GENTERA®

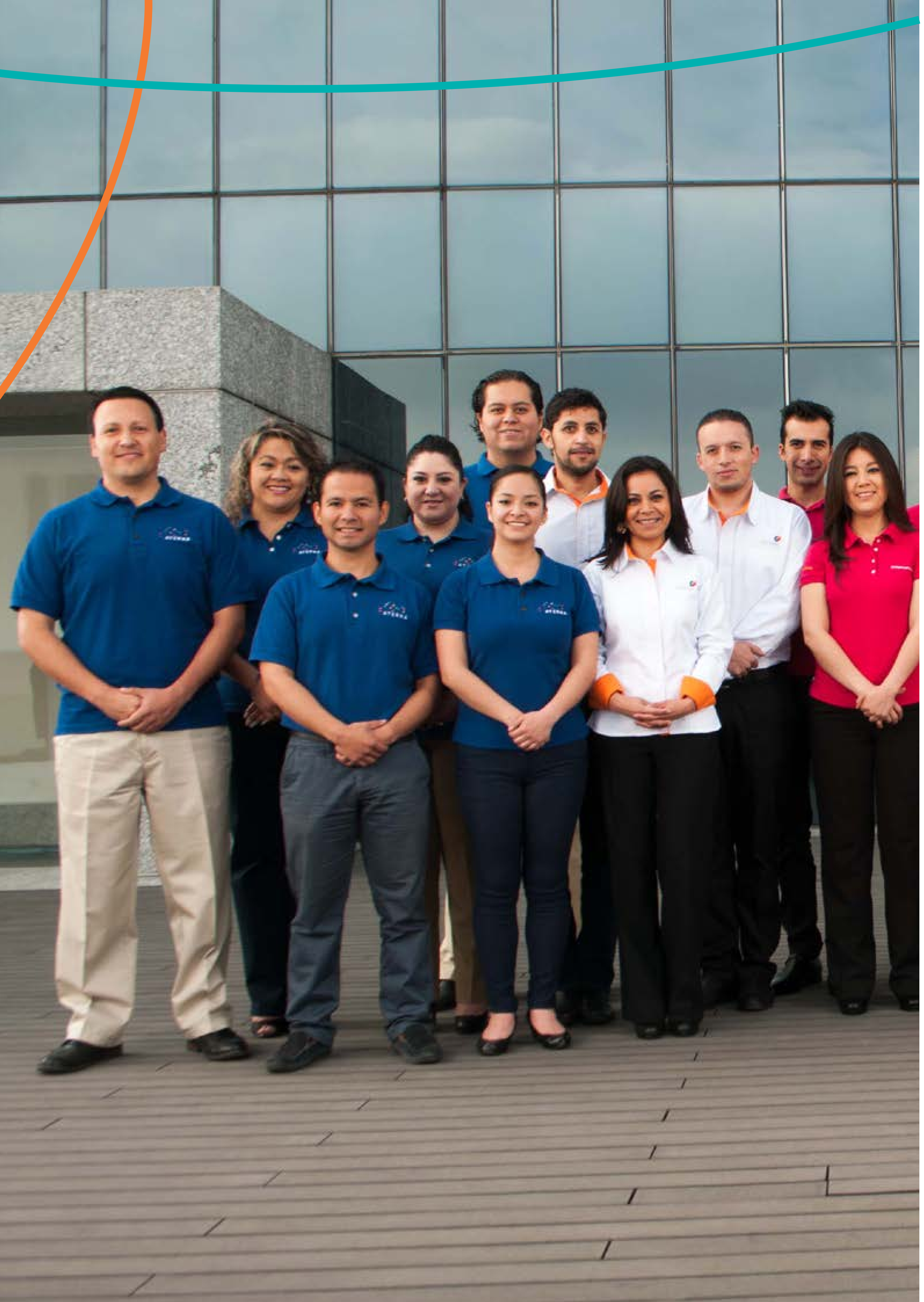
WE WORK FOR FINANCIAL INCLUSION

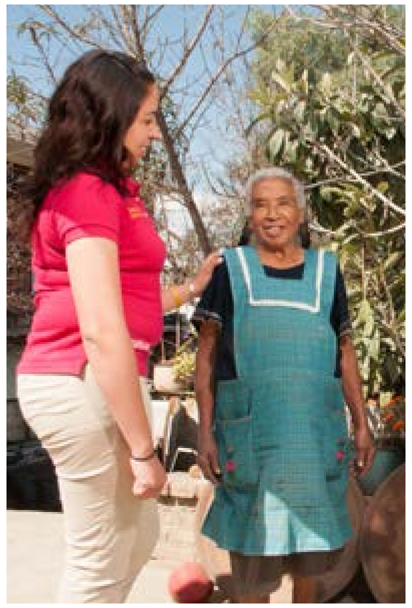
Annual and Sustainability Report 2014

Teófila Ahuatl Aca
Production of clay *comales*
Compartamos Banco's client

Content

1
Who we are





WHO WE ARE

G4-6, G4-18

We are the entrepreneur group that works for financial inclusion at the bottom of the pyramid, with presence in Mexico, Peru and Guatemala. We aim to generate three types of value:

Social value

We grow to offer inclusion opportunities to the largest number of people in the shortest time possible, sharing these benefits with the communities where we operate.

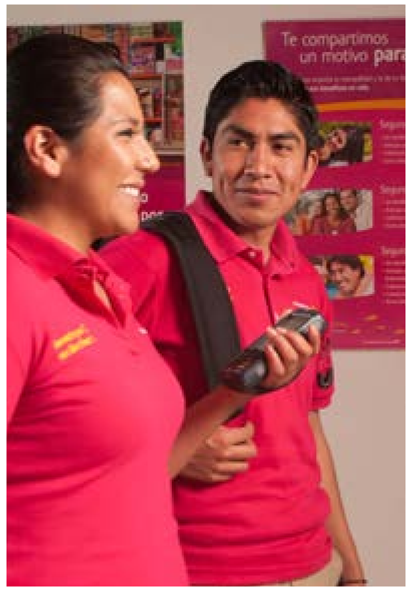
SOCIAL VALUE	2013	2014	VARIATION
Amount disbursed (millions)	74,472	83,204	11.7%
Number of disbursements	8'042,469	8'321,000	3.5%
Number of clients/households benefited	2'754,860	2'874,488	4.3%

Human value

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

HUMAN VALUE	2013	2014	VARIATION
Number of employees	19,339	18,999	-1.8%
Investment in internal training (millions)*	77.9	95.8	23.0%
Investment in external training (millions)*	11.9	11.8	-0.8%
Internal training hours*	962,820	1'177,752	22.3%
External training hours*	9,886	9,731	-1.6%
Employees' scholarships*	192	145	-24.5%

* Scope: México –Service areas (CEAS), Compartamos Banco, Aterna and Yastás-. Includes technic training (workshops, courses, seminars, conferences) and scholarships to conclude studies (bachelor degrees, certification programs, masters).



Economic value

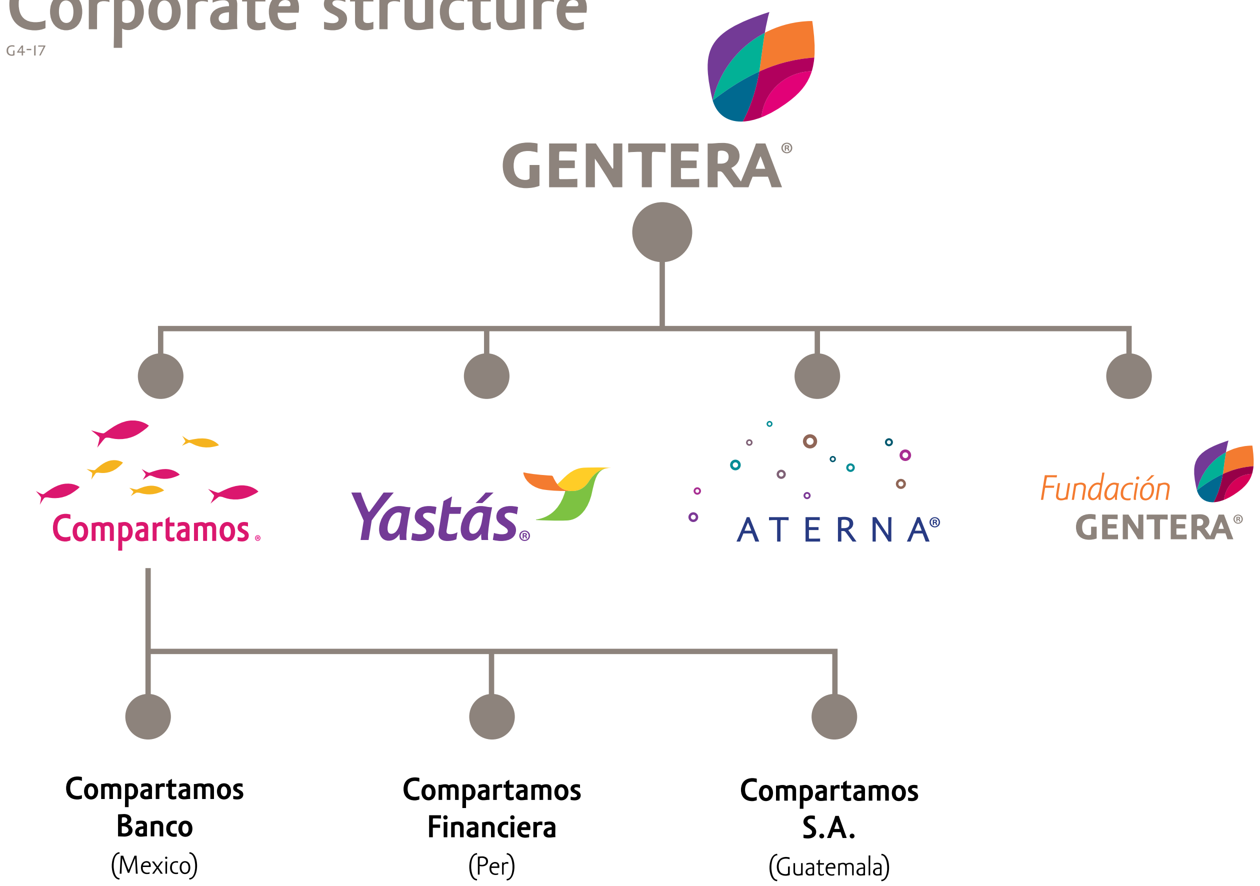
We build innovative, effective and profitable commercial models from which all can benefit themselves.

ECONOMIC VALUE	2013	2014	VARIATION
Total loan portfolio (millions)	20,706	23,951	15.7%
Net results	2,271	3,162	39.2%
Operational efficiency	27.0%	27.6%	0.6pp
Direct jobs	19,339	18,999	-1.8%
Indirect jobs[1]	2’763,675	2’883,686	4.3%

[1] Number of clients at the end of the period multiplied by 1.0032 people hired by micro-enterprises, according to the 2010 National Microfinance Survey conducted by INEGI.

Corporate structure

G4-17



Believes in its clients and their self-management, so it safeguards their business' drive and empowerment, their economy's reactivation and their opportunity to ensure their families and communities wellbeing

Compartamos

Compartamos –specialized financial services entity for the bottom of the pyramid– offers loans, insurance, savings and payment channels products to its clients, thus promoting their empowerment.

In Mexico it has presence as Compartamos Banco; in Peru, as Compartamos Financiera; and in Guatemala, as Compartamos S.A.

Compartamos Banco

Compartamos is the financial agent for Mexican families in the bottom of the pyramid, who provides access to adequate loans, insurance, savings and payment channels products, with a legitimate interest in the person.

During 2014, Compartamos obtained several accomplishments, such as:

- Fitch Ratings increased the national long term risk grade of Compartamos Banco from ‘AA(mex)’ to ‘AA+(mex)’
- 14th place in the Best Mexican Brands ranking by Interbrand
- Recognized as the 2014 Best Microfinance Bank by LatinFinance magazine
- 12th place in the Americas Microfinance ranking: the top 100, 2014 edition elaborated by the *Fondo Multilateral de Inversiones* (FOMIN) – member of the *Banco Interamericano de Desarrollo* (BID)– and Microfinance Information Exchange, Inc. (MIX)

Compartamos Financiera

Compartamos Financiera offers group and individual financial services to people with businesses in the bottom of the pyramid.

- Compartamos Financiera was recognized by MicroRate as one of the best companies of social and institutional performance practices. Likewise, it obtained the 3rd place in the ranking of companies with the highest number of clients in the micro-enterprise category, according to Peru’s Superintendencia de Banca y Seguros (SBS)

Compartamos S.A.

Compartamos S.A. is the financial institution which provides working capital loans to women's groups with productive activities in the bottom of the pyramid, promoting theirs and their families' wellbeing.

- Obtained the 10th place in the Best Companies to Work ranking in Guatemala, on behalf of Great Place to Work Institute Central America

ATERNA®

G4-14

It is the leading insurance broker in Mexico, specialized in attending the needs of the population at the bottom of the pyramid. It designs and operates insurances to promote a prevention culture and face any unforeseen circumstances they might be vulnerable to; besides acting as an intermediary between the insurance sector and the distribution channels.

Its mission is to promote a prevention culture and participate in financial inclusion through the access and support for its clients in risk moments

Drives communities' social and economic development, besides promoting their inclusion to the system

Yastás®

G4-8

It is the banking correspondent administrator that seeks to enhance the life quality of people who live in marginalized areas, providing access to financial operations, services payments and airtime purchases. Through this business unit, **Gentera** works for financial inclusion, reaching places where infrastructure is limited or nonexistent. .

Yastás is addressed to small businessmen, such as grocery shops, stationery shops, hardware stores and pharmacies; all of whom have a visionary profile and seek to expand their businesses, offering new services like banking correspondents to their clients.

2

Gentera, a sustainable company

G4-15

At **Gentera** we are aware of social responsibility and apply it daily to our activities, both inside and outside the Group, for we seek to drive a business vision that involves respect for people, ethic values, community and environment in our business management. Therefore, we have obtained for the fourth consecutive year the Socially Responsible Company Distinction, granted by the *Centro Mexicano para la Filantropía* (Cemefi).

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Likewise, we are listed in the Sustainable Index of the Mexican Stock Exchange, which allows to assemble companies whose environmental, social and corporate governance performance permits access to capital investors concerned about the future, as these are well known and recognized nationally and internationally for their sustainable practices, besides being identified with lower risks since they manage properly several indicators.

Value chain

G4-13

During 2014 we initiated a formalization process and restructuring of **Gentera's** value chain, with the purpose to create a sound operating model, able to support our current operations and be scalable for future growth. The main objectives we considered are:

- Manage by process, allowing a better vision of each process' total cost and the additional value for our clients, balancing autonomy and reaction speed to the environment with the detections, formalizations and diffusion of the organization's best practices
- Get rid of duplicated processes and functions and delegate or centralize specific functions into excellence centers, depending on the required degree of specialization and the necessary immediacy to the operation
- Harmonize the different technologic platforms
- Prioritize initiatives based on a formal and impartial framework which considers the social, human and economic value provided to our clients, employees and investors, in light of the amount and investment horizon

G4-12

We have 217 suppliers who provide services for Gentera and its companies

The resulting operating model from this evolution is comprised by six elements, working jointly with the aforementioned objectives:

- Value chain
- Process' architecture
- Delivery model
- Government model
- Organizational structure
- Value map

DMA 15, 23, 33, 34

At **Gentera** we are concerned to have an impact on our value chain and, throughout it, convey our best practices. Therefore, we have decided to work with suppliers who share our vision on several topics, from environmental sustainability, to the respect of human rights and the battle against corruption. All our suppliers go through an induction process so they get to know our business model and our ethics guidelines.

The positive impacts we have identified with this interaction are crucial in order to guarantee commercial relations with formal companies and responsible employers who comply with their obligations; the possibility to detect companies with practices which threaten minors or do not grant law compensations to their employees; and the joint responsibility of social and environmental benefits. Whilst the negative impacts are the accountability for the damage caused; getting sanctions from authorities and the reputational damage caused for working with any supplier who has been sanctioned or fined.

DMA SP 15, 23, 33, 34

In order to mitigate such negative impacts we have raised awareness and provided recommendations to our supply chain through supplier' evaluation we verify environmental performance; social responsibility; sustainable development; transparency; human rights, specifically regarding child labor, compulsory labor and security measures; and labor practices, in matters related to employment, occupational health and safety and work relations. After we apply all these measures, if the results are not favorable, we take specific actions that even imply exchanging suppliers.

G4-EN32, G4-LA14, G4-HR10

16.1%
of our suppliers
were evaluated in regards to environmental, human rights and labor practices matters

Ethics in our value chain

G4-56

For us, ethics means doing the greatest good possible. We have a Code of Ethics and Conduct for our suppliers aiming to influence our value chain, convey our principles and establish the best conduct guidelines. The code was re-launched in 2013-2014.

Following this re-launch we delivered the Code of Ethics and Conduct and a commitment letter to new suppliers and even, to those working for **Gentera** for 10 years, confirming its knowledge and compliance.

DMA 17

We certify all our suppliers in our Code of Ethics and Conduct to ensure its compliance, hence, if any noncompliance is presented, we dispense of their services or their contract renders unrenewable, taking into account that all suppliers go through an internal selection, which allows us to know their values.

We also have a Code of Ethics for the non-profit associations we benefit through Fundación Gentera's donations. With this Code we seek that the benefited institutions comply with certain requirement for the donation's granting and/or continuity.

3

Message from our Chairman

G4-1, G4-2, G4-39

Dear shareholders and employees,

It is a great pleasure for us to present our 2014 Annual and Sustainability Report, which reports **Gentera** and its companies' results regarding economic, social and environmental matters.

This year we remained faithful to our commitment to maintain focus on the client, offering more and better financial products and services, which create social, economic and human value to the most number of people in the shortest possible time, as established by our purpose.

In regards to economic matters, 2014 was a year that began with uncertainties: in macroeconomic terms, the country was not growing at the expected rate; there were many changes and expectations before the structural reforms, which we had to understand to recognize their influence in our industry. Notwithstanding, we are extremely satisfied with the achieved results.

- The total credit loan portfolio at December 2014 amounted to PS. 23,951 million compared to PS. 20,706 million in 2013, reaching 2.8 million active clients against 2.7 million the previous year
- The ratio of non-performance loans (CV) for 2014 was 3.28%, against 3.12% the previous year, resulting from strict controls in the credits origination and the reinforcement in employees' training programs
- Net income amounted to PS. 3,162 million, an increase of 39.2% against 2013
- Our operations in Peru, through Compartamos Financiera, grew 17.9% in loan portfolio terms and 20.2% in number of clients, serving currently over 238 thousand people. Likewise, in Guatemala –Compartamos S.A.– holds over 62 thousand clients, exclusively with *Crédito Mujer*
- At the end of 2014, Yastás, our banking correspondent administrator, had over 2,000 commissioners approved by the CNBV to conduct financial operations, compared to 754 from the previous year
- Aterna, our insurance broker for the bottom of the pyramid, closed the year with over 12 million sold policies, positioning itself as one of the largest insurance intermediaries in Latin America

Carlos Danel Cendoya

2014 was also an accomplishment year regarding technology, since we successfully implemented the SAP platform in all our branches in Mexico in less time than expected and without interrupting the business' continuity. With this system, we will be capable to manage not only loans, but also savings; besides reducing implementation times for new products the bank's clients require.

The aforementioned results from the continuity we have conducted in our strategy throughout the last years, which led us from a one-product/one-country to a multi-product/multi-country company, as well the renewal conclusion of our technologic platform and at the same time, seeking new opportunities in the market.

In social responsibility matters and through Fundación Gentera, we achieved outstanding results, focused on education in three aspects: financial education, formal and for the entrepreneur in its business.

- Over 236 thousand people benefited with social responsibility projects, investing over PS. 45 million through the social responsibility fund
- **Gentera** was ratified as a member of the Sustainable Index of the Mexican Stock Exchange for the fourth year in a row
- Over 13 thousand employees participated in volunteering activities in different communities
- Over 1 million clients form *Crédito Mujer* were benefited with the Personal Finances Workshop
- We formalized and restructured our value chain aiming to create a sound operating model, able to support current operations and be scalable for future growth
- We gave 2,000 scholarships for entrepreneurs, through *Proempleo*
- We were recognized with the first place in the Great Place to Work ranking for companies in the finance sector; it is our fifth consecutive year within the top positions
- We obtained the Family Responsible Company Award granted by NCH & Partners; we are the first Mexican company to achieve this certification in Latin and Central America
- In October, 2014, S&P granted Compartamos Banco the global rating of 'BBB/A-2' and nationally for Banking of 'mxAAA/mxA-1+', which conveys the strength of the Group's finances, built gradually with conservative policies

Carlos Labarthe Costas

In the years to come, we expect to maintain our loan portfolio's growth. As in previous years, in 2015 we will keep focusing on growth, overseeing assets' quality, which has been, and will continue being a fundamental element in **Gentera's** evolution.

We will continue investing in strategic projects for saving products and in the development and strengthening of our banking correspondent administrator –Yastás–, which will represent the largest investments, since they are the key projects to achieve greater financial inclusion.

