	11,924
Complementary capital	-
Net capital	\$ 11,924

¹ As of December 31, 2022, only capital accounts corresponding to: i) share capital, ii) capital reserves, iii) profit from previous years, iv) net result, (v) Profit on valuation of available-for-sale securities and (vi) result from remeasurements for defined employee benefits. The foregoing by the modification of Article 2 bis, section I, subsection a) of the "General provisions applicable to credit institutions", published in the Official Gazette on November 28, 2012.

According to Article 220 of the Dispositions applicable to Credit Institutions, issued in the Official Gazette on December 2, 2005 and subsequent amendments, the Institution has as of December 31, 2021 Fundamental Capital Ratio (CCF by its acronym in Spanish) higher than 7% plus the sum of the Systemic Countercyclical Supplement Capital (SCCS by its acronym in Spanish) and the Countercyclical Supplement Capital Ratio (SCCI by its acronym in Spanish), a Ratio of Basic Capital higher than 8.5% for the year 2022 plus the sum of SCCS and SCCI and an ICAP higher than 10.5%, for both years, plus the sum of SCCS and SCCI. Therefore, in the 2022 year the Bank is classified in category "I" as established by these provisions.

The Ratio of Basic Capital 1 and the Ratio of Basic Capital, is determined as follows:

CCB1= (Basic Capital 1 / Weighted Assets subject to Total Risks) / ICAPM

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

ICAPM = Ratio of minimum capitalization .

SCCS =It is the percentage referred to in subparagraph b) of section III of article 2 Bis 5 of these provisions and that corresponds to it in accordance with Article 2 Bis 117 of these provisions.

SCCI= It is the Countercyclical Capital Supplement that each Institution must constitute in accordance with Chapter VI Bis 2 of Title One Bis of these provisions.

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, the modification of interest rate policies and the withdrawal of the Bank's operating authorization.

Market risk-

The capital required for the Bank's market risk asset position as of December 31, 2022, is as below:

Concepto	IMPORTE DE POSICIONES EQUIVALENTES	REQUERIMIENTO DE CAPITAL
	2022	2022
Operations at nominal rate in local currency	\$ 1,568.99	125.52
Operations at nominal rate in foreign currency		
Shares and on shares positions	10.83	0.87
Positions in foreign currency or with return indexed to exchange rates	510.94	40.88
	\$ 2,090.76	167.27

Credit risk-

The amount of weighted assets subject to credit risk and their respective capital requirements of the Bank, as of December 31, 2022, is described below by risk group and concept:

	RISK-WEIGHTED ASSETS	CAPITAL REQUIREMENTS
	2022	2022
Risk group:		
Of those accredited in portfolio credit operations		
Group III (weighted at 20%)	\$ 201.66	16.13
Group III (weighted 100%)	126.16	10.09
Group VI (weighted at 75%)	21,308.02	1,704.64
Group VI (weighted 100%)	38.82	3.11
Group VII_A (weighted at 20%)	66.32	5.31
Group VIII (weighted at 115%)	272.03	21.76
For operations with related persons:		
Group III (weighted at 115%)	645.07	51.61
Group IX (100% weighted)	36.25	2.90
Group VII_A (weighted at 115%)	301.70	24.14
Of the issuers of debt securities in position:		
Group III (weighted at 20%)		
Permanent investments and other assets:		
Group III (weighted at 20%)	0.31	0.02
Group III (weighted at 115%)	0.80	0.06
Group IV (weighted at 20%)	0.50	0.04
Group VII_A (weighted at 100%)	1,386.84	110.95
Group IX (100% weighted)	1,742.19	137.41
Group X (weighted at 1250%)	2.58	0.21
Total credit risk	\$ 26,129.25	2,088.38

Operational risk-

The capital requirement for your exposure to operational risk using the alternative standard method for the December 2022 calculation is \$185.54.

Capital requirements are calculated periodically and capital adequacy assessed. As of December 31, 2022, the Bank has maintained a capitalization ratio of 39.05% percentage points, higher than the current regulatory limit (10.5%).