To fulfill our purpose and abide by our value offer for the client, we will seek to:

- Capitalize our experience in loans and insurance
- Reinvent our business model
- Improve the delivery model's efficiency
- Build capacities for inorganic growth, innovation and business intelligence

All these accomplishment would not be possible without the daily work of our almost 19 thousand employees, who we thank their commitment with all clients and **Gentera**.

Carlos Labarthe

C. Danel

Carlos Labarthe Costas
Chairman of the Board

Carlos Danel Cendoya
Chairman of the Board

4

Because we are coherent

Our Philosophy

G4-56

We act according to our six institutional values, and our personal ethic conduct is based on them.

values

People

We strive so people improve themselves. Therefore, we encourage the comprehensive development of our employees in accordance with the F.I.S.E.P. ® model, which considers five dimensions: Physical, Intellectual, Social-Family, Spiritual, and Professional.

Service

We devote ourselves to others because we are genuinely interested in their wellbeing.

Responsibility

We keep our word and are accountable for our actions.

Passion

We love what we do.

Teamwork

We collaborate with others striving to achieve more.

Profitability

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

DMA 20, 21, 25, 26, 31

To achieve the proper attainment of our values throughout our operations, we manage and monitor the compliance of our Philosophy's concepts. We create tools that allow us to broadcast these guidelines to all our employees and establish measurement indicators to generate corresponding action lines.

Our Philosophy is the reflection of the beliefs that guide our daily actions. We encourage you to become familiar with it through our website: www.gentera.com.mx

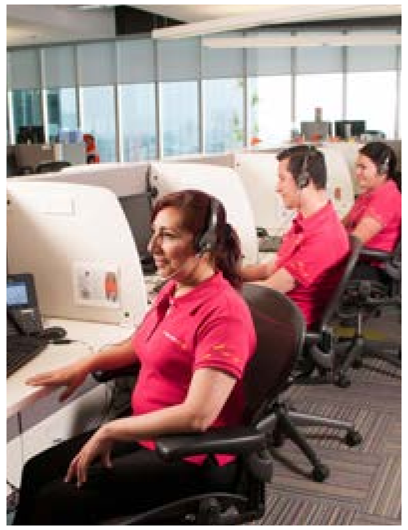
Code of Ethics and Conduct

G4-56

DMA 25, 26, 28, 29, 32, 47

Since our inception, over 24 years ago, we have a person-centered philosophy and with the goal to provide development opportunities for our clients, which has been spread by our leaders and founders.

In 2004, due to the Group's accelerated growth, the need arises for a tool that would help us understand and live our Philosophy, besides guide us in our daily activities: our Code of Ethics and Conduct. This tool consolidates our Philosophy and provides behavior criteria towards our stakeholders. Its compliance is mandatory for the members of the Board, commissioners and employees. It is everyone's responsibility to observe and ensure observance to all conducts described in it.



G4-HR5, G4-HR6, G4-HR8

DMA 31

Our Code of Ethics and Conduct comprises subjects relating to value and respect for human rights, since we believe that every person is unique and unrepeatable, with value of their own; we respect their dignity, their rights and obligations, and we provide all means within our reach to ensure their self-improvement. We recognize that all people are equal; we believe in gender equity, value of woman and man's roles in society and offer them equal opportunities, so they can progress and strengthen their families with their talent and effort. We reject all types of discrimination, which entails any sort of distinction, exclusion, restriction or preference for motives such as ethnic or national origin, gender, age, disabilities, social conditions, health conditions, religion, opinions, sexual preferences, marital status or any other that goes against human dignity or targets to invalidate or diminish people's rights and freedom.

Also, it includes matters of rejection to discrimination, anticorruption, conflict of interests, information handling, grievance mechanisms, rigorous prohibition of child labor and compulsory work, among

Through our Philosophy Guardian program we introduce our Code of Ethics and Conduct to 100% of new employees in the three countries where we operate

others, achieving that all our employees have an ethical behavior in their daily activities.

Through this important instrument, we ensure a dignified a respectful treatment for everyone; furthermore, we safeguard the Code's compliance through the implementation of grievance mechanisms. We endeavor to diffuse it, training our employees and accepting it as part of our genes.

The instrument for this purpose has three forms with adapted courses for each of **Gentera's** companies:

- A printed induction guide, delivered to each employee when they are hired, consists of **Gentera** and each of its companies' history and philosophy
- Online training, employees have 60 days to take it (seven modules and seven evaluations). This course is on an online platform
- Face-to-face training, imparted by a Philosophy Guardian, in which the main topics of our history and philosophy are reinforced

The Philosophy Guardian is an employee who lives and transmits our philosophy and is qualified to impart the induction course. Our employees have 90 days to take the four hour course.

Additionally, we provide a commitment letter to guarantee that our employees know, understand and commit to live our philosophy within **Gentera**.

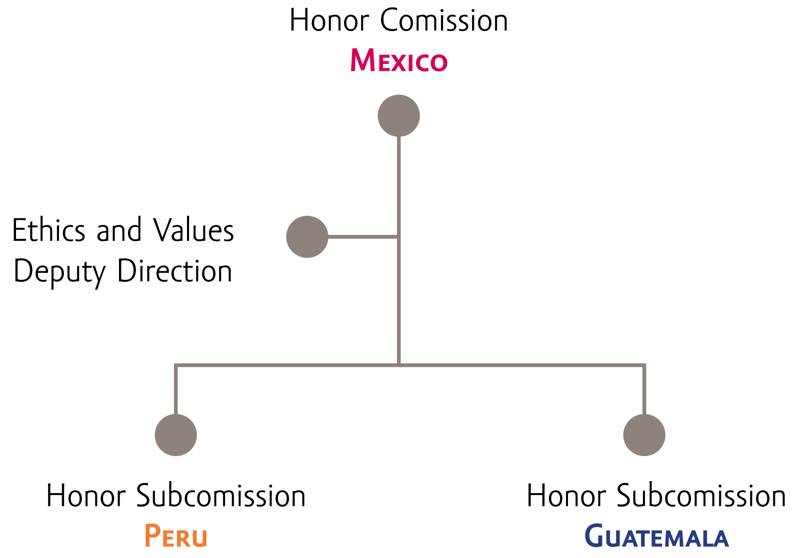
2015 Goal

Ensure that 100% of our new employees receive induction in our Philosophy in its three forms

All our employees and consultants receive a mandatory reinforcement and certification annually to renew their commitment. This procedure is carried out by teams according to functions or positions, corresponding to the actual underlying themes for each that need strengthening of our philosophy.

G4-42, G4-56

In 2004, the Honor Commission was born, an autonomous and independent organ with voting right and comprised by six members and a president, all of them characterized by high morals, trustworthy, with seniority within the Group and experts in our philosophy. They convene every two weeks, always giving preference to the dignity and integrity of all involved. Every year, the commission reviews, modifies, renews and ratifies and/or revokes content from our Code of Ethics and Conduct, according to events presented in the period. Furthermore, this organ is in charge of evaluating all consultations or complaints regarding violations or noncompliance with our Code, both in **Gentera** and in each of its companies, by presenting each director a quarterly follow-up and attention report for all registered complaints.



G4-57, G4-58

Formal grievance mechanisms for violations to the Code of Ethics and Conduct
(for suppliers and employees)

Constituted by:

- e-mail*
- Transparency box in our website
- 01-800 telephone line*

* In charge of Gentera and all its companies

These mechanisms can be:

- Anonymous
- Identification

At Gentera we distinguish ourselves for promoting those complaints in which grieving employees are identified, according with our nature and values, those who wish confidentiality, always remain so.

G4-SO4, G4-SO5
DMA 47, SP 36

Besides our Code of Ethics and Conduct, we have other mechanisms to prevent corruption, frauds and money laundry, such as the Fraud Detection and Monitoring Unit –on behalf of Internal Audit area– and the annual training and certification to prevent money laundering.

Furthermore, we have human training courses, where we encourage our employees' comprehensive development, through the drive of skills, knowledge, behaviors and attitudes in the professional, family and social scopes, as well as additional values such as equal opportunities, non-discrimination and respect for people and their rights, all of which has favored a fair and respectful behavior throughout **Gentera**, all its branches and our value chain.

During 2014, the opinion box collected three suggestions on environmental

Grievance mechanisms

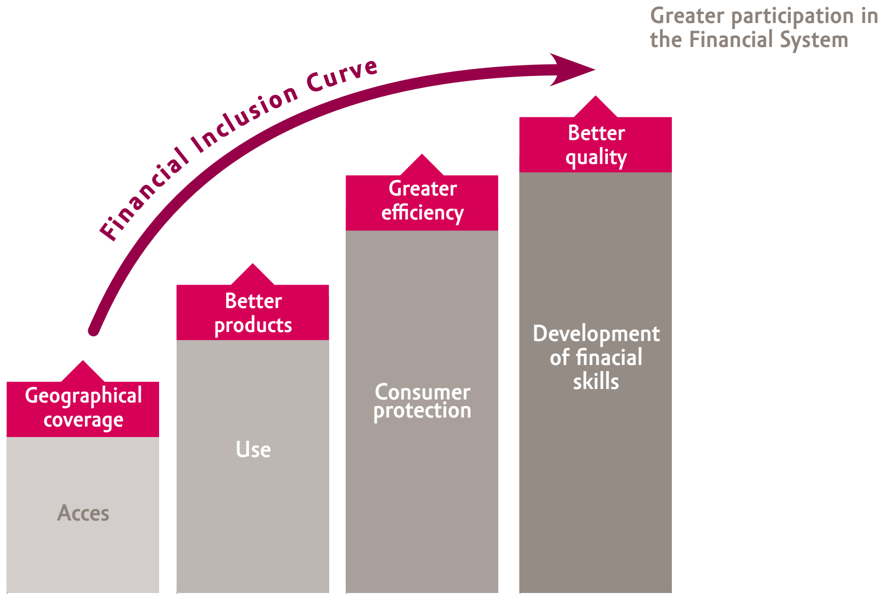
G4-EN34
DMA 16, 24, 34, 41 / SP 16

As part of our culture, our Code of Ethics and Conduct establishes the guidelines to receive suggestions and complaints by our stakeholders, regarding social, environmental, labor and human rights topics.

For external grievances, we have an email and a telephone line named Compartel, while inside **Gentera**, we have an opinion box.

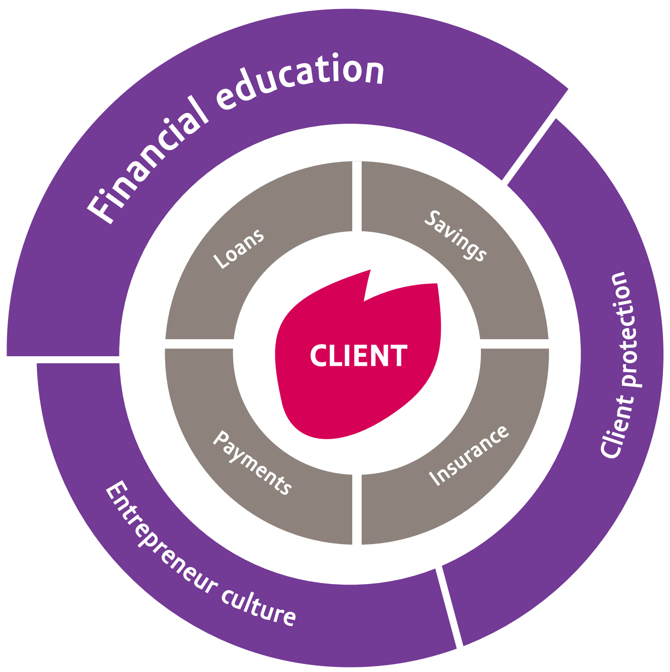
5 WORKING FOR FINANCIAL INCLUSION

Financial inclusion is the access and use of a scope of financial products and services by part of the population, within an appropriate regulation that protects their interest and encourages their financial capacities, permanently sustained by components such as clients' protection and financial education.



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

At Gentera we work for financial inclusion, therefore, in 2014 we incorporated financial education as an attribute of the financial products we offer, always sustained on our Philosophy and social, economic and human value generation.



● Financial products that we offer

● Features of our products

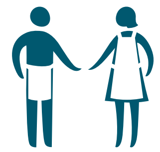
Financial education is a fundamental element in the financial inclusion process, for it consists of providing useful information for decision making and financial literacy, both of which foster financial capacities in the population. Furthermore, we always remain focused on clients' protection and promote an entrepreneur culture, collaborating thoroughly to increase the communities' participation in the financial system.

G4-9

Loans (Compartamos)

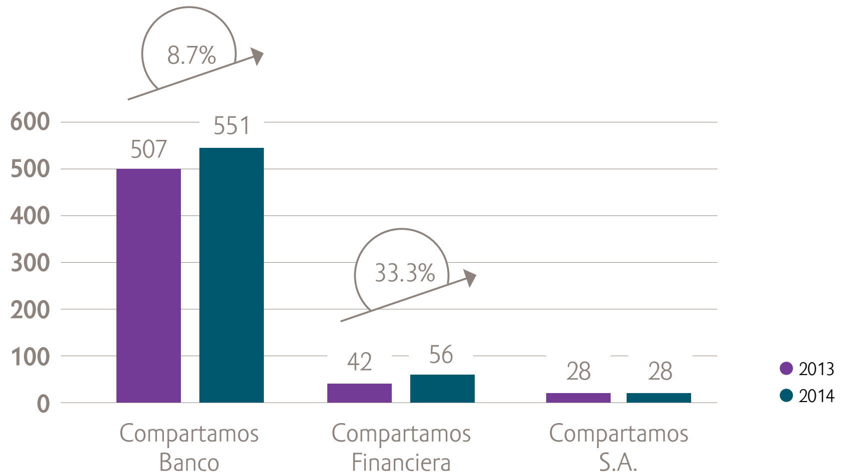
G4-4, G4-8

BRANCHES



Over 2.8 million clients,

increase of 4.3% vs 2013



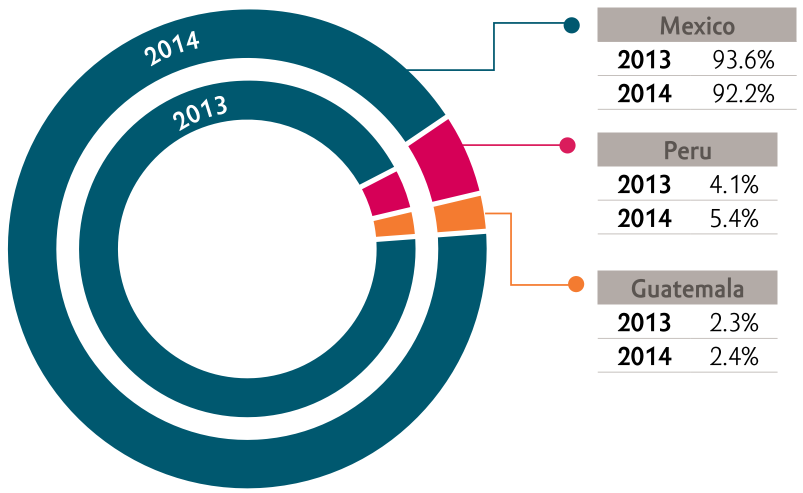
	Mexico	Peru	Guatemala	TOTAL
Employees	16,448	2,057	494	18,999
Clients	2'573,961	238,361	62,166	2'874,488
% Women clients	89.9%	70.0%	100.0%	
% Men clients*	10.1%	29.9%	0.0%	
Clients' retention rate (%)	81.4%	66.8%	70.4%	79.9%
Clients insured	1'928,627	238,361	62,166	2'229,154
Average loan	9,824	15,267	5,024	9,999
Amount disbursed (millions)	75,376	6,812	1,016	83,204
% of annual growth in disbursements	1.9%	34.1%	11.3%	3.5%
Non-performing loans ratio	2.66%	5.65%	4.97%	3.28%
Non-performing loans	504	270	11	785

* The remaining 0.1% corresponds to clients with legal personality.

DISBURSEMENTS

8.3 million disbursements,

increase of 3.5% vs 2013



Mexico credit clients

Market	Total number of clients	Products	Number of clients per product	Percentage of clients against market
		Crédito Mujer	1'733,404	67.4%
Women's group market	1'762,377	*Crédito Adicional**	222	0.0%
		*Crédito Crece y Mejora CM**	28,751	1.1%
Mix group market	708,705	*Crédito Comerciante*	708,705	27.5%
Mix individual market	101,465	*Crédito Individual*	101,465	3.9%
	1,414	*Crédito Crece y Mejora CCR**	1,414	0.1%
Total	2'573,961		2'573,961	100.0%

*Only clients

Loan portfolio by market (millions)

Women's group market	13,023
Mix group market	4,431
Mix individual market	1,507
Total	18,961

*Mexico

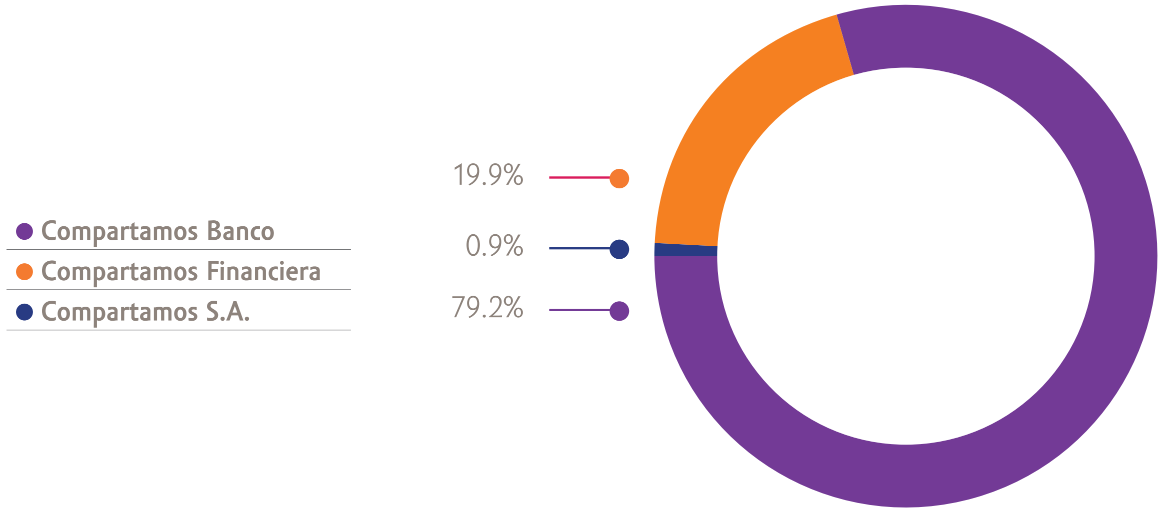
Loan portfolio by market (millions)

Total structured microenterprise	1,743
Total penetration microenterprise	770
Total pre-approved microenterprise	1,333
Total structures consumer	761
Total penetration consumer	161
Stockholders' portfolio	4,768

*Peru

FS6

LOAN PORTFOLIO DISTRIBUTED BY MARKET



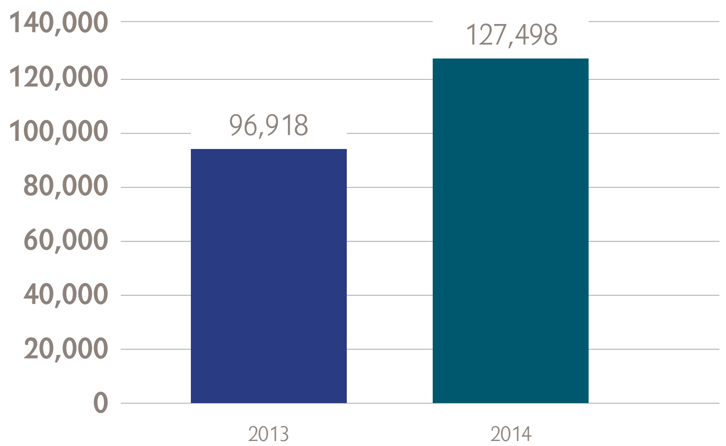
Notes:
Compartamos S.A. only has one product addressed to women (*Crédito Mujer*).
Loans have been granted to different areas, among them: manufacturing, farming and cattle raising, services, textiles, food, clothes, commerce, industry and fishing.
Scope: Compartamos.

Savings

Saving in Compartamos Banco holds a double objective: generate additional value to clients aiming to save and addition a funding method for the institution.

During 2014, the existing savings' clients increased 31.6%

SAVING ACCOUNTS



Insurance (Aterna)

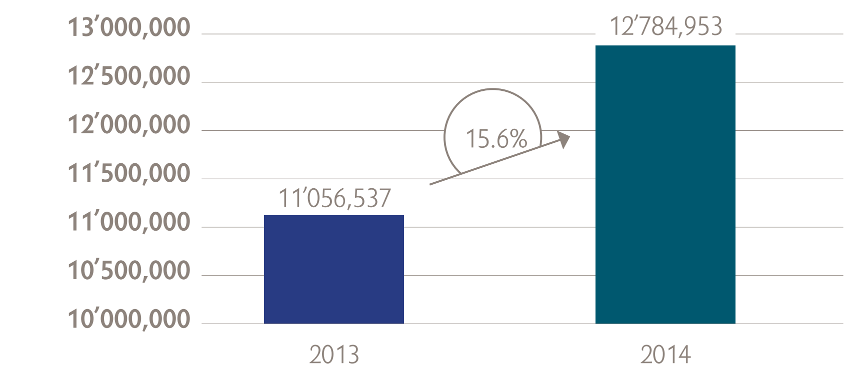
G4-4, G4-14, G4-PR1

All policies developed by Aterna include a life insurance. Moreover, Aterna has designed products with additional coverage in health or damages to supplement the value offered to its clients.