(g) Leverage ratio (unaudited)-

The calculation rule of the leverage ratio established by the Commission as at 31 December 2022, considers the following:

	2022
Basic capital	\$ 11,924
Accounting assets	38,539
Deductions	514
Derivatives	-
Repurchase/resell agreements and loan of securities	-
Memorandum accounts – loan commitments	16,132
Leverage index	22.02%

(h) Bank rating (unaudited)-

As of December 31, 2022, the Bank obtained ratings from the following rating agencies for both years:

Rating	National scale	Global scale
Fitch Ratings ⁽¹⁾	'AA(mex) / F1+(mex)'	BB+ / B
Standard&Poor´s ⁽²⁾	'mxA-1 / mxA-1+'	BB+ / B'
Moody´s ⁽³⁾	AA.Mx / ML A-1.mx	-

⁽¹⁾ Qualification ratified on October 21, 2022.

⁽²⁾ Qualification awarded on October 26, 2022.

⁽³⁾ Qualification awarded on August 26, 2022.

(i) Liquidity Coverage Ratio (unaudited)-

In order to comply with Art.8, Chapter II, of the General Provisions on liquidity requirements for Multiple Banking institutions, this information is available on the Bank's website. (see annex V).



(Figures in millions of pesos)		Individual Calculation		Consolidated Calculation	
		Unweighted amount (average)	Weighted amount (average)	Unweighted amount (average)	Weighted amount (average)
COMPUTABLE LIQUID ASSETS					
1	Total Computable Liquid Assets	Not applicable	3,711	Not applicable	3,711
2	Unsecured retail financing	1,962	111	1,963	111
3	Stable financing	1,710	86	1,710	86
4	Less stable financing	252	25	253	25
5	Unsecured wholesale financing	260	156	260	156
6	Operational depots	-	-	-	-
7	Non-operational deposits	173	69	173	69
8	Unsecured debt	87	87	87	87
9	Guaranteed wholesale financing	Not applicable	-	-	-
10	Additional requirements:	14,249	712	15,338	767
11	Outflows related to derivative financial instruments and other collateral requirements	-	-	-	-
12	Outflows related to losses from financing debt instruments	-	-	-	-
13	Lines of credit and liquidity	14,249	712	15,338	767
14	Other contractual financing obligations	133	133	244	244
15	Other contingent financing obligations	770	770	770	770
16	Total cash outflows	Not applicable	1,882	Not applicable	2,048
17	Cash inflows from secured transactions	-	-	-	-
18	Cash inflows from unsecured transactions	11,557	6,687	15,088	8,453
19	Other cash inflows	-	-	-	-
20	Total cash inflows	11,557	6,687	15,088	8,453
Adjusted amount					
21	Total computable liquid assets	Not applicable	3,711	Not applicable	3,711
22	Total net cash outflows	Not applicable	471	Not applicable	512
23	Liquidity coverage ratio	Not applicable	788.45%	Not applicable	724.75%

* See explanation on the following page.

* N/A= Not applicable, since the values subject to division are zero.

The Liquidity Coverage Ratio is calculated monthly, which is a regulatory requirement and determines the coverage granted by Available Liquid Assets to cover Net Cash Outflows in the next 30 days. The average presented considers the information corresponding to the period from October 1 to December 31, 2022. During the fourth quarter of 2022, there was no deviation from the daily Liquidity Coverage Ratio, and the corresponding scenario according to the Liquidity Provisions was Scenario I.

(24) CONTINGENT LIABILITIES AND LIABILITIES-

Compartamos Servicios entered into a lease agreement of a building for the exclusive use of corporate offices in Mexico, the amount of the rent is in dollars and it was 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 at 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 total amount of rental payments, which will be made over the next five years, amounts to \$1,944 (364 in 2023, \$290 in 2024, \$232 in 2025, \$195 in 2026, \$210 in 2027 and \$653 in 2028).