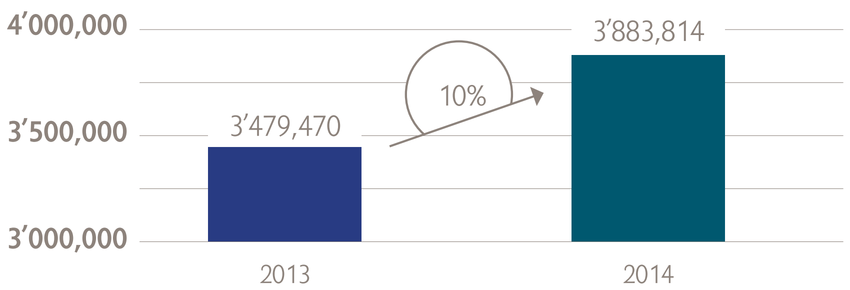
DMA 43

Aterna verifies that its products have the SUAVE characteristics (Checklist for Microinsurance Products), so they must be simple, understandable, accessible, valuable and efficient.

SOLD POLICIES



ACTIVE POLICIES



FS7

Aterna	2013	2014	Variation
Employees	32	25	-21.9%
Distribution channels	5	8	60.0%
Accidents covered	4,225	7,581	79.4%
Insurance paid to beneficiaries (millions)	96	112	16.6%
Total intermediated premium (millions)	360.4	495.2	37.5%

DMA 42

FS14

During 2014, Aterna designed and launched new voluntary insurance products for Compartamos Banco to attend in a better way clients' needs. With this strategy, it developed an insurance for each product:

- *Crédito Mujer – Seguro Mujer*
- *Crédito Comerciante – Seguro Comerciante*
- *Crédito Individual – Seguro Individual*

Each of these insurances has the added value of health coverage, like cancer diagnosis or heart attack, and has telephone assistance services on medical, educational and legal subjects.

168 **commissioners** attended financial education training in Veracruz

Payment channels (Yastás)

G4-4, G4-8

During 2014 Yastás focused on the clients' redefinition. Previously it was about the final user. Currently, it is about the trader, the one behind the counter and whom Yastás supports to make him a better businessman and, along with financial education, help him achieve a profitable business.

Yastás has presence in 13 states of Mexico, classified in five regions:

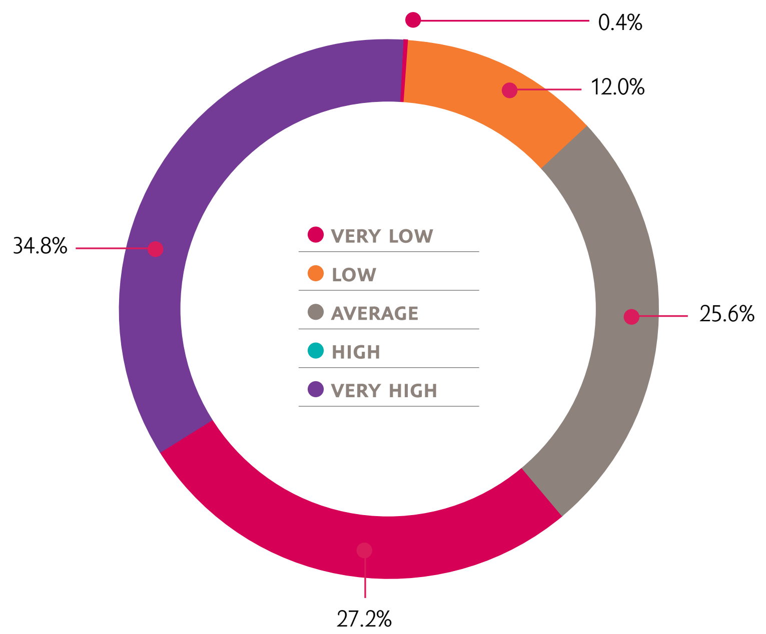
Yastás Distribution by regions				
Gulf	East	South	Metropolitan	Expansion
San Luis Potosi	Hidalgo	Chiapas	Mexico City	Oaxaca
Tamaulipas	Puebla	Tabasco	State of Mexico	Yucatan
Veracruz Puerto and Northern Veracruz	Tlaxcala	Southern Veracruz	Morelos	

492 municipalities assisted; in 443 of them, loans' payment of Compartamos Banco can be executed

FSI3

MUNICIPALITIES DISTRIBUTION BY EXCLUSION DEGREE

Yastás has
2,745
affiliated points to its network



The current commercial management in the five regions allows providing service through 2,745 affiliated points in the network. 2,000 are prepared to conduct Compartamos Banco's financial operations, such as loans' payment from amounts of PS. 2,500 to PS. 10,000; collection of payment orders amounting to PS. 10,200; deposits; cash withdrawal and balance checks form the Compartamos Personal Account.

Thus, Yastás has become a convenient channel, which works for great part of the clients in regions where it has presence, offering a nearby point to carry out financial operations, services payments and cell phones airtime.

Yastás	2014
States with presence	13
Issuers[1]	17
Benefited people[2]	818,598
Employees[3]	143
Active correspondents	2,745

[1] Services can be paid through the affiliated correspondents in the Yastás network.
[2] Service payment and financial operations categories are considered.
[3] The number of employees in corporate offices is 51, salesforce, 92.

During 2014
we benefited
818 thousand
users

2015 goals

- Modification of 3,500 stores to conduct financial operations
- 80% of financial correspondents with at least five financial operations per month
- 50% of financial correspondents with Internet connection
- 9.4% of Compartamos Banco's operations carried out in December (loans)
- 19.4% of Compartamos Banco's operations carried out in December (savings)
- Employee turnover rate not exceeding 35%
- Income per active financial correspondent of PS. 718, to December 2015, a monthly average of PS. 462
- Operating efficiency

Internet Loans (Mimoni)

G4-4, G4-8, G4-13, G4-23

In 2014 we acquired a share percentage of Mimoni, new business model whose objective is to provide loans and develop predictive algorithms for its use in the medium term. This business will allow **Gentera** obtain new technologic capabilities and have a new distribution channel for our products. Mimoni's presence will only be in Mexico City, targeting adult men and women belonging to segments C and D.

Financial education

G4-14
DMA 43, 47

Financial education is one of the key elements for our actions and through which we seek to create human value for our clients. Our business model is based on personal and constant contact with our clients, therefore we are able to encourage a savings and caution culture through the use of our services; thus generating conscience to avoid indebtedness.

For more information about the financial capabilities in Mexico study: results from the national survey regarding behaviors, attitudes and financial knowledge, please visit www-wds.worldbank.org

DMA 3, 35 / SP 3

Since 2005, the Organization for Economic Cooperation and Development (OECD) has invited several public and private institutions to carry out financial education actions, and has stressed the importance of citizens having information for financial decision making. In 2013, the World Bank conducted a study about financial capabilities, where Mexico has a significant challenge so the population manages its finances better.

For this reason, **Gentera** is part of the banking institutions who works for financial education, through Compartamos Banco since 2009. Currently, Compartamos Financiera and Compartamos S.A. also have each financial education programs.

G4-EC8
DMA 43

Providing financial education to people in the bottom of the pyramid who use financial services has a positive impact on the communities where we operate, since they have further information about the products they purchase. Its importance lies in the pursuit of financial capabilities' development through training and informative strategies among employees, clients and the community; which contribute to accurate decisions in resources' management and use of financial services responsibly, motivating theirs and their families' wellbeing.

To guarantee the development of financial education actions within our financial products, we established a process to identify and define the contents for the programs that will be imparted to the Group's clients; such process consists of:

1. Conduct a diagnosis study to identify our clients' financial education needs
2. According to the study's results, the content to insert it in the credit methodology is designed
3. Carry out an experimental test to identify adjustments in the content
4. Once the content is adjusted, training is implemented and made accessible

1 Over million clients tapped in Mexico, Peru and Guatemala with the eprsonal finances workshop

Our goal is to create financial capabilities within the family core, this way facilitating the application of healthy finances in daily life, that benefit people's life quality and planning of a secure future.

DMA 47

The training strategy includes the development of skills, conduct and competencies modifications, and fresh knowledge starting from several training actions. It is comprised by actions such as financial education workshops and courses for clients and employees focused on topics like expenses management, budgets, saving tools, credit management, insurances, investments and responsible consumption. Examples of these are the "Improving my personal finances" workshop –part of the Crédito Mujer methodology in Mexico, Peru and Guatemala– which entails imparting workshops of six sessions lasting 15 minutes each; and the "Manage your money" workshop, along with Yastás in Mexico. Additionally, along with Fundación NEMI, we carry out actions with the community that involve a conference cycle in public middle schools and theater plays in public elementary schools to strengthen a financial education and environmental protection culture.

Training actions by target audience:

- Employees
  - Induction for *Crédito Mujer* in Mexico, Peru and Guatemala
  - Personal finances training for regional instructors
- Clients
  - "Improving my personal finances" workshop for *Crédito Mujer* clients in Mexico, Peru and Guatemala

86,566 children and young adults benefited with the financial education conference and play

2014 goal fulfilled: train 50% of our *Crédito Mujer* clients in Mexico, Peru and Guatemala

- Community
  - "Sharing adventures" play in elementary schools
  - "Your life, your project" conference in middle schools

100% of *Crédito Mujer* promoters trained to impart the "Improving my personal finances" workshop in Mexico, Peru and Guatemala

The informative strategy aims to provide useful and convenient information for financial decision making. We disseminate topics like budgets, savings, responsible consumptions, insurances, investments and advice on how to avoid indebtedness through printed magazines –Compartamos Consejos– for clients and –Compartips– for employees, besides electronic content in the intranet and social media.

Impacts by publication:

- 625,315 impacted employees
- 1'594,634 clients
- 387,249 community

DMA 3, G4-SO1

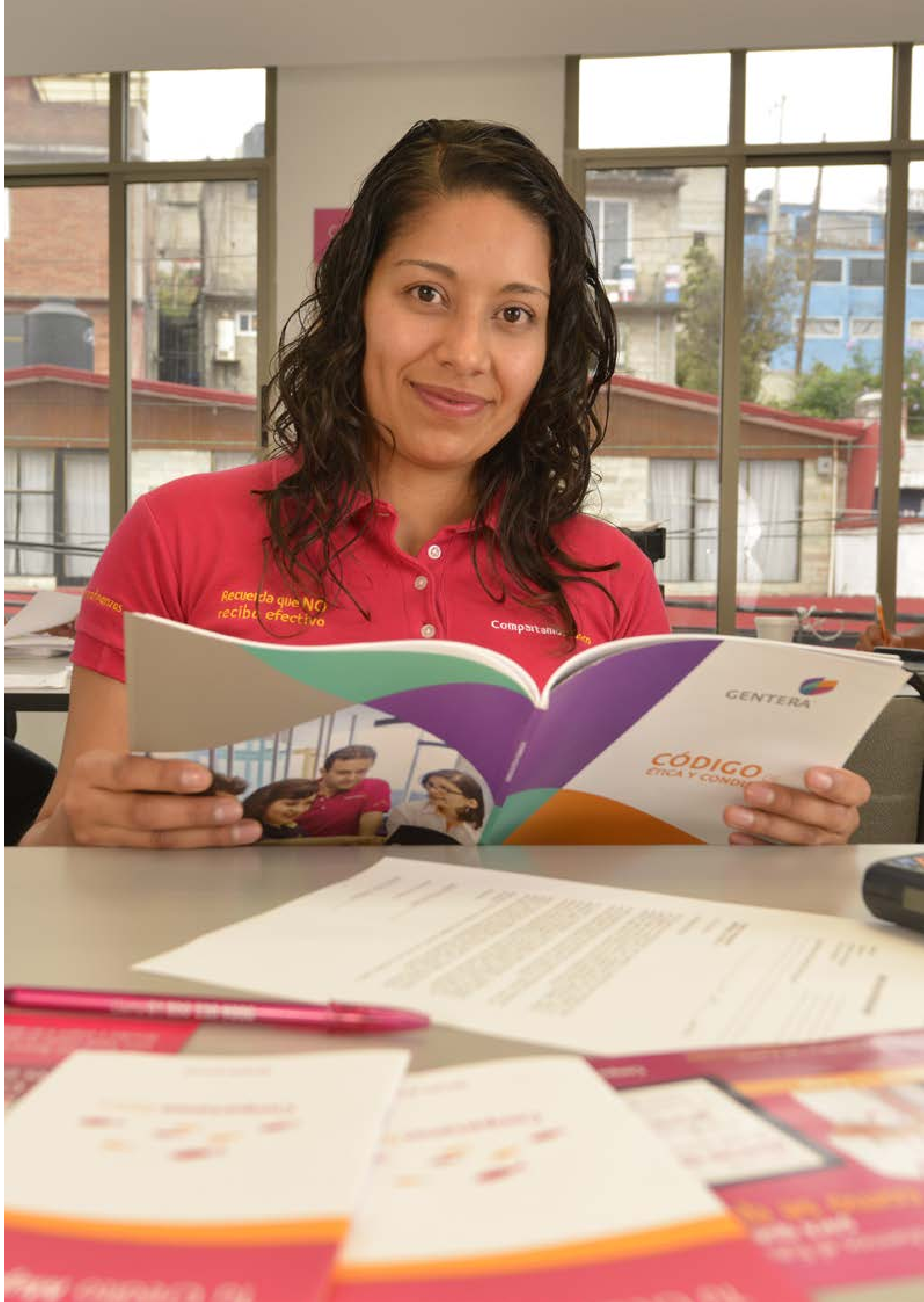
As part of the *Crédito Mujer* methodology, the financial education team monitored the branches which impart this workshop to supervise its implementation. In 2014, 98% of Mexico's branches were supervised and the workshop was integrated to 46% of Peru's branches and 100% of them in Guatemala. Also, to discover the workshop's reach and effectivity, quarterly surveys were conducted through a call center, where clients shared their opinions regarding the "Improving my personal finances" workshop.

FS7

From our perspective, financial education is an inherent service in our products, same that we have designed to provide a specific social benefit, and which we apply in several business lines, achieving the inclusion of a greater number of clients in this dynamic.

Monetary value of financial education by business line

Products	Outlay
Crédito Mujer	$1'015,297.5
Crédito Comerciante	$103,250.0
Crédito Individual	$41,007.5
Training	$18,807.0
Insurance	$9,900.0



Client service and client protection

G4-56
DMA 47

With the goal of fulfilling our purpose of generating social, economic and human value throughout **Gentera** and its companies, we permanently consider our Code of Ethics and Conduct and all guidelines included regarding human rights' protection, information handling, anticorruption and nondiscrimination to control our daily relations with our clients.

Information about our products

G4-PR3
DMA 43

Compartamos Banco has a sound process to inform clients about the characteristics and requirements in each product offered. For example, the products *Seguro Mujer, Seguro Comerciante* and *Seguro Individual* have information regarding procurement age; insured amount for decease and as advance payment for cancer diagnosis; option to protect a client's relative; validity; payment methods; premiums due; insured amount's percentage given to the beneficiary; whether or not a medical certificate is required and payment time in case of accident, once the documentation is delivered. It also includes information about medical, legal and educational assistance; medical and academic discounts and requirements.

The product *Cuenta Personal Compartamos* has information about the opening amount; opening applicable process fees; account management or minimum balance; billing statement fees; availability; means of disposal; annual interest rate and amount of withdrawals and balance inquiries without cost.

Additionally, the Bank has guides for each of its products addressed to all employees in Compartamos Banco who participate in each's process. These guides include information like the product's description; objective; benefits; characteristics; due dates; frequency; interest rate; fines; clients' profiles; requirements; conditions; restrictions; recommendations; credit process; activities; rules that must be observed; policies and glossary, among other material.

The Smart Campaign

is an international effort to join microfinance leaders around a common goal: maintain clients as the sector's motor

G4-PR1, G4-PR5, G4-PR8, FS11
DMA 42, 43, 44, 45

Compartamos Banco carries out a constant improvement process in all its products, aiming to provide additional value and protect clients' financial health. Therefore, it was awarded the Smart Campaign Certification, granted by MicroRate. This entailed a review of all policies and procedures including site visits, interviews with employees and focus groups with clients to identify evidences on the compliance of the Client Protection Principles in all institutional guidelines, systems, organizational culture and employees' behavior:

- Appropriate design and distribution of products
- Indebtedness prevention
- Transparency
- Responsible prices
- Fair and respectful treatment
- Clients' data privacy
- Grievance mechanisms

Client Protection Certified
the smart campaign
Awarded August 2014

Compartamos Banco was certified by the Smart Campaign for the correct compliance of the client protection principles

The general results were:

- The Bank offers several financial products which adapt to the client's profile, according to feedback obtained directly from clients, market and desertion research
- It uses the Clients' Protection Index as an internal control mechanism focused on the client, measuring the compliance level of clients' protection standards and best practices, same which are monitored by several areas through the Balance Scorecard and supervised by the Government Board as an institutional goal
- It conducts an appropriate indebtedness prevention with risk research; credit origination policies; promoters certification; evaluation of branches and client groups through internal audits to verify the methodology's compliance; evaluation of the loan portfolio's quality; analysis on the indebtedness evolution; clients' payment behavior and capacity; monitoring of credit bureau's information; financial education training and risk indicators' annual review. Besides, these topics are included in the Upper Management and Government Board's agenda permanently

- Manages its products with transparence and conveys to clients the main conditions and characteristics of each through contracts, brochures, websites and verbally
- It has responsible prices and rates based on payments behavior and groups seniority; has excellent levels of operating efficiency, exceeding those of the Mexican market; does not charge penalties for advance loans payment
- Has an outstanding Code of Ethics and Conduct, applicable for employees in their daily activities, guaranteeing the appropriate treatment for clients, besides transmitting it to its suppliers; it includes the collection best practices within its products guides
- Manages appropriately the clients' privacy data, through a specific area which raises awareness, trains and educates personnel regarding the confidential management of clients' information. There is controlled access to information in all the institution; it has privacy notices in all contracts and loan applications
- It has a grievance mechanisms such as a specific free telephone line and email for complaints management; a specialized unit to complaints resolutions (Call Center); verification calls to ensure the complaint has been resolved; monthly reports according to type and response time for complaints resolution

We safeguard our **clients' privacy** and comply with the law, thus creating a sound trust bond with them

Clients' privacy

DMA 45

At **Gentera** and its companies we safeguard all clients' privacy, in compliance with the Federal Law on Protection of Personal Data held by Private Parties (LFDPPP) and its regulation, applicable in Mexican territory and published on July 5, 2010 in the Official Journal of the Federation. This regulation's purpose is the protection of personal data held by private parties, in order to regulate its legitimate, controlled and informed processing, to ensure the privacy and the right to informational self-determination of individuals.

By complying with this law, we generate a strong trust bond with our clients; however, since it's a rather new law, it is not of general knowledge and interest, even when the Federal Institute for Access to Public Information and Data Protection (IFAI) has conducted a sound broadcasting campaign since its publication.

Since the law's publication, at **Gentera** we allocate financial and human resources to monitor its compliance, starting with reviewing the implications, as well as the new obligations the regulation establishes, with the goal to initiate the appropriate actions. Therefore, an external consulting agency was hired to help with the development of the procedure to identify risks and their rate, as well as action plans (risk treatment plans) with recommendations and measures to correct weaknesses in regards to personal data protection. From this project proceeded the creation of an inventory of personal data and related information assets to implement the corresponding operating procedures to properly comply with the law.

As a result of this procedure, we currently have several elements to observe this topic, such as institutional policies –information privacy policies manual; information security standard for the classification of information assets based on privacy; attend to ARCO rights request; comply with internal clients' requirements; cancel, block or eliminate personal data; develop and maintain privacy regulation; observe information privacy infringements; manage personal data inventory– and the process for addressing owners' rights. Additionally, we include data protection topics in our Code of Ethics and Conduct and hold public privacy notices in the intranet and websites of **Gentera** and its companies, communication, training and awareness programs.

Our main challenge is aligning to international standards to become a self-regulated entity regarding personal data protection

G4-PR8

All these tools –applicable in Mexico– allow us to manage appropriately both positive and negative impacts through the Information Privacy Management and Privacy Official, who are responsible to observe the compliance of the law and guarantee the informational privacy and self-determination of owners, by means of work plans, reports and operative records, jointly with verifications conducted by Internal Audit.

We recognize our clients' value

The recognition of our clients' loyalty is of the upmost importance for **Gentera**. To achieve this, Compartamos Banco has implemented several initiatives which promote interest in the community and family interaction.

2014 Micro-entrepeneur Award

- 339 Branches
- 94 Regions

Micro-entrepreneur Award

In 2014, Compartamos Banco recognized its most outstanding clients for the eight consecutive year, recognizing their effort and perseverance, virtues for which they have achieved a successful trajectory, becoming a role model for others micro-entrepreneurs.