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 lessor in writing.

For the most part, contract renewals require that the lessor 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 lessor 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 such 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 increased.

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 year ended December 31, 2022, \$882 was recorded in lease income.

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 to the assessment made by the 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 2014, 2015 and 2016 stand out, for differences in criteria applied in those years mainly in annual adjustment for inflation, write-off deduction and loss from the sale of loan portfolio, respectively, the amounts claimed by the SAT amount to \$ 1, \$372 and \$1,239 respectively.

Compartamos Servicios is involved in several claims and labor trials, derived from the demands of ex-employees, whose effects are not expected to have material effect.

(25) BALANCES AND OPERATIONS WITH RELATED PARTIES-

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

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

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

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

For the year ended December 31, 2022, Gentera provided key management personnel with short-term direct benefits of \$541.

The main transactions entered into with related parties for the year ended December 31, 2022, were expenses and income for the items shown below:

	2022
Associated interest income	\$ 1
Interest income related parties	5
	\$ 6

The main balances with related parties for the year ended December 31, 2022, are shown below:

	2022
Accounts receivable	
Casa Nueva Pérez, S. A. P. I. de C. V.	\$ 45
Reinventando el Sistema S. A. P. I.	7
	\$ 52

(26) MEMORANDUM ACCOUNTS

a) Credit commitments

	2022
Revocable credit lines not exercised	
Consumer loans	\$ 14,292

(27) ADDITIONAL INFORMATION ON RESULTS AND SEGMENTS INFORMATION

a) Financial margin

	2022
Interest income	
Interest on loan portfolio	\$ 27,389
Interest on cash and cash equivalents	570
Interest from investments in securities	80
	\$ 28,039
Interest expense:	
Demand and time deposits	\$ 641
Certificates of deposit	54
Cebures (includes amortization of issuance expenses of \$25 in 2022)	888
Lease liabilities	60
Commissions for the initial granting of credit lines	653
Banking and other borrowings	1,152
Repurchase/resell agreements operation	1
	\$ 3,449

a) Commissions and fees income

	2022
Consumer loans	\$ 169
Insurance operations	1,571
Other	651
	\$ 2,391

b) Commissions and fees expense

	2022
Bank fees	\$ 348
ComisionistaBrokers	149
Borrowing received	25
Other	6
	\$ 528

c) Other operating income (expenses), net

	2022
Allowance for bad debts, net	\$ (115)
Losses	(276)
Impairment of goodwill	(300)
Donations	(50)
Result from the sale of furniture and equipment	(1)
Capitalized leases	1
Cancellation of provisions	100
Income from sale of goods	206
Income from administrative services	381
For sale of airtime	571
Effects on the allowance for credit losses of other accounts receivable	(107)
Other income (expenses)	(288)
Total	\$ 122

Information by segments-

Genera has consumer and commercial loans, so its source of income is derived from the interest accrued on the credit products offered, in addition to the products of treasury operations, such as interest derived from investments in securities and reports. Passive activities include deposits of immediate and term receivables, issued receivables, as well as interbank and other loans, which give rise to interest expenses.

Of the total income obtained from Genera from its credit operation, for the year ended December 31, 2022, they represent 99%. Consequently, the resources of traditional deposits and interbank loans obtained during the year were mainly used for the placement of loans, so that the interest caused is identified with the credit segment, the same trend that is reflected in administrative expenses. The remainder of the operations corresponds to the segment of treasury and commissions for insurance operations.