4,839
CLIENTS PARTICIPATED

Recipes with Value Contest

- 530 Branches
- 98 Regions

Recipes with Value

This contest seeks to recognize the clients' loyalty and remain close to them through activities like cooking for the family, besides promoting family values, tradition and union.

The clients sent their best recipes, along with a brief letter explaining the reason for its importance and dearness to their family.

149,871
PARTICIPANTS

2014 Drawing Contest

- 472 Branches
- 98 Regions

Children Drawing Contest

Through this initiative, Compartamos Banco thanks its clients' loyalty by rewarding their initiative to encourage saving among their children and, at the same time, promote values such as honesty, responsibility, respect, teamwork, among others.

In 2014, the clients' children sent their drawings expressing creatively, how do my parents save?

47,007
DRAWING RECEIVED

Squadron 9/10 Competition

- 477 Branches
- 98 Regions

Squadron 9/10 Competition

Compartamos Banco awards its clients' children for their outstanding academic performance, besides motivating family union and its values. Through this activity, children with a 9.0 GPA or higher during the 2013-2014 school cycle sent a copy of their grades, along with a brief explanation of their duties if they were President.

11,083
PARTICIPANTS

6 Our People

16,626 philosophy surveys
were applied in Mexico, Peru and Guatemala

Overall annual result of the philosophy experience in Gentera:
86%

DMA 32

We are a group of companies committed to the person and its comprehensive development. We encourage the daily living of our Philosophy, therefore, every year we conduct the Philosophy Survey, comprised by 78 questions which evaluate some dimensions in our Philosophy, such as: Philosophy experiencing our six values, Code of Ethics and Conduct, human training, family, communication and Serviazgo.

The results by value in all **Gentera** are:

Passion	Person	Profitability
94%	80%	88%

Responsibility	Service	Teamwork
84%	90%	80%

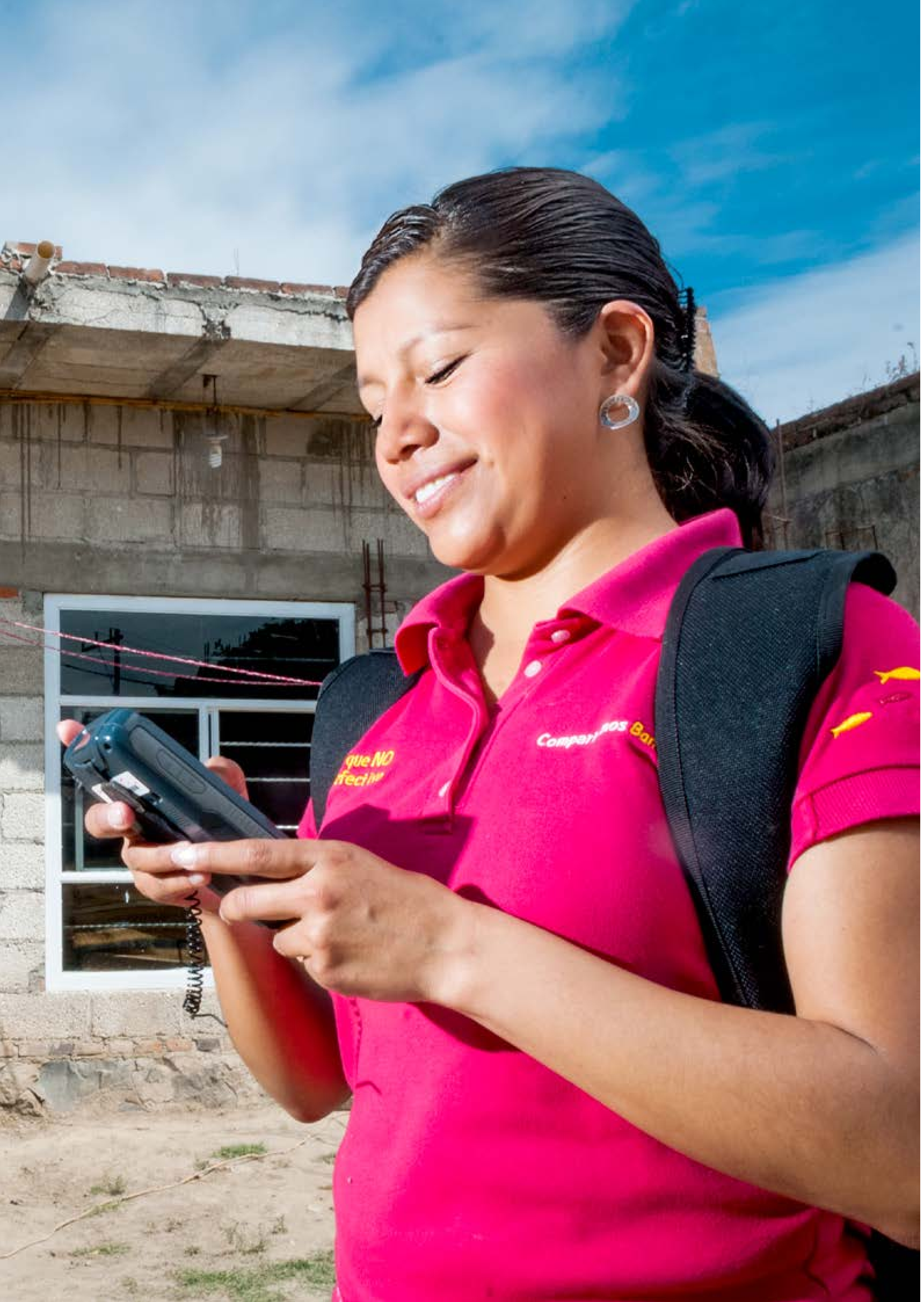
IN 2014:

GREAT PLACE TO WORK® Las Mejores Empresas para Trabajar 2014 México

- We received the first place in the Great Place to Work Institute Mexico ranking, with a special recognition to the Pride Dimension, and we obtained the 14th place in the same ranking in Latin America. Also, we were recognized with the first place in this ranking in Mexico in the category financial companies with over 1,000 employees
- Our companies Aterna, Compartamos Banco and **Gentera's** service areas obtained the recognition of Family Responsible Company, granted by NCH & Partners, due to their authentic interest in people
- We received the Responsible Healthy Organization, on behalf of the Business Council for Health and Welfare
- We implemented plans and activities, besides assigning resources to promote integrity in the three countries where we operate. Hence, we celebrated Family Day through a race, a photography contest and the Progressing as a family conference cycle
- We launched the complete F.I.S.E.P., through which our employees establish challenges and commitments to improve in the Physical, Intellectual, Social-familiar, Spiritual and Professional scopes

3,000 fulfilled commitments in Guatemala through the F.I.S.E.P. model

Físico *Intelectual* *Social-Familiar* *Espiritual* *Profesional*



SÚPER EMPRESAS EXPANSIÓN 2014

Furthermore, in May, 2014 we were recognized by Expansión magazine with the 4th place in the Top Companies with over 3,000 employees, which portrays the effort we dedicate to offer a solid culture and a healthy organizational environment to all employees in our companies.

Employment

DMA 17

At **Gentera**, sustained employment generation and talent's retention are fundamental, since holding employees with better possibilities of self-improvement conveys the creation of human value, due to the financial and emotional stability provided.

G4-9, G4-10, G4-LA1

18,999 employees, all fulltime

The positive impacts from this employment permanence guarantee are social and economic value generation, as talent retention is translated into the preservation and growth of our current clients, through a better service, besides generating new clients and cautious risk management by means of a better credit placement.

To respond to these impacts, at **Gentera** we have several strategies involving each region's person representatives –key figures who protect all employees– seeking the best options for their self-improvement, both professionally and personally. Likewise, we conduct supplementary processes like a weekly monitoring to new staff during their first year in **Gentera**, or well, when some employee goes through tough moments in their work; with the We expect more form you project. All the above allows us to create and preserve our employees' loyalty.

Due to these strategies implementation we have obtained outstanding results, for every year we set institutional goals aligned with social, human and economic value creation, permanently protecting our employees' integrity.

To ensure the expected results, we have internal and external audits, besides the execution of regulated controls and anthropological studies to improve and correct what is necessary. Another way to evaluate these measures performance is the recurrent visits from the person representatives, where their effectiveness is observed. Indicators are reported monthly in the Strategic Alignment Meetings (RAE) and Integration Meetings, in order to inform all our employees.

We recognize employees' continuity within our Group through an annual permanence bonus, as well as with several institutional distinctions according to their seniority.

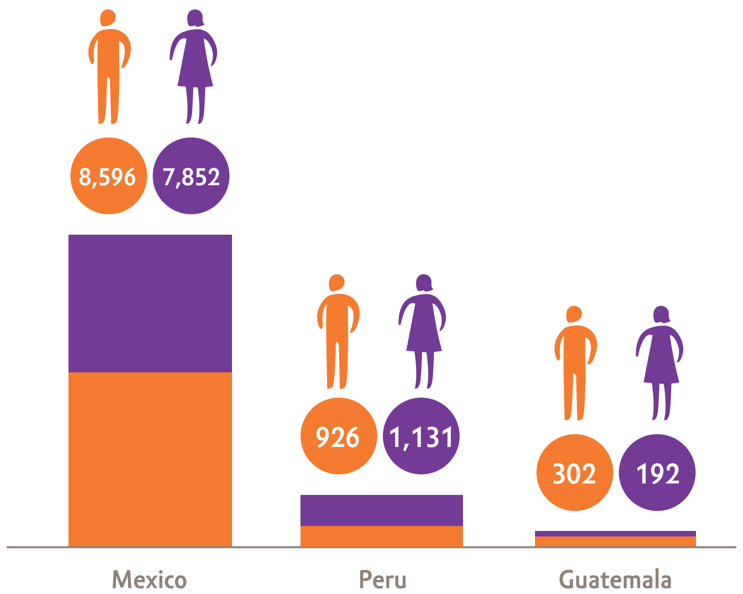
One of our main accomplishments is the general turnover rate reduction, which has optimized year after year due to constant improvement tools, such as the We expect more from you process, our distinction as one of the best companies to work in granted by Great Place to Work Institute and our consolidation as strategic partners for our internal clients.

G4-10

EMPLOYEES BY OPERATIONS	COMPARTAMOS BANCO		YASTÁS		ATERNA		GENTERA		COMPARTAMOS FINANCIERA		COMPARTAMOS S.A.	
	Mexico		Mexico		Mexico		Mexico		Peru		Guatemala	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Directors	43	12	2	1	1	1	46	27	14	8	2	-
Managers	46	41	6	4	3	1	71	68	29	4	3	2
Administrative staff	189	222	43	22	7	12	300	277	78	111	24	37
Salesforce	7,784	7,154	55	10	-	-	-	-	805	1,008	273	153
Total	8,062	7,429	106	37	11	14	417	372	926	1,131	302	192

EMPLOYEES BY COUNTRY AND GENDER

Greater seniority improves command of groups' consolidation, resulting in greater renovation and loans portfolio quality



G4-LA12

STAFF BY PROFESSIONAL CATEGORY		
Category	Women	Men
Director	31%	69%
Subdirector	48%	52%
Manager	50%	50%
Administrative staff	48%	52%
Sales	48%	52%
Total	48%	52%

Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna y Yastás-.

STAFF BY GENDER AND AGE GROUP		
Age	Women	Men
< 30 years	23.3%	28.0%
30 to 50 years	24.2%	24.0%
> 50 years	0.3%	0.0%
Total	47.7%	52.0%

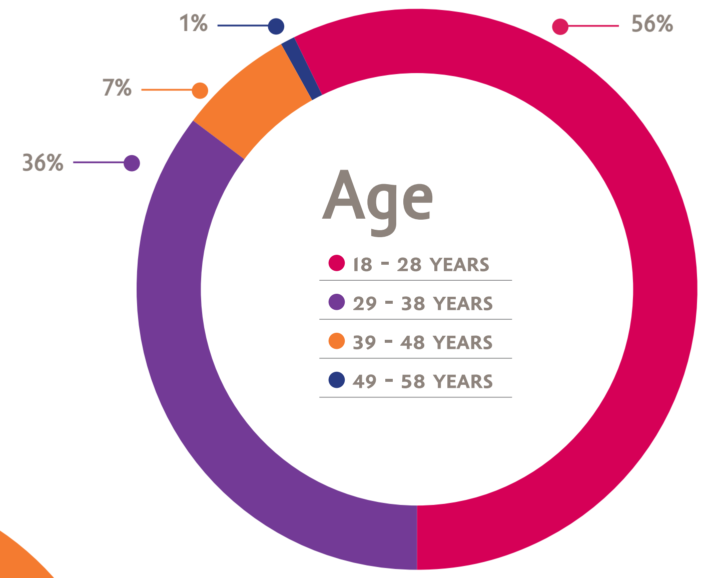
Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna y Yastás-.

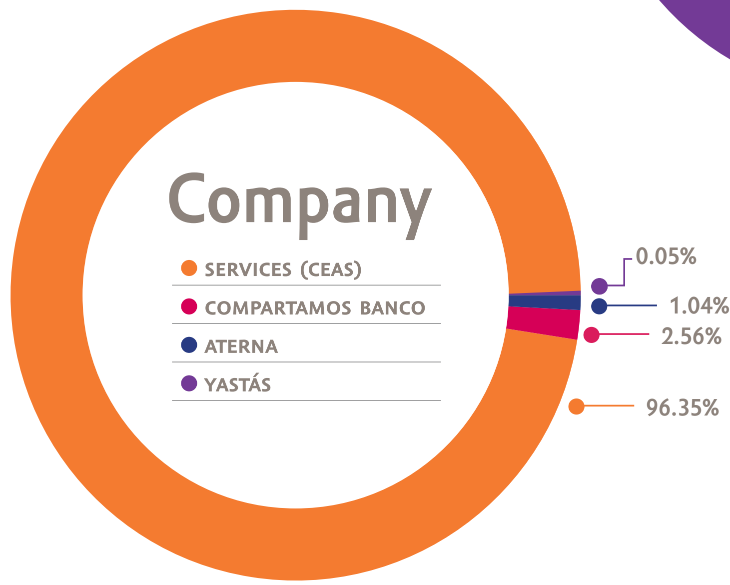
G4-LA1

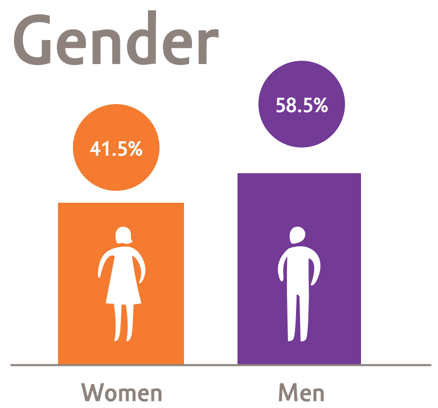
2014 NEW EMPLOYEE HIRES RATE

Gentera's 2014 turnover rate was 34.2% and Compartamos Banco's was 35.4% (salesforce 38.7%)

50% of promoters have average seniority of 20.4 months







Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna y Yastás-.

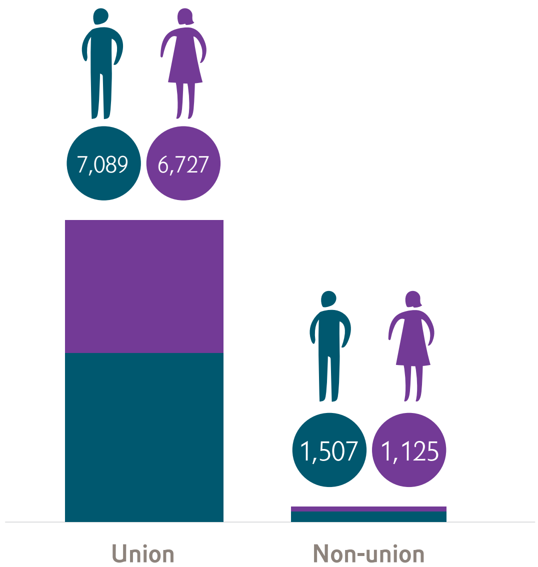
DMA 18, 27

At **Gentera** we promote freedom of association for all our employees; hence we are able to initiate an honest engagement to understand their problems and find the best solutions to benefit our Group and staff. This creates a healthy work environment and our employees' proper development for their optimal performance, satisfying their professional and personal needs.

In order to achieve proper free association, we have created different communication methods to understand our employees' requirements and generate policies that satisfy these needs, always within the applicable regulation, through the Labor Relations Management, area in charge of procuring and observing beneficial relationships between **Gentera** and our employees.

G4-10, G4-11

STAFF DISTRIBUTION BY CONTRACT



Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna y Yastás-.

G4-LA4, G4-LA8

The mechanisms for the evaluation of these measures' performance are the relations with unions, annual reviews of collective contracts –which cover all topics of health and safety and establish the minimum notice period of two months for negotiations and inquiries– besides external firms specialized in labor.

Compensation and benefits

G4-EC5
DMA 2

In our daily activities an essential concept is the creation of an adequate work environment for our employees and their families. Thus, all our salaries and benefit are above the law's requirements.

We have variable compensation policies, which are reviewed and updated by corporate governance bodies. Jointly, there are guidelines for the design and execution of variable compensation plans, as well as the necessary structure and financial resources for the strategy's management.

G4-LA13
DMA 22 / SP 22

We use methodologies for the performance measurement and position valuation in all our companies in the countries where we have presence. Our salaries levels are defined by each employee's performance and responsibilities, so men and women enjoy the same compensations.

G4-LA2, G4-LA3, G4-EC3

Average monthly salary by country	
Mexico	2.03 times the minimum wage
Peru	Minimum wage
Guatemala	Minimum wage

We are convinced that by increasing life quality in **Gentera**, the sustained talent retention generates human value; therefore, we offer several benefits for our employees in **Gentera**, Compartamos Banco, Aterna and Yastás in Mexico.

Gentera

Compartamos Banco

Yastás

Aterna

Compensation system in Mexico

Benefits
(by law, inalienable and non-negotiable)

Year-end bonus	Holidays
IMSS	INFONAVIT
Paid leave	Profit distribution
Mandatory leaves and holidays	

Fringe benefits
(**Gentera's**, optional for companies, Improve your life quality)

Savings fund[1]
Grocery coupons[1]
Savings account[1]
Life insurance[1]
Major medical expenses insurance[1]
Personal accidents insurance[2]
Combo[1]
Retirement plan[1]
Crib[1]
School kit[1]
PAC[1]
(Employee Assistance Program)

Special leave[1]
Career acceleration[1]
Coyoacan and Chapultepec Sports club[3]
Banking games[1]
Parking[3]
Aventones program[3]
Gym[3]
Day Care[3]
Agreements[1]
Payroll updates[1]
Dining room[3]

- 770 women and 732 men enjoyed parental leaves; 689 women (89.48%) and all men returned to work after their absence. Seven women remain in their jobs after 12 months
- At the retirement moment of our employees with average salary, they receive 100% of their base monthly salary, combining the public and private plans. In 2014, the total employees' contribution amounted to 0.55% over the annual base salary, while **Gentera's** represented 2% over annual base salary

[1] CEAS y OS, [2] OS, [3] CEAS

Compartamos Financiera

Compensation system in Peru

Benefits
(by law, inalienable and non-negotiable)

Gratificacions	Compensation for service time
Vacations	
Legal benefits	Family wage

Fringe benefits

Performance bonus
Monthly bonus for productivity
Coupons

Supplementary life insurance
Special leave
Agreements

Compartamos S.A.

Compensation system in Guatemala

Benefits
(by law, inalienable and non-negotiable)

Year-end bonus	14 bonus
IGSS, IRTRA and INTECAP	Vacationes

Financial bonuses

Productivity bonus
Operating bonus
Saving fund
CV2
Grocery bonus

Optional benefits
Saving account
Short term loans

In-kind benefits

Life insurance
Medical insurance
Comprehensive family health program
Uniforms
Vehicle
Combustible
Corporate phone
Housing rental

During our Health Week, we invited several suppliers to impart conferences to encourage illness prevention

Health and safety

DMA 19

At **Gentera** we are committed with our employees' wellbeing, so we provide conferences, workshops, bulletins and special activities, whose objective is to offer information and orientation regarding heath care, sharing subjects of interest based on a monthly accident analysis, through several communication methods and monthly talks.

Some of the 2014 events are:

Conferences and workshops

- "Joint responsibility" workshop, with the purpose is to understand responsibilities between two or more people, who share a mutual obligation or commitment
- Conference about nutrition, through which we diffuse the importance of eating healthy
- Hydration conference in order to discover the importance of hydration in health
- Activation workshop, to include the importance of adopting physical activity and executing comprehensively our F.I.S.E.P.
- Activation Pause Pilot, where we encourage our employees to relax a moment in their workplace
- "Stress management" conference, through which we express the importance of stress handling in our work life to increase our life quality
- "Gastritis" conference, event in which we share this illness gravity, as well as its prevention and treatment
- Bimonthly insurance talks (life, major medical expenses, personal accidents) to state the importance and functionality of having these benefits

32%
of all our Branches
have the file corresponding to the safety and Hygiene and health in the workplace commissions

Bulletins

- Sleep well
- Food and stress management myths
- Beverages myths
- Exercise, the importance of calcium consumption and breastfeeding
- Physical activation: "working posture"
- Gastritis – cancer – respiratory illnesses
- Diabetes
- Respiratory illnesses "Influenza"

Special activities

- Distribution of 99 sugar testers for employees or their families who have diabetes
- Medical checks, PREVENIMSS and vaccinations. We carried out the *Expo Salud* event, with 1,247 participants; we conduct measurements of weight, size, blood pressure, glucose and cholesterol; besides, we applied influenza and tetanus vaccinations

G4-LA5

Jointly with these activities, we have establishes several health committees and commissions, which represent 100% of all **Gentera's** companies in Mexico:

- Security Committee, meeting in Management and Direction level
- Contingencies and Crisis Management Committee
- Business Continuity Committee
- Safety and Hygiene Committee, meeting per work center group

Injury rates

G4-LA7

Due to our business nature, there is no high risk of professional injuries; nevertheless, we monitor our employees' health and safety based on the Social Security Act and the Federal Law on Labor.

G4-LA6

Number of accidents

Type of accident	CEAS		Sales		Yastás		Total
	Women	Men	Women	Men	Women	Men	
Car accident	3	1	138	69	2	0	213
Motorcycles accident	0	0	153	382	0	0	535
Transport accident	1	1	45	20	0	0	67
Fall	1	1	132	52	1	0	187
Others	2	0	61	81	0	0	144
Total	7	3	529	604	3	0	1,146

Note. The types of injures have been: mouth, arms, hips, neck, back, shoulder, feet, legs, knees, calves, ankles, hands, etc. among the most frequent ones are: neck, knee, ankle and legs. During 2014, we had 1,146 injuries, which are divided in: 539 women and 607 men. By regions: Compartamos Banco, 1,133 injuries; Yastás, 3 injuries; Services (CEAS), 10 injuries and Aterna, 0 injuries. Only employees' accidents and injuries are reported.

Lost days due to professional illnesses or work injuries

	Women	Men	Total
CEAS	71	12	83
Sales	4,560	5,942	10,502
Yastás	36	0	36
Total	4,667	5,954	10,621

The process to monitor health and safety incidents is divided into several stages: "Initial medical attention notice" format filling by our Group and validated by the Labor Taxes area; delivery of "Work risk discharge ruling" format when the disability period is over; register of disabilities in the system for the corresponding payroll record; allotment of such work risk for its monitoring and production of the work risk cover once finalized.

In order to spread the cautionary principle regarding our employees' health and safety, the files form the Safety and Hygiene and Health in the workplace Commissions include civil protection plans with detailed instructions on duties in case of contingencies caused by natural, social or delinquent factors, as well as evidence on compliance with all applicable Mexican regulations in the workplace.

Training

DMA 20

Our employees' training and education is fundamental so they acquire the essential knowledge to execute their tasks in the best way possible. It provides and maintains updated the necessary tools for their functions' proper performance, contributing to achieve institutional goals. We have a Training Direction, responsible for producing and implementing programs and training courses aligned with the Group's policies.

Therefore, through Compartamos Banco we have designed training programs with and educational method based on experiential and practical workshops which reinforce concepts learned in classrooms. Moreover, we outlined a regional certified trainer's scheme in order to facilitate onsite training sessions, increasing efficiency in costs and teaching times.

At the end of the face-to-face training, the Analytics of Training area monitors and informs the behavior of training practices on a monthly management scoreboard. It applies a reaction survey, which rates the employed strategy and detects needs for constant improvement. Also, employees are monitored three to six months after their training is complete, obtaining a score.

During 2014 we transitioned from a centralized model to a regional one, which implied a growth in regional trainers (18 to 80) and training headquarters (18 to 60), hence decreasing the employees' transportation time, allowances for housing and transport and reduce the training time from 45 to 30 days.

We extended regional training to the *Crédito Individual* product

Currently we are developing a new procedure for training that includes three aspects: performance evaluation, talent recognition and employees' competencies in its role.

G4-LA9

Training is based on an educational model with four learning levels, which allow employees to grow until they achieve the necessary competencies and certification in a position.

Promoters and advisers' training involves the multiplying scheme, which entails qualifying the employee three different times during his

689,981
operative training hours for salesforce employees in México

first year. This training is online and face-to-face. The topics addressed are in regards to products" methodologies, as well as relation skills so the employee acquires the knowledge and tool to perform the assigned position.

100% of new commercial consultants were trained

Also, updates are carried out through face-to-face training in the branches, addressing specific methodology and relation skills topics when they need reinforcement.

In all remaining courses, employees are trained only once.

Some of the 2014 courses are:

- Induction to several work positions such as sales representatives for *Crédito Mujer*, CCR and Saving, consultants, administrators, *Crédito Mujer*, CCR and CI coordinators, branches assistant managers and mangers and agents
- Financial education
- Civil protection and security
- Compartamos Unique Benefits
- Induction to new salesforce and service areas employees
- Training in Yastás administration and operation to the commercial workforce
- Training and certification in financial operation to workforce and service areas employees
- Soft skills course aimed at commercial leader
- Pilot courses: multi-product market leader, shadow sales representative, multi-product opener sales representative, client attention executive, salesforce restructure
- "Women in leadership"
- Women's comprehensive development

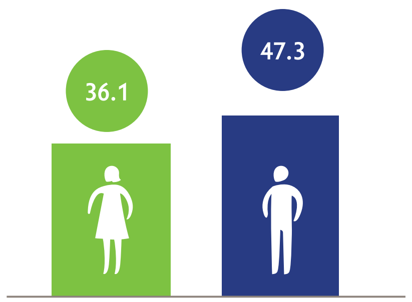
42
average operative training hours for salesforce employees in Mexico

Average training hours per positions	
Sales representative / Consultant	61.7
Coordinator	26.1
Manager / Assistant Manager	37.5
Executive Director	18.6
Director	10.5
Deputy Director	15.5
Manager (Regional and Branch Manager)	1.1
Project Leader	3.5

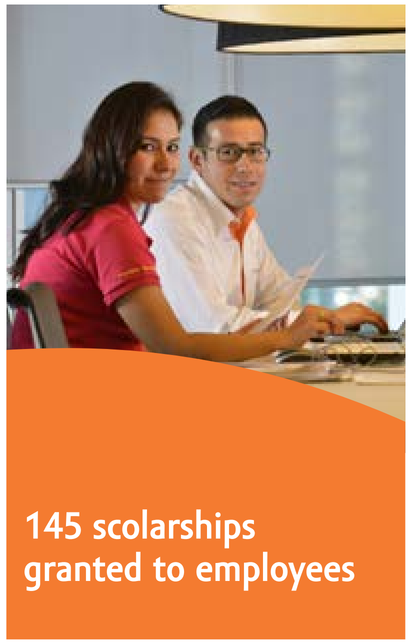
Scope: Compartamos Banco.

In 2014, we trained 488 employees on the Ethic Criteria Workshop, in order to raise awareness regarding the benefits of acting based on our philosophy and uphold our Code of Ethics and Conduct.

AVERAGE TRAINING HOURS



Scope: Mexico -Services (CEAS), Compartamos Banco, Aterna y Yastás-.



G4-HR2

1,220 training hours in topics included in our Code of Ethics and Conduct

G4-LA10

Additionally, through external training, we support employees in need of developing or reinforcing some competence or skill, with programs, congresses, conferences, workshops and certifications; besides offering them training options to contribute with strategic goals.

We favor the career acceleration of those employees, who display a consistent, outstanding and value and philosophy focused performance, supporting the beginning or conclusion of their professional studies by granting them 80-20% scholarships.

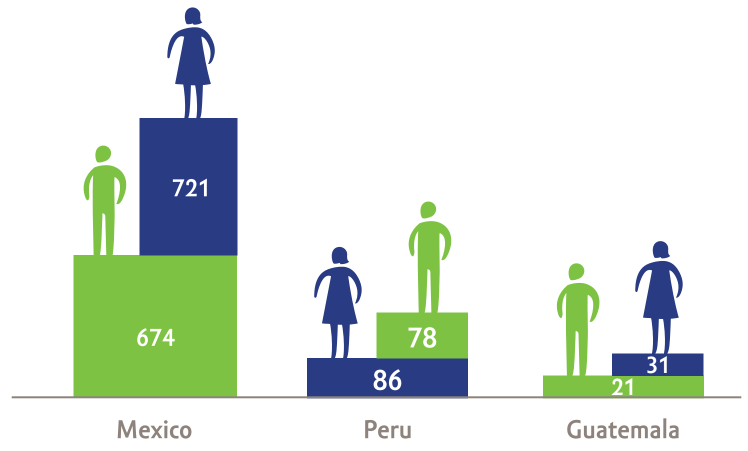
1,611
employees went through performance evaluations

Evaluation

G4-LAII
With the purpose of evaluating our employees' competencies and skills, at the corporate offices we conduct an annual performance evaluation. The performance review cycle is comprised by four stages:

1. **Planning:** early in the year we establish the objectives to be achieved, aligned to the strategy
2. **Lessons:** the leader provides lessons to the employee throughout the year. After the first semester, the intermediate review process is formalized, where we monitor the objectives set at the beginning
3. **Evaluation:** formal review of the objectives achievement and valuation of the what's and how's
4. **Recognition:** merits recognitions are awarded to the employee if he fulfilled the goals

2014 PERFORMANCE EVALUATION



Performance evaluation by position							
	President	Executive Director	Director	Deputy Director	Manager	Employee	Administrative Staff
Mexico	2	7	32	64	205	1,085	
Peru			1		32		131
Guatemala			1		9		42

**Performance evaluation carried out on employees of CEAS in Mexico, Peru and Guatemala.

G4-LA4
DMA 18

After this evaluation, and if the results are satisfactory, employees may aspire to promotions. A notice is sent, depending on the project's magnitude, the period may vary:

- Directive level: 1 to 6 months
- Deputy Director level: 2 months
- Manager level: 1 month
- Operative level: 15 days

Organizational structure

G4-12, G4-13

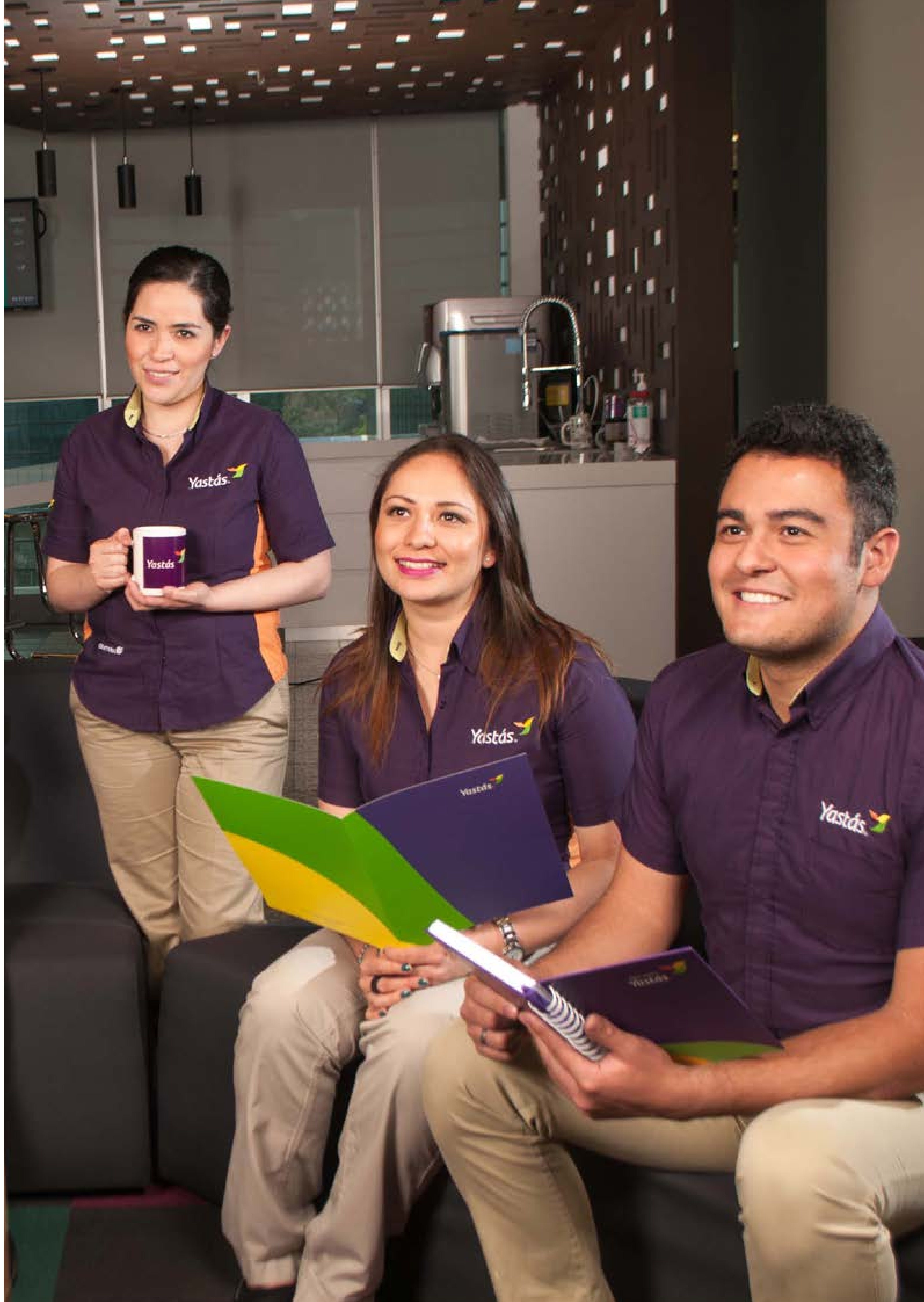
Starting in 2014, the Group led a restricting process through a new operative model internally denominated as Ideal Operative Service Model (MIOS), which is fundamental in preparing us for the future.

This model aims to guide the organization into working by processes and recognize ourselves as true operation correspondents.

MIOS is a value map in which we will find our strategies' goals. In addition, it has the description of all value chains for our companies.

The new model included a new definition for our value chain, and within it identifies where we stand in regards to adding economic, social and human value, which are the key processes for each area, their objectives and what is our participation in this entire value map.

One of the most relevant adjustments the Group went through due to MIOS is the fact that we are currently achieving the support generation from Mexico for all three business units.



7
WeGenerate value in communities

Corporate social responsibility strategy

DMA I

At **Gentera** we are committed to the generation of social value aligned with our strategy, strengthening our entrepreneur culture and financial education, basic attributes of our business model. Therefore, we assign 2% of net annual profits to create the corporate social responsibility fund.

This fund has its own corporate governance body, comprised by an External Relations and Social Responsibility Committee, who reports directly to **Gentera's** Board of Directors. In addition, the fund is internally audited as well as the Foundation's performance, both internal and externally.

Our strategy involves:

1. Fundación Gentera
2. Corporate responsibility in all **Gentera's** companies

We permanently seek to contribute more to the community, so we have established goals for 2015 regarding social responsibility.

- Maintain and improve the number of beneficiaries in depth and reach with our education and corporate responsibility project in communities
- Keep long term alliances to delve the impact on education in its three aspects: financial, formal and for entrepreneurs, promoting an entrepreneur culture
- Motivate a donation culture, with 30% employee participation rate
- Drive our volunteering program, which is aligned to strengthen the entrepreneur culture in all communities where we have presence
- Continue aligning our corporate social responsibility actions to the Group's strategic actions
- Generate and promote financial education programs for the communities where we operate
- Launch the hydro-meteorological and geological risks prevention campaign in all regions where we have presence, action plan and alliances development

Over 236 thousand people benefited

- Undertake the community intervention program to reinforce the social organization of some communities

Our goals are oriented to impact on communities (number of people assisted), man-hours destined for projects, number of employees who interacted, as well as the improvement of the beneficiaries life quality (by means of surveys).

In 2014, the corporate social fund amounted to over PS. 45 million for several projects' development

With the participation of clients and employees we carry our corporate social responsibility strategies aimed to support the most needed communities through:

- Corporate responsibility programs such as *Compartamos* with the Community Day
- Financial education training for employees, clients and the community
- Donations and strategic alliances with non-profit organization which spread education in the communities where we have presence
- Fundación Gentera's volunteering program, through which we promote employees' participation in their communities and with non-profit organizations
- Sustainable development and actions to protect the environment through the environmental plan

G4-EC1, FS G4-EC1

	Education	Corporate Responsibility	Environment	Management Costs	Fundación Gentera	Total
Support amount	$20'289,712.76	$10'818,630.89	$1'252,118.79	$757,635.11	$12'146,432.45	**$45'264,530.00**

PS. 32.1 million
donated to several NGO

FS G4-ECI

2014 corporate social responsibility actions:

- Toys collection for children in December; 567 employees participated, five institutions benefited, 601 donated toys
- 409 electronic equipment donated; 4,618 beneficiaries with an investment of PS. 2'762,103
- Contingency Program
    - Aid for damages in employees households due to climate factors in Baja California Sur, Chiapas, Coahuila, Tabasco and Veracruz; PS. 790,500 donated in grocery coupons for 196 affected employees
    - Aid for damages caused by Oldie hurricane in Baja California Sur in alliance with Cadena A.C.; PS. 70,000 donated for 70 water filters and 10,000 people benefited
    - Compartamos with the Community day in San Jose Los Cabos which included the restauration of the San Jose Viejo community park and medical checkups for 80 people, with and investment of PS. 164,661

Fundación Gentera

True to our origin as a non-profit organization and committed to the generation of social, economic and human value we created Fundación Gentera, with the objective to work for financial inclusion supporting education as a welfare and development element in communities. The foundation was launched on November 4, 2014 for employees, and throughout 2015 we will promote it outside the Group.

DMA FS G4-ECI

We allot investments in communities which are aligned to the business strategy, jointly with strategic partners –NGO– to follow, monitor and report objectives of the educational projects to commence.

Thus, not only are we benefiting communities, but also our business and brands are fortified, we make a great impression on our clients' life, the employees pride and sense of belonging grows and we retain and attract talent.

2014 benefited:

2,478 **health**

760,000 **education**

20,016 **volunteers**

We believe that the universal access to a quality education, with gender equity is of the upmost importance, so we support educational project based on three institutional principles: inclusion, altruism and transcendence.

The action lines in which we focus our activities are:

1. **Formal education:** we grant scholarships for teachers and drive education in children, young adults and adults
2. **Entrepreneurs:** we promote adult development through abilities' improvement in trades and productive projects and we favor a healthy productive inclusion by means of positive models for young adults
3. **Financial education:** we encourage the development of competencies and knowledge in savings, budget, loans and insurance topics
4. **Volunteering:** we drive a service culture that impact communities
5. **Solidary assistance:** we support communities in case of emergencies, like natural disasters

G4-ECI, FS G4-ECI

2014 Investment

Fundación Gentera	2014
Donations	$12'146,432.5
Amount exerted	$ 6'149,990.7
• Dental health projects in communities where we have presence	$1'164,877.9
• Formal, financial and for entrepreneurs education projects	$1'915,826.5
• Volunteering	$897,512.1
• Other expenses (operative management and administrative costs)	$2'171,774.2

Education

G4-13

In 2014 we decided to modify our social responsibility focus, providing support to projects pursuing benefiting education, only attribute in which we base our efforts. It is divided in three aspects:

- Financial education
- Formal education
- Education for the entrepreneur in its business

DMA FS G4-ECI / SP 3

We want to acquire a deeper knowledge of the communities needs in order to contribute with their social, economic and human development. Therefore, we conducted anthropologic studies regarding education's impact on money's perception by our clients and communities, with their results showing that education is highly valued by those audiences whom we have a direct relationship with in the communities, for they see it as an investment and platform to achieve a superior future, through access to better opportunities.

Consequently, we have developed several initiatives for financial literacy and education for the population at the bottom of the pyramid in the communities where we operate.

DMA 43

G4-SOI

Educational continuity project

We reiterate our commitment with Mexico's progress, so we drive actions that promote education –key element for sustainable development–. We believe that the best way to contribute to the population's development is through an inclusive education, one that helps each beneficiary to obtain a better life quality for himself and his family.

For this purpose we collaborate with the public sector, the third sector and private institutions to achieve a quality education, accessible for all population.

2015 Goal: 1,306 clients and 1,066 women impacted with the formal education aspect

DMA 3

Goldman Sachs Foundation's research have demonstrated that women's education guides families to obtain more productive and healthier jobs, in addition that communities are more likely to thrive (www.goldmansachs.com). According to these results, jointly with the National Institute for Adult Education (INEA), we established the Educational Continuity project to bring inclusive education to the bottom of the pyramid and make our clients literate.

With this end we have generated synergies with non-profit organizations such as León Trece Foundation, Hogares Foundation and Crecer Foundation in Puebla, Pinotepa, Coatzacoalcos and Mexico City. We strive to create social mobility in women so they can obtain their elementary or middle school's certificate within a year. We accomplished that 10.57% of our branches participate in this alliance with INEA.