The consolidated statement of comprehensive income of Genera and subsidiaries for the year ended December 31, 2022 is presented in condensed form (including intercompany eliminations):

2022	Genera	Banco	Compartamos Financiera	Red Yastás	Compartamos Servicios	Controladora AT	Fin útil	Comfu	Talento	Total
Interest income	\$ 30	20,356	5,280	48	44	7	2,260	7	7	28,039
Interest expense	(65)	(2,281)	(912)	-	(7)	-	(184)	-	-	(3,449)
Financial margin	\$ (35)	18,075	4,368	48	37	7	2,076	7	7	24,590
Financial margin adjusted for allowance for losses	\$ (35)	15,375	2,883	48	37	7	942	6	7	19,270
Result of Operating Before Income Tax	\$ (467)	8,423	683	(260)	(2,803)	412	19	270	18	6,295
Discontinued operations	\$ (182)	-	-	-	-	-	-	-	-	(182)
Net result	\$ (285)	7,078	491	(267)	(2,859)	345	26	202	(73)	4,658

(28) RISK MANAGEMENT (INFORMATION FROM BANCO, MAIN SUBSIDIARY) (UNAUDITED)-

In order to comply with Art.87, Chapter IV, of the General Provisions applicable to credit institutions for Multiple Banking institutions, this information is available on the Bank's website. (see Unit Notes for Comprehensive Risk Management)

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

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

- a. Commitment by Top Management and the Board of Directors to properly manage risks encountered.
- b. Ongoing supervision of CRM policies and procedures.
- c. Clear segregation of duties to ensure independence and objectivity in risk management.
- d. Formal cooperation between the CRM structure and the business units.
- e. Clear determination of responsibilities pertaining to CRM.

Continuous supervision of the Internal Control and Audit area, to ensure proper compliance with the CRM function.

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 that 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.

Discretionally, CRMU is based fundamentally on the determination of a structure of global and specific limits, and on the application of risk methodologies authorized by the Board of Directors.

RiesgCredit of 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, 2022, is made up in 98.2%, of loans made to individuals for a specific purpose (consumer portfolio) 1.8% with related parties 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 indicated in paragraph 70 of "CRE30.21 of the Basel framework", most of the Bank's portfolio can be classified as retail portfolio.

As of December 31, 2022, the portfolio is comprised for 2.98 million loans, respectively, as well the average outstanding balance in this dates has remained at approximately \$10,396 Mexican pesos, respectively at an average term of 5.3 months, in both years.

As of December 2022, the maximum authorized amount for a consumer loan is \$211,544 Mexican pesos 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(g).

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 sensitivity purposes, the following table is presented below considering the modification of the Article 129 of the Provisions:

CONSUMER LOANS	DISTRIBUTION OF THE LOAN PORTFOLIO BY RATING (DATA IN PERCENTAGES TO THE TOTAL LOAN PORTFOLIO)	
	2022	
Rating	Balance	Average
"A-1"	57%	61%
"A-2"	5%	6%
"B-1"	4%	3%
"B-2"	6%	5%
"B-3"	3%	2%
"C-1"	10%	10%
"C-2"	7%	6%
"D"	3%	3%
"E"	5%	4%
Total	100%	100%

Probability of default and loss given default weighted for exposure

	2022
Exposure	\$ 31,575
Probability of default (weighted exposure) (%)	9.96%
Loss given default (weighted exposure) (%)	76.1%

The measurement methodology used to calculate the unexpected losses from the portfolio credit risk is an approximate of such loss through a Gamma distribution with parameters associated to the regulator model plus a calibration factor.

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.

CREDIT RISK

Concept	Balance 2022	Average 2022
Commercial loan portfolio:		
Total exposure	\$ 566.4	1,096.10
Expected loss	\$ N/A*	N/A*
Unexpected loss at 95%	N/A*	N/A*
Expected loss/total exposure	N/A*	N/A*
Unexpected loss/total exposure	N/A*	N/A*

* N/A = It is not applicable, because the values subject to division are zero.