Call for education

For six consecutive years, **Gentera** has invited non-profit organizations to participate in the call to support education, nominating educational projects based on the aspects of formal education, financial and for entrepreneurs.

This year we also invited employees to join the call through The Vocation of giving calls us campaign. Thus, employees may donate certain amount of their payroll and sponsor educational projects.

- **Donate**

  We seek to create a donation culture and demonstrate our service vocation. Employees participate donating twice a month a percentage of their payroll to Fundación Gentera, who allocated the collected resources to institutions with educational projects. For each donated peso, Fundación Gentera donates another.

- **Sponsor**

  Our employees' role is more significant with these actions, since they can sponsor institutions with educational projects. These nominate their project in the Call for education and, if selected, Fundación Gentera grants a donation for its development and battle against the educational gap in the country.

FS G4-ECI

PS. 2.8 millions collected by **5,739** employees to sponsor educational projects*

*Estimated according to employees' registers and terminations

Social responsibility alliances

G4-15, FS G4-ECI

According to this new focus and understanding our clients' context, in 2014 we established several alliances to grant education more people, through three cores:

The first one is an alliance with INEA, through which we support Compartamos Banco clients' to conclude their basic education. For this project we also have the support of León Trece Foundation, Hogares Foundation and Crecer Foundation.

Secondly, through non-profit organizations we create sustainable projects that promote education actions. Some of them are:

1. Fundación Quiera, A.C.

We supported a generation of 90 young adults who are studying middle and high school so they conclude their studies in the 2014-2015 school cycle. This program was carried out in Oaxaca, Guanajuato, Sonora, Mexico City and State of Mexico.

2. ProEducación, I.A.P.

The "Comprehensive School" program 2014-2015 cycle, is for public elementary schools and promotes the school community's personal development, as well as the participation and collaboration skills among children. It includes the municipalities of Puebla, Morelos and the State of Mexico. We have benefited 1,200 students, 90 teachers and 725 parents.

3. AMNU Jóvenes

The 2014-2015 "**Gentera** Joint Strategy of Community Development – Sports for Sharing" seeks to strengthen values and civility for children in elementary schools, encouraging the UN eight millennium development goals. It takes place in four municipalities of Mexico and Guatemala. It has benefited over 2,000 members of the school community.

4. Fundación NEMI, A.C.

Aiming to promote financial education and environmental protection in children and young adults we put on 252 representations of the "Sharing adventures" play in public elementary and middle schools. Likewise, we gave 500 "Life project and financial education" conferences in middle public schools in Mexico.

5. Nuestros Pequeños Hermanos

We granted scholarships for 37 students in Morelos State to offer them a comprehensive education during the 2014-2015 cycle.

6. Bécalos

We developed two strategies implemented in the 2014-2015 cycle.

- Call to Compartamos clients' children in Guerrero state to study high school and technic bachelor degrees, benefiting 249 students in a year.
- Though Worldfund, we supported training and preparation for elementary schools directors and teachers; we benefited 34 directors in Jalisco and 34 teachers throughout Mexico.

7. Cordem, A.B.P.

We strive to empower women in Nuevo Leon State offering them a high school and professional education. Also, we provide psychological counseling for the duration of their scholarship to complete this empowerment. 37 benefited women.

8. Sistema Desem, A.C.

The project Financial Park Mobile Drive 2 is a financial education program which includes a 2.5 hours workshop that provides tools for a budget preparation through correct and informed decision making in a simulations. It applies in Puebla, Veracruz, Tamaulipas, Nuevo Leon, Coahuila and Durango; benefiting 15,000 young adults between 15 and 23 years.

9. Vida y Familia México, I.A.P.

We distribute work tools to women beneficiaries. By leaving the household duties, they aspire to better opportunities or can start their own business to achieve financial security and the possibility to offer a worthy life for their children.

10. Fundación Televisa

Though the Children with Value 2014 Project we support the manufacture of 760,000 value books and calendars and professors' guides to raise awareness and strengthen values in children, teachers and their families in Mexico.

11. Unicef

We are trying to supplement children's health reports; hence, their families will have more information regarding their kids' development.

G4-EC8

Third, jointly with Proempleo, we granted 2,000 scholarships for entrepreneurs. With the Undertake Workshop we motivate clients –people with talent and attitude– in Mexico City from Compartamos Banco and Yastás who need support to achieve their goals through training and consulting to improve their businesses.

To identify the impact this workshop had, we enquired the beneficiaries via phone survey. The results showed that people value money management learning, since it allows them to organize and understand their business, persona and entrepreneur role.

Over 400 benefited people through the Undertake workshop

Corporate volunteering

We promote employees, families and clients volunteering, creating action networks to benefit communities through programs focused on citizen action, environmental protection and conservation and support to non-profit organizations.

We carry out awareness activities in internal events to promote and motivate volunteering culture among our employees.

Our volunteering program is sustained by a financial support policy, which establishes an incentive so employees collaborate in volunteering in their communities. This is only applicable in branches and may take effect for community development, environment and assistance in all **Gentera's** companies.

FS G4-EC1

2014 activities:

- **Mexico:** Compartamos with the Community Day
- **Perú:** *Chocolatada* / Compartamos Financiera organized a gathering with children, elder adults and people in underprivileged communities in each of its Services Offices. Among the activities that took place were children shows, games and dancing; as well as distribution of chocolates, panetones and presents

  Investment: $80,265
- **Guatemala:** Children's day / each Compartamos' branch organized activities to celebrate this holiday in social institutions in their communities. Employees donated their time, supplying children with joy, fun, candies and toys

  Investment: $84,265

Volunteering with economic resources		
Mexico	Branches	298
	Employees	6,889
	Volunteering hours	24,882
	Financial support	$897,512
Peru	Branches	54
	Employees	1,085
	Volunteering hours	3,405
	Financial support	$80,265
Guatemala	Branches	28
	Employees	387
	Volunteering hours	1,435
	Financial support	$84,265

Volunteering (employees)*						
Country	Mexico			Peru	Guatemala	Total
Company	Compartamos Banco and Gentera	Yastás	Aterna	Compartamos Financiera	Compartamos S.A.	
Volunteering employees	12,136	40	7	1,102	387	13,672
% of participating employees vs 2014 workforce	74%	28%	28%	54%	78%	72%
Number of branches			509	54	28	591

*Total employees who volunteered with and without economic resource.

Volunteering hours*						
Country	Mexico			Peru	Guatemala	Total
Company	Compartamos Banco and Gentera	Yastás	Aterna	Compartamos Financiera	Compartamos S.A.	
Total volunteering hours	55,949	141	18	3,511	1,435	61,054

*Total volunteering hours with and without economic resource.

Compartamos with the Community Day

G4-EC7
DMA 3

This program aims to contribute with the comprehensive development of people and their communities. It seeks to promote families' wellbeing and health prevention, as well as encouraging a wholesome family union.

We visit communities where we have presence and in one day we refurbish public spaces, like parks and schools to benefit its inhabitants. Additionally, we provide health services and promote family gathering through outdoor movie projections with snacks for every family.

Benefited people with the preventive health service

Mexico:

over 6,900

Guatemala:

over 1,200

Compartamos with the Community Day includes:

- **Refurbishing:**

  We restore public spaces like parks, sport clubs and schools with the participation of employees, families, friends, clients and the communities' inhabitants.

- **Preventive health:**
  - General medical review services
  - Dental cleaning
  - Nutritional valuation: measurement of size, weight, waist size, relation of muscle and fat
  - Sugar test during fast
  - Blood pressure
  - Bone density tests
  - Medical consultation / orientation
  - Sight exams
  - Audiometry

26 Compartamos with the Community Days in 15 states of Mexico

3 Compartamos with the Community Days in three regions in Guatemala

G4-EC1, FS G4-EC1, G4-EC7

Compartamos with the Community Day		
Country	Mexico	Guatemala
Volunteer employees	2,135	158
Family, clients and community volunteers	336	231
Volunteer hours	10,675	790
Approximate number of indirect beneficiaries	36,572	1,756
Investment	$8'079,560	$665,008

$176,000 donated to Hogares Foundation

G4-SO1
DMA 35 / SP 3

In order to provide greater benefits to the communities and increase a social impact, we generated an alliance with Hogares Foundation for a pilot test in San Luis Potosi called "Hogares Physical-Urban Intervention Models". Its goal is to originate community development processes which involve inhabitants in their environment's transformation, based on their specific needs. The three part alliance comprised by Compartamos Banco-Hogares Foundation- community allows us to join efforts and resources to increase the community's welfare.

Through this model we encourage community values that create more social cohesion and local identity. Hence, actions are perdurable due to the generated community's commitment and the responsibility sense assumed.

This model lasts three months and consists of three stages.

- First stage

  Preparation of a pre-diagnosis to get a general framework of the selected residential project.

- Second stage

  Teaching of planning workshops, which seeks that neighbors are the leaders in their reality's transformation, identifying their main needs and solutions for them through plans and projects.

- Third stage

  Once solutions are set, a call begins to add neighbors who participate in the project, followed by the creation of different committees which are in charge of previous activities required for the project's execution.

The results for the 2014 model were:

- 227 household visits
- Two workshops with the participation of 68 children and 21 adults
- 1,800 brochures and 40 posters
- Over 250 services
- 13 active neighbors in the maintenance plan

In 2015 our goal is to replicate this scheme in six additional regions.

498
young adults participated in the program,
165
are still active

Young Adults Project

This is a program focused on the value chain compliance, based on four moments: attract, inspire, transform and drive.

This initiative's purpose is defined as Young Adults' Healthy Productive Inclusion (IPS), who during their participation in the program are granted ideal conditions to increase their possibilities to succeed, providing them the opportunity to build their life project sustained on values.

In 2013 the exploration stage began, which entailed 78 interviews to experts on social topics related to young adults; 10 investigations regarding the main subjects related to youth and the execution of four pilots to establish the first direct contact with young adults from diverse backgrounds.

Will the experience and knowledge acquired, the second stage initiated, involving the discovery and representation of the "youth phenomenon" defined as the crucial moment young adults go through in their quest to development, the moment they start making transcendental decisions.

All information provided in the training program allows young adults to manage their reality and intra/inter personal relationships, through experiences and lessons towards their abilities' development, which lead them to want, know and be able to acquire a comprehensive growth, including the success factor.

During 2014 different content and strategies models were created for the Attraction and Inspiration stages, same that were implemented gradually and fruitfully. Hence, three laboratory test were started in branches –Iztapalapa, Oaxaca and Indios Verdes– which had a significant response to attract young adults to the program.

498 young adults participated in the program, 165 are still active
The initiative is in the process of constant improvement to involve young adults actively in their training process, so their feedback is fundamental to incorporate value to the project permanently.

The 2015 challenge will be to have base content, such as a program of clearly defined skills, material development for young entrepreneurs, financial education linked to teenagers, among others; besides incorporating fun management technologic platforms which support the model, are attractive for young adults and provide the necessary skills and competencies according to each profile.

G4-EN10, G4-EN19

Our most significant initiative is our corporate building's LEED Certification for interior design project

Environmental footprint

DMA 6, 7, 9, 10

We have generic environmental policies which address the energy, water, emission, waste and biodiversity aspects. Even though we do not have an environmental indicators management system, we are permanently working on the observance of certain variables to understand details regarding our consumptions, savings and opportunity areas to reduce even father our impact.

93% of construction waste was recycled or donated, only 7% went to sanitary landfill

G4-EN31
DMA 14

As a fundamental part for our sustainability and social responsibility strategy we allot human and financial resources for managing and monitoring environmental topics for our Group.

During 2014 we invested PS. 2.2 million in projects for environmental protection, reputational and assistance in natural disasters

Concept	Amount invested
Projects	$869,692
Donations	$468,680
Operation expenses	$52,446
Contingencies	$790,500
Total	$2'181,318

24'713,459 kWh consumed annually in Gentera, equivalent to **13,655 kWh** per employees

G4-EN10

LEED Benefit Reduction of 38% in water consumption due to saving faucets and fittings

Energy

G4-EN3, DMA 6

Energy is one of our Group's greatest consumptions, however, we consume fuels from non-renewable sources.

The energy we consume with the use of these mechanisms is measured quarterly in Mexico, while in Peru and Guatemala is calculated annually by the corresponding bill.

Water

DMA 7

Our water consumption comes from the municipal supply and other suppliers of water and is minimal.

G4-EN8, G4-EN10

Our 2015 goal is the startup of our rain water treatment and collection plant.

8.3 millions m^3 of water annually consumed in the corporate building and branches, equivalent to 505 liters per employee

Emissions

DMA 9

Although the General Law on Climate Change has no impact our Group since our emissions are not significant, we have received the support of expert consultants for three consecutive years for the measurement of greenhouse gas emissions, either by direct or indirect effect of our operations.

G4-EN6

LEED Benefit:

Reduction of 15.2% in energy consumption for lighting

Use of ecologic refrigerants, without CFC (chlorofluorocarbons) in heating, ventilation, conditioning, and cooling systems

Air conditioning ducts designed to optimize efficiency

G4-EN15

5,111 CO_2 eq tons emmited on Scope 1, for gasoline and diesel consumption

G4-EN16

10,586 CO_2 eq tons emmited on Scope 2, for electric energy consumption

We collected $32,565 with waste recycling

G4-EN6

To consult our Inventory of Greenhouse Gas emissions 2014 Report, please visit: www.gentera.com.mx

DMA 13, G4-EN30

A considerable part of the CO_2 emissions generated by a service company like ours is generated from employees' transportation to work. Therefore, as part of our culture awareness, we have encouraged the promotion of good practices, such as carpooling through the *Aventones* program.

Waste

DMA 5, 10, 11

G4-EN1, G4-EN23, G4-EN27, FS G4-EN23

We have arranged a multidisciplinary environmental workgroup, which administer and recommend actions in favor of the environment, as well as waste separation and recycling.

Every year we conduct a study of the corporate building's waste water in specialized laboratories, based on the Single Environmental License (LAU) of Mexico City.

We have implemented a waste separation process in our corporate building and in branches.

The San Ignacio de Loyola Foundation collects our aluminum, glass, paper, plastic and cardboard waste. With the proceeds of this sale, we have supported education in the Sierra Tarahumara. In 2014 our waste was:

G4-EN23

2014 WASTE	
Hazardous waste	
Lamps	203 pieces
Batteries	75 kg
Non-hazardous waste (kg)	
Organic and inorganic waste	83,898
Total non-hazardous waste generated	95,410

G4-EN2, G4-EN28

RECYCLED WASTE 2014 (KG)	
Paper	5,938
Cardboard	3,330
Aluminum	495
Glass	160
Plastic (PET, HDP and playo)	1,501
Others (tetra pack, foil and iron)	13
Percentage of recycled waste	12%

G4-EN13
DMA SP 8

In 2014 we reforested six hectares in the Nevado de Toluca

550 volunteers

88 beneficiaries

Biodiversity

G4-EN12
DMA 8 / SP 8

We are not a company with direct impact on biodiversity. Based on our environmental policy we establish guidelines for the protection of the same.

We have alliances non-profit organizations through which we seek to drive ecosystems preservation actions. Additionally, we analyze the location of our branches in protected areas, possess a product guide establishing the businesses we cannot grant credits to and have the Forest Adoption program.

G4-EN11

11 branches in Mexico are in protected areas, in the states of Chiapas, Veracruz, Puebla, Campeche, Tabasco, Tlaxcala and State of Mexico.

8 Our results

Operational and financial outlook

DMA 1

We are convinced that an outstanding economic performance will allow us to improve our clients' loan conditions (price and benefit) and the service experience, as well as to generate a greater sense of belonging within the Group, since employees are proud to be part of a company with exceptional results and in permanent growth.

We have clear policies, objectives and goals regarding economic performance, such as ROA, ROE, net income, UPA efficiency indicator, hedge indicator, Net margin, financial expenditure, total loan portfolio and the ratio of non-performing loans.

Budget control has a financial indicators' dashboard which are reported to the corporate governance bodies (committees and Board) and to several external entities (rating agencies, BMV, sponsors, authorities and regulating parties) to monitor the progress against the established goals and objectives.

In the last year we achieved a portfolio loan increase of over 15% and the loan portfolio's compound growth in the last three year has been more than 18%. Net profit at year's close amounted to PS. 3,162 million, which implies a compound growth in the last three years superior to 16%. Also, Return on Equity (ROE) amounted to 29% and Return on Assets (ROA) was 11%.

During the last three years, the number of clients increased in over 400,000, at the end of December, 2014 we have almost 2.9 million clients. In addition, in the same period of time the number of employees increased substantially, going from 14,561 in December, 2011 to 18,999 in December, 2014.

Financial and operational results

G4-9, G4-EC1, G4-EC7, G4-EN31

Concept	2012	2013	2014	Variation 14/13%
Clients	2'675,758	2'754,860	2'874,488	4.3%
Employees	16,601	19,339	18,999	-1.8%
Branches (1)	536	577	635	10.1%
Loan portfolio (millions)	18,161	20,706	23,951	15.7%
Average outstanding balance per client	6,787	7,516	8,332	11.0%
Non-performance loan ratio	2.88%	3.12%	3.28%	0.16 pp
(Millions)				
Loan portfolio interest	9,986	12,475	14,348	15.0%
Net sales	N/A	N/A	N/A	
Income from financial investments (amount derived from interest on financial loans, shareholding dividends, royalties and direct income from assets)	116	115	103	-10.4%
Income from asset sales (tangibles and intangibles)	(4)	(39)	7	-117.9%
Interest income	10,102	12,590	14,451	14.8%
Interest expenses	718	818	822	0.5%
Financial margin	9,384	11,772	13,629	15.8%
Financial margin adjusted for risk	8,393	10,164	11,937	17.4%
Operating expenses	5,365	6,763	7,939	17.4%
Taxes	1,053	1,241	981	-21.0%
Community investments (pesos)				
Economic + in-kind donations	35'487,871	29'399,590	32'127,827	9.3%
One on one contributions	N/A	N/A	N/A	
Volunteering	1'432,902	394,508	1'126,352	185.5%
Service or equipment in-kind contributions	2'412,014	3'624,766	2'762,103	-23.8%
Donation, volunteering and programs directed to communities management expenses	1'153,754	1'410,888	757,635	-46.3%
Environmental protection expenses and investments (pesos)				
Waste and emissions treatment expenses	670,000	512,500	225,000	-56.1%
Prevention and Environmental management (*Reforestamos, Camellones* and *Aventones*)	1'405,055	780,194	789,987	1.3%

Concept	2012	2013	2014	Variation 14/13%
(Millions)				
Operating results	3,074	3,512	4,147	18.1%
Net results	2,021	2,271	3,162	39.2%
Average loan portfolio	16,308	20,359	22,801	12.0%
Average productive assets	18,352	22,399	25,442	13.6%
Operating margin = (operating results / average loan portfolio)	18.9%	17.3%	18.2%	0.9pp
Net margin = (net results / average loan portfolio)	12.4%	11.2%	13.9%	2.7pp
Operating margin = (operating results / average productive assets)	16.7%	15.7%	16.3%	0.6pp
Net margin = (net results / average productive assets)	11.0%	10.1%	12.4%	2.3pp
Assets				
Cash and other investments	2,955	2,533	3,363	32.8%
Assets	22,833	25,362	30,543	20.4%
Liquidity (cash + other investments) / total assets	12.9%	10.0%	11.0%	1.0pp
Total loan portfolio	18,161	20,706	23,951	15.7%
Non-performing loan portfolio	523	645	785	21.7%
Fixed assets	733	976	921	-5.6%
Liabilities				
Total liabilities	14,189	16,419	18,483	12.6%
Liabilities with cost	13,128	15,222	16,083	5.7%
Stockholders' equity	8,644	8,943	12,060	34.9%
Net earnings per share (pesos)	1.2	1.4	1.9	35.7%
Average assets	20,249	25,025	28,726	14.8%
Average stockholders' equity	8,038	8,977	10,758	19.8%
ROA (net results / average assets)	10.0%	9.1%	11.0%	1.9pp
ROE (net results / average stockholders' equity)	25.1%	25.3%	29.4%	4.1pp
Book value per share (pesos)	5.2	5.4	7.3	35.2%
Share price at period's close (pesos)	18.4	24.4	29.7	21.7%
Total shares for calculating EPS and BVS	1,662'382,704	1,648'211,536	1,648'211,536	0.0%

[1] Includes Mexico, Peru and Guatemala.

Economic Value

G4-9

Share variation	2012	2013	2014	Share variation compar c / gentera		
				Pesos	%	Dollars
Share price on the year's last business day	18.4	24.4	29.7	5.2	21.4%	0.4
Exchange rate published on January 2, 2015 in the DOF	12.9658	13.0843	14.7414			
Number of shares	1,662'382,704	1,648'211,536	1,648'211,536			
Number of effective shareholders	5	5	5			

Loan portfolio (millions)			
	2012	2013	2014
Mexico	14,887	16,447	18,961
Peru	3,147	4,045	4,7683
Guatemala	114	189	221
Total *	18,148	20,681	23,951

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

2014 Income for interest		
	Millions	%
Mexico	12,907	89.3%
Peru	1,374	9.5%
Guatemala	170	1.2%
Total *	14,451	100.0%

Main indicators	Mexico		Peru		Guatemala	
	2014	Δ vs 2013	2014	Δ vs 2013	2014	Δ vs 2013
Non-performing loans / loan portfolio	2.66%	-0.23pp	5.65%	1.65pp	4.97%	1.20pp
Hedge rate	175.0%	-9.2pp	148.6%	-63.1pp	106.1%	-5.7pp

Portfolio percentage distributed by region and/or business unit	Compartamos Banco (Mexico)	Yastás (Mexico)	Aterna (Mexico)	Gentera (Mexico)	Compartamos Financiera (Peru)	Compartamos S.A. (Guatemala)
	79.2%	0%	0%	0%	19.9%	0.9%

Main indicators	Mexico		Peru		Guatemala	
	2014	Δ vs 2013	2014	Δ vs 2013	2014	Δ vs 2013
ROAA	15.0%	2.0pp	4.4%	2.4pp	0.1%	5.8pp
ROAE	38.9%	4.0pp	33.7%	16.2pp	0.2%	6.1pp

Net income (millions)			
	2012	2013	2014
Mexico	2,051	2,496	3,233
Peru	94.08	76.08	205.79
Guatemala	Does not generate income yet	Does not generate income yet	0.77
Gentera, S.A.B. and subsidiaries	2,021	2,271	3,162

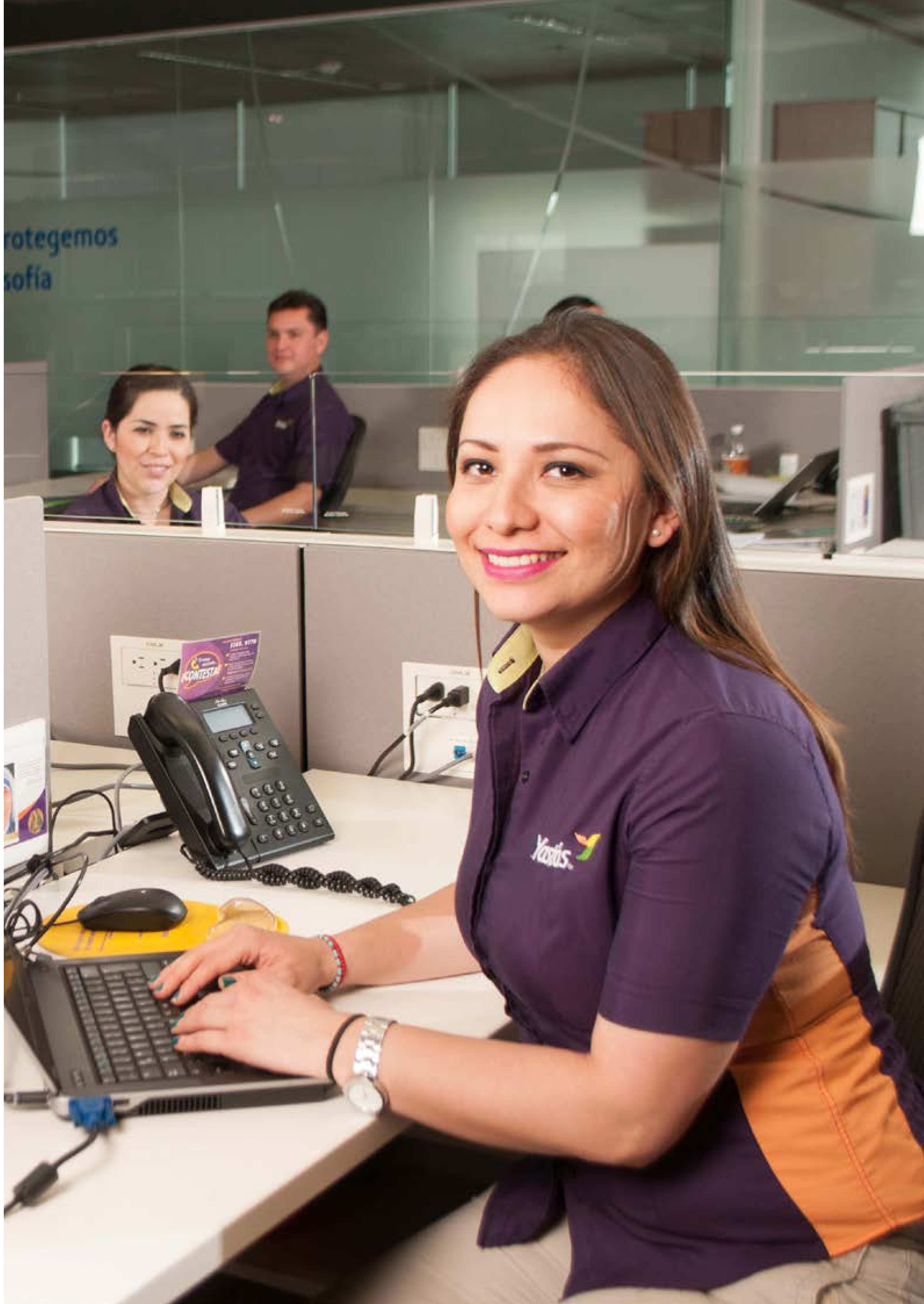
Economic value created, distributed and retained

G4-EC1

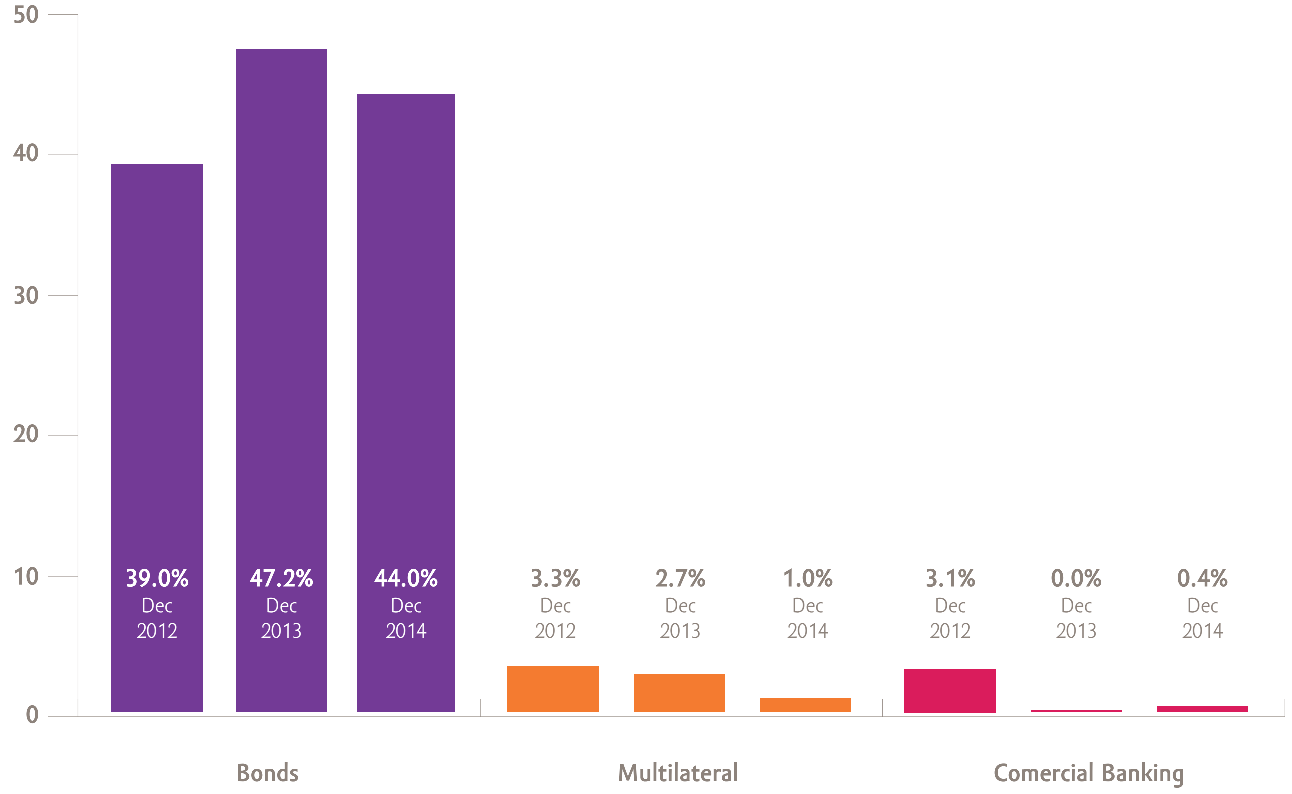
Concept (millions)	2012	2013	2014
Direct economic created value [1]	10,576	13,307	15,257
Economic distributed value[2]	7,446	9,136	10,071
Economic retained value[3]	3,130	4,171	5,186
Net result	2,021	2,271	3,162

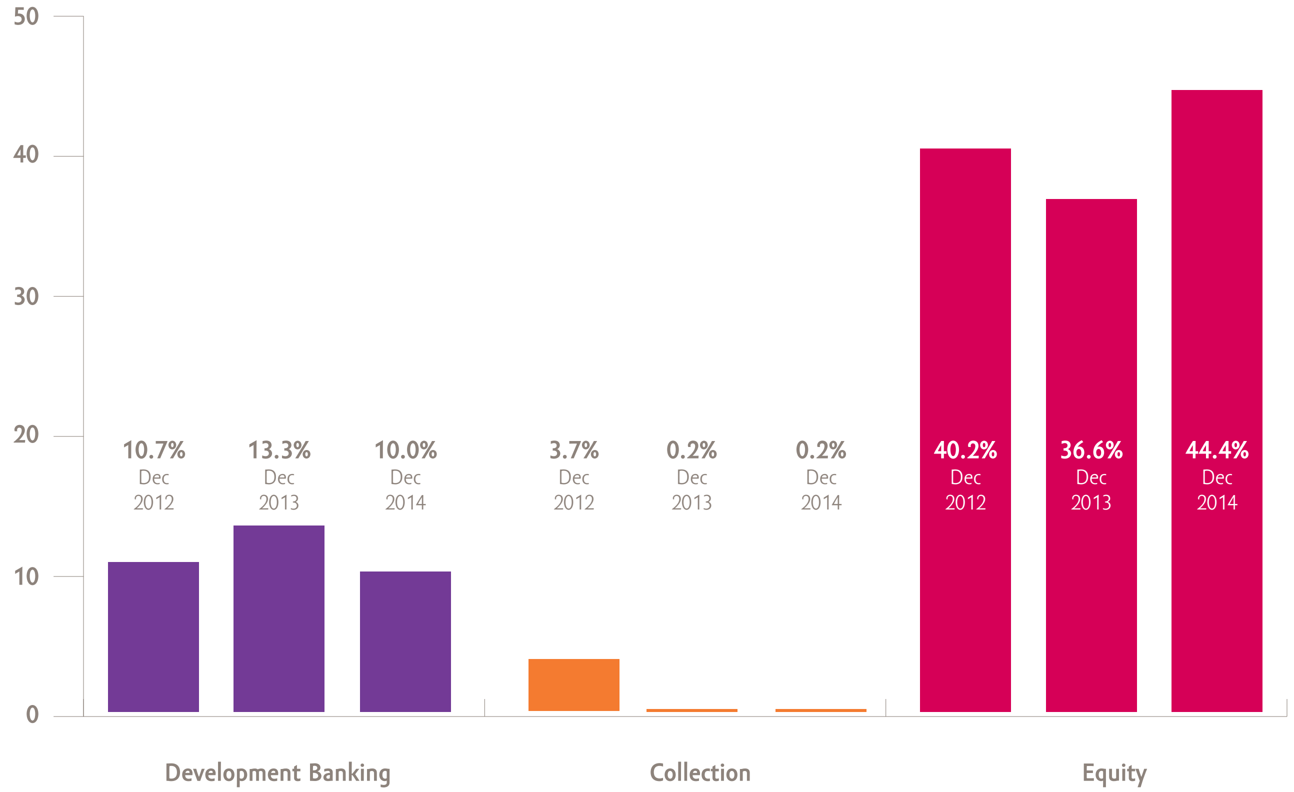
[1]Direct economic created value = net income + income from financial products + assets sale + other operating income, net.
[2]Economic distributed value = sales costs + salaries + employees benefits + training + other financial expenses + taxes + dividends + interest payment + community investments.
[3]Economic retained value = direct economic value created – economic value distributed.

Concept	2012	2013	2014
Number of clients	2'675,758	2'754,860	2'874,488
Financial margin (millions)	9,384	11,772	13,629
Operating efficiency	26.5%	27%	27.6%
Operation result (millions)	3,074	3,512	4,147
Net income (millions)	2,021	2,271	3,162



Funding





Bank Information	Equity	Commercial Banking	Development Banking	Multilateral	Bonds	Collection	Total
Dec-12	40.2%	3.1%	10.7%	3.3%	39.0%	3.7%	100%
Dec-13	36.6%	0.0%	13.3%	2.7%	47.2%	0.2%	100%
Dec-14	44.4%	0.4%	10.0%	1.0%	44.0%	0.2%	100%

Peru Information	Equity	Commercial Banking	Development Banking	Multilateral	Investment Funds	Total
Dec-12	14.8%	13.0%	30.2%	3.6%	38.4%	100%
Dec-13	13.1%	11.8%	35.8%	4.4%	34.9%	100%
Dec-14	17.5%	13.1%	23.2%	9.7%	36.5%	100%

	2013		2014	
	Compartamos Banco	Gentera	Compartamos Banco	Gentera
Accumulated efficiency Index	62.2%	65.8%	63.0%	65.7%
Stockholders' equity / Total assets	35.5%	35.3%	41.4%	39.5%
ICAP	27.8%	N/A (Gentera is not a bank)	33.1%	N/A

9
Corporate Governance

At **Gentera** we believe that transparency and adherence to the best corporate governance practices are essential for the Group and its companies' success as well as being fundamental to ensure their development and long-term sustainability. Therefore, commitment to our beliefs and institutional values are reflected in our government model, which is renowned for its adherence to all legal regulations in the countries where we operate and to standards and best practices established by business groups as the Code of Best Corporate Practices from the Business Coordinating Council of Mexico.

Gentera's governance model has been recognized by multilateral agencies and international companies, being invited to join the Companies Circle, which it belongs since 2011, created by the International Finance Corporation (IFC) and the Organization for Economic Cooperation and Development (OECD), with funding and support from the Global Corporate Governance Forum, joining leading companies in Latin American by the adoption of best corporate governance practices and a strong presence and impeccable reputation in their capital markets. During 2014, the Deputy Secretary of the Board of **Gentera** was appointed as Vice-president of the Companies Circle.

Furthermore, during this year improvements were implemented to the governance model to align it to the Group's operational services strategy, seeking to optimize our value chain and considering the evolution and scope achieved by **Gentera** and its companies, financial products, needs and international interests, promoting financial transparency, responsibility and high ethical standards for sustainability and results for our shareholders, clients, employees and other stakeholders.

G4-13

As a result, the number of committees that support the Board of Directors increased, thus strengthening the monitoring and implementation of agreements and decision making by the governing bodies of all organizational units.

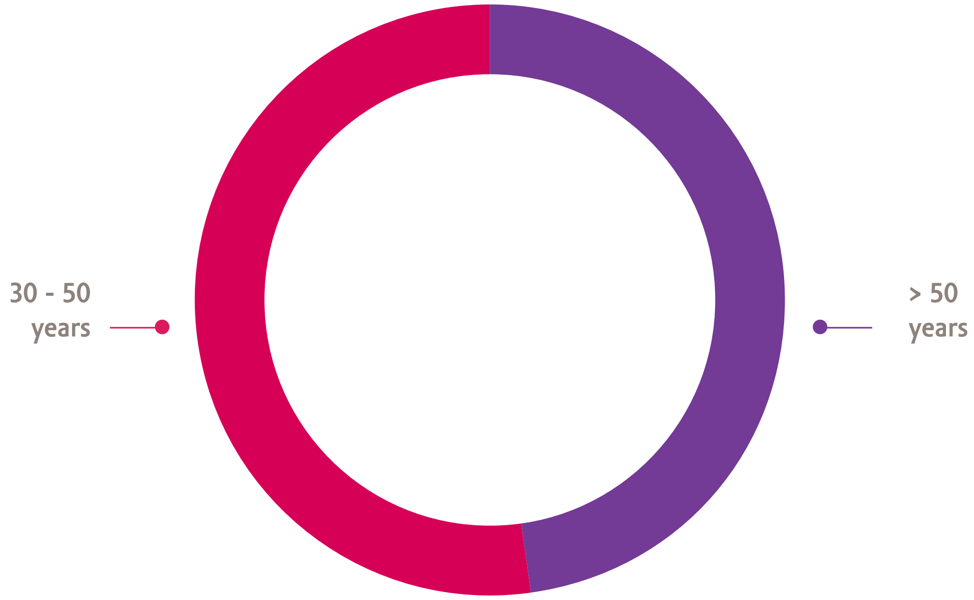
The creation of the Committee of Information Systems and Technology and the Committee of External Relations and Social Responsibility, are part of such improvements to provide more attention to issues of high relevance, such as establishing contingency plans, information management and control and strengthening the principles of social responsibility and sustainability.

The member's age range is between 44 and 75 years, which provides plurality in discussions, including experience and innnovation

Board of Directors

G4-34, G4-38, G4-LA12

Our Board of Directors is comprised by 13 members, seven of whom are independent (54%), while two of these are women (15.4% of total). The distribution by age of the Board members is:



Our Board of Directors' features during 2014 were:

- The Group was led by strong corporate governance that supports international expansion
- Board of Directors comprised by specialists in several fields and branches that enrich the Group's long-term strategic vision
- 63% of the committees were chaired by independent directors
- According to the research conducted by the Corporate Practices Committee and external consultants, remuneration of board members was in line with market standards
- Officials who were part of the Board did not receive remuneration for this work

Gentera and each of his companies have a Board of Directors that allows the optimal achievement of its strategy and business sustainability

G4-44

- A comprehensive annual performance evaluation of the Board's operation and the quality of its annual activity was implemented, entailing:
  - The self-assessment of each principal director
  - The assessment made by each member to the Board as a collegiate body
  - The assessment for each committee, made by its members
  - The assessment by the management team to the Board

G4-41
DMA SP 36

- **Gentera** and its companies have a policy that rules and regulates related party transactions, which states that governing bodies review and approve such operations to avoid conflicts of interest. Besides, they observe the guidelines contained in our Code of Ethics and Conduct
- Promotion of constant training to members of the Board of Directors, the Legal Direction and the team in charge of **Gentera's** corporate governance, through their participation in training courses for updating and improving a good corporate governance, such as "Directors' College" by the Rock Center for Corporate Governance at Stanford University; "Relevant Legal Aspects" by the Autonomous Technological Institute of Mexico (ITAM); and Foundations' Management, by the National Autonomous University of Mexico
- **Gentera** participated as one of the exhibitors at forums like "Experiences of Good Corporate Governance in Latin America" testifying on sustainability in San Jose, Costa Rica and "Corporate Governance of Company Groups: International and Latin American Experience" on Business Groups in Bogota, Colombia

28.5% of our independent Principal Directors are women

G4-36

The Boards of Directors of each of our companies are integrated by related and independent advisors, human capital highly qualified, outstanding and experienced in various fields of professional knowledge: banking, economics, finance, administration, logistics, marketing, systems, accounting, social responsibility and sustainability, among other areas. Having this strong team allows us to enjoy significant gains in growth, profitability and sustainability.

G4-39

Principal Directors	Status	Seniority in the Board
Álvaro Rodríguez Arregui	Independent	11 years
Carlos Antonio Danel Cendoya	Related	14 years
Carlos Labarthe Costas	Related	14 years
Claudio Xavier González Guajardo	Independent	3 years
Guillermo José Simán Dada	Independent	5 years
John Anthony Santa María Otazúa	Independent	6 years
José Ignacio Ávalos Hernández	Related	14 years
José Manuel Canal Hernando	Independent	11 years
Juan Ignacio Casanueva Pérez	Related	4 years
Juan José Gutiérrez Chapa	Related	13 years
Luis Fernando Narchi Karam	Related	13 years
Martha Elena González Caballero	Independent	8 years
Rose Nicole Dominique Reich Sapire	Independent	1 year

President
Carlos Antonio Danel Cendoya
Secretary
Manuel de la Fuente Morales
Alternate Secretary
Mariel Eloina Cabanas Suárez

Our Board of Directors is supported by eight committees

Board of Directors' Committees

Audit Committee

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

G4-EC6

In Mexico, 100% of Directors have Mexican nationality

Commercial Strategy Committee

To assist the Board in defining and monitoring the medium and long term commercial and operating strategies, based on the deep understanding of the market, competitors, clients' needs and the applicability of several technologies which, all together, ensure an ideal competitive positioning and return for **Gentera** and its companies.

Executive Committee

The Executive Committee acts as an auxiliary body whose objective is to monitor the Group's strategy, support Management in the analysis and discussion of strategic or significant issues, as well as to serve as the liaison between the Board and Management ensuring a more fluid communication.

Finance and Planning Committee

To support the Board in defining a long term strategic vision and identification, control and financial risks disclosure mechanisms, in addition to validating the policies and guidelines proposed by Management regarding strategic planning, investments, financing, and annual budget and its control system.