The quantitative information for credit risk of the consumer portfolio is shown below, as of December 31, 2022:

CREDIT RISK

Concept	Balance as of Dec 2022	Average Q42022
Consumer loan portfolio:		
Total exposure	\$ 31,009	31,825
Expected loss	\$ (3,645)	(3,604)
Unexpected loss at 95%	\$ (3,663)	(3,622)
Expected loss/total exposure	(11.8%)	(11.3%)
Unexpected loss/total exposure	(11.8%)	(11.4%)

The expected loss pertaining to the loan portfolio under consideration as of December 31, 2022 represents 11.75% of the overall balance exposed to default. The Bank has set up loan loss reserves totaling \$2,329 equivalent to 7.38% of the balance of the overall portfolio. The loan portfolio is rated in accordance with the rules for rating the loan portfolio issued by the SHCP and the methodology established by the Commission. The Bank 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, 2022 additional reserves had been constituted by instruction of the Commission for \$1.5.

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.

At December 31, 2022, interest income from loan operations amounted to \$20,120 representing 98.3% of the Bank's total interest income.

Income from loan operations	2022
Loan interest income	\$ 20,120
Total interest income	20,474
Income from loan operations (%)	98.3%

For the management of credit risk in transactions with financial instruments or counterparty risk, the exposure to credit risk in transactions with financial instruments, their expected loss and unexpected loss is calculated on a monthly basis. As of December 31, 2022, there was not a position in financial instruments subject to counterparty risk, 100% in auction with the Central Bank. Likewise there is not expected loss for counterparty risk.

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 following 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 Institution 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.

As of December 31, 2022, there was no exposure to counterparty risk for the purchase and sale of securities and banking borrowings.

The authorized counterparty risk limit is 8% of the proceeds of the CRASs by the ICAP of the Bank's (last known) period. ASRC x ICAP product for the period was \$814.502.

Due to the nature of its business, it is the Bank's policy not to carry out intermediation operations or act as an 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.

The portfolio of financial instruments subject to market risk in the Bank is comprised solely of certificates of deposit transactions in the money market and call money in 2022. As a result, within the main risk factors that could affect the value of the investment portfolio are interest rates, spreads and the price of other financial instruments, mainly. It is important to note that the treasury operation of the Bank is limited to the investment of cash surpluses from credit operation.

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

Parameters used in calculating the VaR.

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

The market risk quantitative information as of December 31, 2022, is shown as follows:

VALUE AT RISK, 1 DAY (VaR) ON DECEMBER 31, 2022

Portafolio	Market Value	VaR at 99%	% Position	Uso of limit (%) ¹
Total position	\$ 2,636.98	4.81	0.18	33.40
Money ²	-	-	-	-
Purchase of securities	-	-	-	-
Call Money	-	-	-	-
Derivatives ³	-	-	-	-
Foreign currencies	339.97	4.80	1.41	33.33
Equity	2,636.98	4.81	0.18	33.40

¹ The authorized risk limit is an amount calculated based on each million dollars of investment; As of December 31, 2022, with an exposure of \$4,808, a limit of \$14,400 applies.

² The positions subject to market risk referred to are certificates of deposits in the money market, call money and foreign currencies.

³ There are no derivative transactions for trading or hedging purposes.

The market VaR is calculated on a daily basis including the main positions, asset and liability, subject to market risk of the balance sheet; which is also used to manage risk by interest rate. The average daily VaR during 2022 was \$4,930, which corresponds to 33.55% of the limit calculated.

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 97.62%.

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.

As of December 31, 2022, sensitivity and stress tests are as follows:

SENSITIVITY ANALYSIS AS OF DECEMBER 31, 2021

	Market Value	Market Value	Market Value	Market Value
Total position	\$ 2,636.98	4.81	(17.46)	(26.19)
Money	-	-	-	-
Purchase of securities	-	-	-	-
Call Money	-	-	-	-
Direct	-	-	-	-
Foreign currencies	339.97	4.80	(17.46)	(26.19)

Revenues from treasury operations at the end of 2022 was \$349, representing 1.7% of the total interest income of the Institution.

	INCOME FROM TREASURY OPERATIONS	
Ingresos por operaciones de crédito		2022
Income from treasury operations	\$	349
Total interest income		20,474
Income from treasury operations (%)		1.7%

Interest rate risk-

Interest rate risk is defined as the impact that variations in interest rates may generate on the balance sheet products, which may affect the results and the current value of the Bank's positions.

Interest rate risk management is based on the generation of interest gaps with contractual and stress scenarios to measure the possible impact of a movement in interest rates. The CRMU carries out, through its own reports, the correct elaboration and consolidation of information for the analysis of results in the corresponding committees.

To monitor the interest rate risk, the following scenario is considered:

An increase in the reference interest rate of 1,000 basis points (bp) is assumed and applied to the total flow of liabilities, which will generate an additional cash flow for interest payments. As of December 31, 2022 this increase means an over run of \$16,831

Derived from the structure of the Bank's statement of financial position, it was determined not to consider the deposits without maturity for their analysis of the interest rate. Additionally, as of December 31, 2022, the Bank has not outstanding loans that, due to their nature, need to simulate their early repayments.

The Assets and Liabilities Committee (ALCO) carry out following-up sessions where market expectations, their possible impact on the Bank's interest rate and capital risk, as well as the efficiency of risk hedging within the operations of the statement of financial position.

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 Bank 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 Bank'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 statement of financial position, establishing maturity bands according to the characteristics of the products offered. A limit is established for each bucket.
- ▮ Liquidity Value at Risk (liquidity VaR) for measurement of the market's liquidity risk determines the possible inability to liquidate positions in one day and is calculated in the same way as the market VaR with a 10-day horizon.

As of December 31, 2022, the quantitative information for the analysis of liquidity gaps is as shown in the following page.

ANALYSIS OF LIQUIDITY GAPS (ACCUMULATED)¹ 2022

Bucket	Gap	Limit*	Use of limit (%)
0-1 days	\$ 2,253	15%	0%
2-7 days	2,400	16%	0%
8-15 days	2,740	18%	0%
16-23 days	3,598	24%	0%
24-30 days	4,324	29%	0%
31-60 days	9,022	60%	0%
61-90 days	14,704	98%	0%
91-180 days	24,791	165%	0%
181-360 days	25,237	168%	0%
361-720 days	19,403	129%	0%
721-1,080 days	16,006	107%	0%
1,081-1,440 days	9,291	62%	0%
1,441-1,800 days	9,289	62%	0%
> 1,800 days	9,289	62%	0%

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, 2022, were \$15,016

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 85.3% 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 2022, of \$25,237. The overall accumulated gap is positive.

At December 31, 2022 the quantitative information for liquidity risk of the Bank, is as follows:

	VaR Liquidity, 10 days 2021		
	Value	Position	Use of limit (%)*
VaR Liquidity at 99%	\$ 2,636.98	15.21	0.6
Money:			
Purchase of securities	-	-	-
Call Money	-	-	-
Foreign currencies	339.97	15.18	4.46
Direct	-	-	-

*The authorized risk limit is calculated based on the maximum exposure at December 31, 2022 with an exposure of \$15,206 corresponds to a limit of \$45,536.

The net capital of the Bank as of December 31, 2022 is \$11,924.

The average liquidity VaR of 2022 was \$8.3, equivalent to 17.84% of the average limit calculated at December 31, 2022. Sensitivity and stress tests are also conducted for liquidity risk management.

Diversification of the Institution'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 Institution will be able to face its daily obligations under any circumstances, including a liquidity crisis; such Plan has been included in the policies and procedures manual for CRM.

Operation risk (including legal and technological risk)-

Operational risk can be defined and is understanding in the bank 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 of the bank duties are identified and documented. The Institution 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 Institution'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 Institution, and are recorded in the Operational risk system.

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

The operational risk loss events, including technological and legal, are recorded systematically, associating them with the corresponding business lines or units as well as the type of risk (1. Internal Fraud, 2. Outside Fraud, 3. Labor Relations and occupational safety, 4. Clients, products and business practices, 5. External events, 6. Incidents in the business and flaws in the system, as well as 7. Execution, delivery and process management). The Bank considers fraud and damage to assets its main exposures.

A global tolerance level has been established for operational risk, taking into account the causes, origins or risk factors.

There is a Business Continuity Plan (BCM) that includes a Disaster Recovery Plan (DRP) aimed at technology risks and a Business Contingency Plan (BCP). The update of such plans is the responsibility of the leaders named for such purpose.

At the end of December 2022, the Tolerance Level, which by the way it is defined can be understood as the Institution Exposure to Operational Risk, is 0.40% as a percentage of annual income.

In the period from January to December 2022, there were loss events associated with accumulated operational risk of \$31.72, representing 39% of the tolerance level.

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 Institution's supply of services to its customers.

The Bank has different internal controls that have the objective of minimizing the negative impacts due to the materialization of technology risks, internal controls such as:

- i. Government structuring aimed at maintaining an adequate control of technological risks, ensuring an agile response capacity.
- ii. Have the Operation Continuity Plan, through criteria such as criticality of applications and technological risk.
- iii. Risk assessment, determination of treatment actions and evaluation of technological controls.
- iv. Database backup and restoration procedures to ensure the availability and integrity of the historical archive of operations in case of contingency.
- v. Automated processes for carrying out daily reconciliations, in addition to generation of control figures to ensure the integrity of transactions between systems.

Legal risk-

The Bank's legal risk management, defined as the potential loss due to non-compliance with the applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the Operations that the Institution carries out, has implemented policies and procedures to mitigate this risk that consider, among other things:

- i. The review and approval of all agreements by the Legal Director's Office to ensure proper instrumentation of agreements and contracts.
- ii. Procedures for filing and safeguarding agreements and other legal information.
- iii. Detailed management of powers granted to the Board of Directors, so as to avoid misuse.
- iv. Procedures to ensure adequate action in response to litigation, defend efficiently and effectively, be able to take action to protect and preserve the rights of the Institution.
- v. Preparation of reports on the likelihood of issuance of adverse legal or administrative rulings. The reports are prepared at least on a quarterly basis.
- vi. Procedures established to ensure that the Legal department safeguards the correct use of the Institution's trademarks, local trademarks, commercial notices and copyrights.

(29) RECENTLY ISSUED FINANCIAL REPORTING AND REGULATORY STANDARDS-

MFRS and Improvements to MFRS

The Consejo Mexicano de Normas de Información Financiera, A. C. (CINIF) has issued the MFRS and Improvements listed below:

MFRS B-14 Earnings per share- This MFRS becomes effective for periods starting as of January 1, 2023 with early application allowed. Provide details for the determination of earnings per share. The Administration estimates that the adoption of this new MFRS will not generate significant effects.

Mejoras a las NIF 2023

In December 2022, CINIF issued a document called “2023 MFRS Revisions” containing precise modifications to some of the existing MFRS. This revision made to the MFRS result in accounting changes in the annual financial statements, which are shown below:

MFRS B-11 Disposal of long-lived assets and discontinued operations

MFRS C-11 Stockholders' Equity- Becomes effective for years beginning on or after the 1st. January 2023, allowing its early application. Any change that it generates must be recognized in accordance with MFRS B-1 Accounting changes and correction of errors. This revision establishes that any difference between the book value of long-lived assets delivered to settle dividends or capital reimbursements must be recognized in retained earnings.

Management estimates that the adoption of this MFRS and improvements do not generate significant effects.



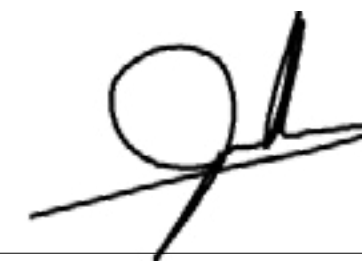
Enrique Majós Ramírez
Chief Executive Officer



Mario Ignacio Langarica Ávila
Chief Financial Officer



Marco Antonio Guadarrama Villalobos
Controller



Oscar Luis Ibarra Burgos
General Internal Auditor

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2-3

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