Corporate Practices Committee

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

Risk Committee

G4-45, G4-46

The Risk Committee is a Board's assistance body, whose purpose is to review and manage the risks **Gentera** and its companies are exposed, along with monitoring the execution of operations is in concordance to objectives, policies and procedures and meets the global risk exposure limits, previously approved by the Board.

Technology Information Systems Committee

This Committees' objective is to support the Board in the definition and monitoring of medium and long term technologic strategies of **Gentera** and its companies.

External Relations and Social Responsibility Committee

G4-43, G4-48

It assists the Board in the definition of the strategic vision and validating the policies and guidelines regarding public positioning, identity, social responsibility and sustainability of **Gentera** and its companies, promoting the generation of a favorable environment for the business model's development through sound and permanent external relations, as well as the promotion of sustainable development and corporate social responsibility.

Directors' Appointment and Revocation

In order to protect the interests of **Gentera** and its shareholders, a policy for the evaluation of candidates for directors was approved, entrusting this task to the "Nominating and Evaluation Commission", which has the participation of independent and related directors. This way, the Shareholders' Meeting has enough information at the moment of appointing new directors and has a plurality of opinions and degree of training, education and proper reputational history to provide value to the organization. It also considers aspects such as turnover rate, term of office, revocation of the order and succession.

Members of the Board of Directors

Members

Álvaro Rodríguez Arregui

Economist, graduated from *Instituto Tecnológico Autonomo de México* (ITAM) with an MBA from Harvard Business School. Currently he is co-founder and CEO of IGNIA, a social impact fund focused on the bottom of the pyramid. He is Vice President of the Board of Directors of Banco Compartamos, S.A., Multiple Banking Institution ; Councilor at Harvard University David Rockefeller, Center for Latin American Studies; he belongs to the Alumni Council of Harvard Business School, Global Social Progress Imperative; ACCION International; Business Coordinating Council and the National Cancer Institute. He also participates in impact investments initiatives of Duke University CASE, Harvard Business School and the World Economic Forum. He mentors Endeavor. Specialized in business.

Carlos Antonio Danel Cendoya

Architect, graduated from *Universidad Iberoamericana*. He has a MBA from the *Instituto Panamericano de Alta Dirección de Empresa* (IPADE) and microfinance studies from The Economist Institute (Boulder), Harvard Bussiness School. Currently he is the Chairman of the Board of Directors of Banco Compartamos, S.A., Institución de Banca Múltiple; Councilor of Aterna, Agente de Seguros y Fianzas, S.A. de C.V.; Controladora AT, S.A.P.I. de C.V., and Fundación Gentera, A.C.

Carlos Labarthe Costas

Industrial Engineer graduated from *Universidad Anáhuac*. He studied business and microfinance in The Economist Institute (Boulder) and senior management at the *Instituto Panamericano de Alta Dirección de Empresa* (IPADE Business School). Currently, he is President and Director of Banco Compartamos, S.A., Multiple Banking Institution; Councilor of Compartamos, S.A. (Guatemala); Compartamos Financiera, S.A.; Red Yastás, S.A. de C.V.; Aterna, Agente de Seguros y Finanzas, S.A. de C.V.; Compartamos Servicios, Inc. de C.V.; Controladora AT, S.A.P.I. de C.V.; Fundación Gentera, A.C.; Worldfund, Advenio y Vista Desarrollos, IGNIA and he is also Chairman of the Board of Consejo de Administración de Promoción Escolar, S.C. and Grupo Kipling.

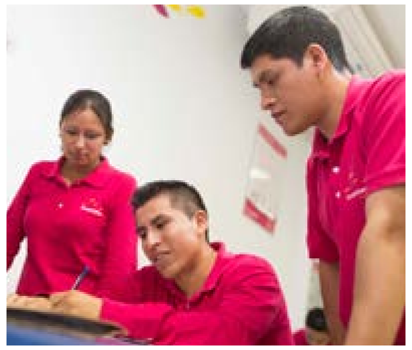
Claudio Xavier González Guajardo

Graduated from the *Escuela Libre de Derecho*, with a Masters in Law and Diplomacy and a PhD in Law and International Relations, from the Fletcher School of Law and Diplomacy, Tufts University. Currently, he is President and co-founder of Mexicanos Primero, A.C., an organization dedicated to increasing the education's quantity and quality in Mexico and Visión 2013, A.C. He is co-founder and member of the Technical Committee of BÉCALOS; co-founder and Honorary Chairman of the Board of the Patronato de la Unión de Empresarios para la Tecnología en la Educación, A.C. (UNETE) and co-founder and former President of Fundación Televisa, A.C. He is Director of Banco Compartamos, S.A., Multiple Banking Institution. He specializes in creating mechanisms for citizen participation, philanthropy and improving education's quality, from civil society.

Guillermo José Simán Dada

Business Administration and Economics from Loyola University - New Orleans. He has an MBA by the Sloan School of Management at Massachusetts Institute of Technology (MIT), specializing in corporate strategy, information systems and international management. He is currently Vice President of the Board and Executive Vice President of Grupo Siman, which operates under its "holdings" ALSICORP and REGAL FOREST; Chairman of the Board and CEO of SERVICORP. His responsibilities also include the Corporate Services division, which provides systems and technology, logistics and distribution, planning and other services to all business units of the same Group, he is Director and Vice President of GS1 in El Salvador, Director of Banco Compartamos S.A. Multiple Banking Institution, Aterna, Agente de Seguros y Fianzas, S.A. de C.V., Controladora AT, S.A.P.I. de C.V. and of El Puerto de Liverpool, S.A.B. de C.V. He specializes in corporate strategies, information systems and international management.

John Anthony Santa María Otazúa



He has a Bachelor Degree in Business Administration and a Masters in Finance from Southern Methodist University Dallas, TX. Currently, he is President of Coca-Cola FEMSA and Director of Banco Compartamos, S.A., Multiple Banking Institution. He specializes in the area of strategic planning.

José Ignacio Ávalos Hernández

He holds a degree in Business Administration from *Universidad Anáhuac*. He is currently Chairman of Consejo de Promotora Social México, A.C.; Un Kilo de Ayuda, A.C.; COFAS, I.A.P.; COFAT, A.C.; Cooperación y Desarrollo, A.C.; Desarrollo, Ayuda y Alimentos, S.A.; Alimentos en Zonas Rurales, A.C.; Impulsora Social, S.A. He is Director of Banco Compartamos, S.A., Multiple Banking Institution. He specializes in the area of microfinance and philanthropy.

José Manuel Canal Hernando

Public Accountant, graduated from *Universidad Nacional Autónoma de México* (UNAM). He is currently Principal Director of Banco Compartamos, S.A., Multiple Banking Institution; Director, Curator and Senior Advisor of several companies, both private and registered in securities markets, as FEMSA, Coca-Cola FEMSA, Grupo KUO, Grupo Industrial Saltillo, Fundación Bécalos and Junta de Asistencia Privada del Estado de México. He specializes in auditing, accounting, internal control and corporate governance areas.

Juan Ignacio Casanueva Pérez

Public Accountant, graduated from *Universidad Iberoamericana*, graduated from "Program of Corporate Governance: Effectiveness and Accountability in the Boardroom", in Kellog Northwest University and of the High Management Program in IPADE Business School. Currently, he is Chairman of Grupo CP, a group comprised by eight companies specializing in different insurance niches; Director and Chairman of Audit Committee at KIO; Director and member of the Audit and Compensation Committees of Grupo AXO; Director of Banco Compartamos, S.A., Multiple Banking Institution; Aterna, Agente de Seguros y Fianzas, S.A. de C.V.; Controladora AT, S.A.P.I. de C.V.; Finances México, S.A.; Hombre Naturaleza A.C.; Endeavor and Consejo de la Comunicación; he is also a member of the Board of Patronato del Fideicomiso Pro-bosque de Chapultepec and president of Fundación Carlos Casanueva Pérez. He specializes in the insurance area.

Juan José Gutiérrez Chapa

Industrial and Systems Engineer, graduated from *Instituto Tecnológico de Estudios Superiores de Monterrey*. Currently, he participates mainly in the microfinance sector, he is Chairman of the Committee on Financial Inclusion COPARMEX; Chairman of the Board of FOMEPADE, S.A. of C.V.; Director of Banco Compartamos, S.A., Multiple Banking Institution; Financiera Compartamos, S.A. and Compartamos, S.A. He also is an investor and member of boards in various sectors: financial, tourism, restaurateur, real estate and services entities. He specializes in financial, commercial and microfinance areas.

Luis Fernando Narchi Karam

Degree in Business Administration from *Universidad Anáhuac*. Currently, he is President of Direct Marketing Solutions, S.A. de C.V.; Vice President of Narmex, S.A. de C.V.; Chairman of the Board of Directors of de Promotora de Espectáculos Deportivos de Oaxaca, S.A. de C.V.; Principal Director of Banco Compartamos, S.A., Multiple Banking Institution; Grupo Martí, S.A. de C.V.; Sport City, S.A. de C.V.; Internacional de Cerámica, S.A.B. de C.V. (Interceramic), and other institutions; member of the Advisory Board of Grupo Financiero Banamex, S.A.; member of the Board of the National Cancer Institute and partner of Promotora Campos Elíseos 200.

Martha Elena González Caballero

Certified Public Accountant, graduated from *Universidad Iberoamericana*, has imparted several courses in the special program Infonavit of IPADE Business School. She is currently Principal Director of Banco Compartamos, S.A., Multiple Banking Institution; Member of the Audit Committee of Infonavit and the Technical Committee of the Mexican Institute of Public Accountants; is Curator of the SD Indeval, the Contraparte Central de Valores and Advisor of the Fondo de defunción del Colegio de Contadores Públicos de México and others. She specializes in the area of audit in the financial sector.

Rose Nicole Dominique Reich Sapire

Degree in Administrative Computer Systems, from *Instituto Tecnológico de Estudios Superiores de Monterrey*. She has an MBA from the *Instituto Tecnológico Autónomo de México*, with The Corporate Leader Program from Harvard Business School of Management, Boston, MA, USA. She is currently Principal Director of Industrias Diesco, of WPO Capítulo México; "Por lo derecho"; Construsistem, S.A de C.V. Until 2012, she was the Executive Vice President and CEO of Grupo Financiero Scotiabank Mexico and Scotiabank International. She is currently CEO of BNP PARIBAS Cardif, Mexico. She specializes in finance and banking in general.

Regulation and Legislation

DMA 12, 46, 48

The financial sector is one of the most regulated industries in the country, for its performance must project an image of confidence before the market; we accomplish this in accordance with the principles and values that govern our actions.

Regulatory compliance in all aspects of our institution is a priority, as this guarantees proper operation and provision of our services, according to the legal framework of our country and, if not met, could result in fines and costs for our Group.

G4-16

In Mexico we submit to provisions of various regulators, including Comisión Nacional Bancaria y de Valores (CNBV), the Banco de Mexico (BANXICO), the Comisión Nacional para la Defensa de los Usuarios de las Instituciones Financieras (CONDUSEF), and the Secretaría de Hacienda y Crédito Público (SHCP). Moreover, in Peru, we adhere to the guidelines of the Superintendencia de Banca y Seguros (SBS), the Superintendencia de Mercado de Valores (SMD) and the Banco Central de Reservas (BCR). Finally, in Guatemala, since we are constituted as a corporation, we apply the industry and commerce regulations in this country.

To support our corporate governance to comply the current regulatory compliance, in **Gentera** we have the Internal Control and Compliance Direction. The activities performed by this Direction are executed with the participation of the areas responsible for the different procedures of the institution, whose stages are:

Entries

- **Applicable regulation** (includes new regulations and modifications to the existing one)
- **Products and/or services' modifications**
- **Authorities' observations, external and/or external audits**
- **Improvements proposed by the controls monitoring activity**
- **Business strategy**

Process

- **Analysis of each aspect indicated as entry**
- **Risk and associated controls identification**
- **Efficiency evaluation of existing controls**
- **Generation of internal regulatory documents**
- **Monitoring of relevant controls which regulate the process**

Deliveries

- **Regulatory compliance chart**
- **Relevant controls and mitigating risks chart**
- **Relevant controls for monitoring charts**
- **Published internal regulatory document**

With this procedure we seek that in the moment we detect any irregularities, we immediately mitigate impacts and respond requests, in addition to executing efficient and effective operations, having reliable and timely financial information, comply fully with applicable laws and regulations and achieve safeguarding the institution resources.

This direction's objectives for 2015 are:

- Analyze and review controls per area/process, considering their cost, saving and risk
- Contribute to regulatory compliance and banking authorities' requirements
- Implement and maintain the applicable control framework for information technologies
- Establish measures and procedures to prevent and detect operations vulnerable to money laundering and/or terrorism financing
- Comply with the Federal Law on the Protection of Personal Data held by Private Parties and its regulations

Risk Management

G4-2, G4-13, G4-14, G4-45, G4-46, G4-47
DMA 47

At **Gentera** we have a specialized area for structuring a strong process of strategic business and process risk management. This area ensures that all proceedings are conducted efficiently in all the subsidiaries: governance, risk and compliance.

The area has a risk map –support tool for Risk Committee–, the Risk Management Manual (MPRI-01), the framework for comprehensive risk management (EST-04) and the annual strategy of comprehensive risk management, aligned with the strategies approved by the Board of Directors. Similarly, it uses a specific methodology for proper and timely response to identified risks, this is the one established by the Comprehensive Risk Management Unit (UAIR), same which has a categorization of the probability of occurrence, and another for impacts caused if the risk materializes, both as signals.

Probability of occurrence next year	
High	The risk is very likely to materialize in 2015
Average	The risk is not likely to materialize in 2015
Low	Very probably, the risk will not materialize in 2015

Impact in case the risk materializes	
High	Over 5% of expected annual net income
Average	Between 1% and 5% of expected annual net income
Low	Under 1% of expected annual net income

2015 Objective:
Hydro-meteorological and geological risk prevention campaign in regions where we have presence, action plan and alliances creation

Currently, derived from the restructuring our Group was subject to during 2014, it is through this department that we also perform the explicit risks mapping in regards of sustainability, through proper identification and social and environmental risk evaluation to determine the specific tasks and lines of action that will be executed by each operational area.

Furthermore, the situation and degree of participation of the risk management area were identified in the value chain, in social, environmental and human issues.

The challenges we face in 2014 were diverse, among them the issue of liquidity, since we are susceptible to macroeconomic, market and internal crisis; natural disasters, such as the case of Hurricane Odile, same that caused risk in the portfolio and that the recovery time was extensive.

G4-EC2
DMA 1

In this regard, we have identified climate change as a risk agent for our Group, in physical and economic terms, translated as the increased likelihood of natural disasters threatening infrastructure in our branches, causes an increase in operating expenses and an impact on credit origination and recovery. According to the UAIR signals exposed, the likelihood of the risk materializing is low, while the impact is average in case of external events in the season between June 1st and November 30, 2015 according to the National Weather System.

In 2014, the implemented measures were the business continuity plan, change of databases in branches and the allocation of an amount over five million pesos to manage these risks. Additionally, by having a strengthened process for risk management, we have established a strong and adaptable contingency plan to meet future contingencies.

Similarly, we have established support in contingencies, with it we refer to severe damage that could affect the population of one or more states by the impact of a devastating disaster, whether natural or anthropogenic origin, facing the loss of its members, infrastructure or environment. This support process is aimed at providing economic or in kind incentives to employees, clients and the community to help meet the needs that arise during an unexpected situation and affect business continuity. Specific actions executed by the corresponding area are:

- Damage evaluation
- Guarantee critical function continuity in operations
- Timely attention in vulnerable regions

Our main challenges for 2015 are to continue the strengthening of our risk management and provide stability to the results of our restructuring; comprehensive risk management of new businesses, like the use of new technologies, respectively; consolidating products; mitigation of high impact risks that prevent the achievement of our strategic objectives; respond to regulatory modifications regarding liquidity and capitalization; among others, but certainly we will be able to respond successfully with support from our expert team in risk management.

Industry involvement

G4-16, FS10
DMA 37, 47, 49

At **Gentera** we aim, through links with authorities and organisms, to influence those actors with power of decision in certain issues of interest for the financial sector and, this way, we seek to establish the guidelines and activities to be followed for approaching authorities, regulators, legislators, federal and local government, in order to generate a favorable environment for **Gentera** and its companies' development.

Such is the case of Compartamos Banco, who collaborates actively in several industry institutions and associations, such as the Asociación de Bancos de México (ABM), in which Compartamos participates in commissions and/or committees. In them, the Bank's representative has a voice on behalf of the institution to address relevant issues in each assembly, whose availability of guides and registry for vote casting is internal to the ABM.

Some resolutions issued by the ABM Sustainability Committee are:

- Sustainability protocol's presentation to the ABM loan committees –Mortgage, SME, Agriculture, Business, Credit Risk, Government Banking and Infrastructure Development, and the establishment of working groups
- Participation of 25 banking institutions (90% of total) in the Carbon Footprint project

Besides Compartamos Banco's participation in the ABM, we are members in several others associations, such as:

Mexico

- Asociación Mexicana de Comunicadores, A.C. (AMCO)
- Asociación Mexicana de Directores de Recursos Humanos, AC. (AMERIH)
- Confederación Patronal de la República Mexicana, S.P. (COPARMEX)
- Consejo de la Comunicación, A.C.
- Microfinance Information Exchange Mix Market
- Micro Finance Network
- Gender Equality Project (EDGE)
- ProDesarrollo Finanzas y Microempresa, A.C.
- Red ACCION
- Unión de Instituciones Financieras Mexicanas (UNIFIM)
- Unión Social de Empresarios de México, A.C. (USEM)
- Foro Económico Mundial (World Economic Forum)
- Microinsurance Network

Peru

- Asociación de Instituciones de Microfinanzas del Perú (ASOMIF)
- Asociación de Bancos del Perú (ASBANC)

In Guatemala we are currently researching the associations which we will be members of in the short term.

10 MATERIALITY AND STAKEHOLDERS

Stakeholders

G4-24, G4-25, G4-26, G4-27, G4-EC8

Aiming to identify our stakeholders, we carried out an internal analysis process through an external consulting agency. Thus, we defined our stakeholders and the required engagement with each as follows:

Stakeholders	Communication channels	Frequency	Expectations	Response
Clients	• Telephone lines • Website • Suggestion box • Direct communication • Service satisfaction surveys • Social networks (Facebook, Twitter and YouTube) • Printed magazines and publicity	Constant	Availability, security and speed in the services and products offered	• Loans: Compartamos Banco (Mexico), Compartamos Financiera (Peru) and Compartamos S.A. (Guatemala) • Insurance: Aterna. (Mexico, Peru and Guatemala) • Banks correspondents: Yastás (Mexico) • Financial education (Mexico, Peru y Guatemala) and saving products
Employees	• Internal communication: notices boards, campanazo, intranet, screens, email, internal bulletins and magazines • Complaints methods to the Code of Ethics and Conduct • Integration meetings (RI) • Annual encounters sales and CEAS • Philosophy Survey • Performance evaluation	Constant Monthly Annual	Fair compensation, balance between work, family life, and personal life, and training for professional development	We have a compensation system superior to that required by law, leadership programs, human training, professionalization training, and retention of human talent
Investors	• Investors relation area • Web: www.gentera.com.mx/wps/portal/gentera/relacioninversionistas/informacioninversionistas • Telephone line: 5276 7379 • Email: investor-relations@gentera.com.mx • Financial and sustainable reports	Constant Quarterly Annual	Profitability and transparency in the business' management	We are members of: • Asociación Mexicana de Relación con Inversionistas, A.C. (AMERI) • Microfinance Information • Exchange Mix Market • Microfinance Network • We are in the IPC and the Sustainable Index of the Mexican Stock Exchange, complying with all legal provisions that govern us as a public company • Foreign investors may invest in Gentera through the securities market, i.e., Gentera's share purchase

Stakeholders	Communication channels	Frequency	Expectations	Response
Suppliers	• Transparency box: www.gentera.com.mx/wps/portal/Gentera/acerca/codigoetica • Telephone line: Mexico: 01800 506 1264 Peru: 08000 0903 Guatemala: 1800 8350 388 • Email: denuncia@gentera.com.mx	Constant	Fair treatment, transparency, and timely communication	In 2013 we created an Code of Ethics for suppliers, accompanied by an acceptance letter, in which both parties compromise to abide by Gentera's philosophy and principles
Authorities	We constantly monitor the authorities' requirements close to our operations and those of our sector's regulatory agents in the countries where we operate	Periodical	Compliance with standards applicable in each country of operation	• Comisión Nacional Bancaria y de Valores (CNBV) • Banco de México (Banxico) • Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (Condusef) • Secretaría de Hacienda y Crédito Público (SHCP) • Regulating entities in Peru and Guatemala
Community	• Website: www.gentera.com.mx • Email: contacto@gentera.com.mx • Sustainability report	Constant Annual	Contribute to the most pressing social and environmental needs of local communities	• Fundación Gentera • Social Responsibility Alliances • Corporate volunteering • Call Compartamos with family • Compartamos with the Community Day
Non-profit Organizations	• Website: www.gentera.com.mx • Email • workshops	Constant Annual	Support for social initiatives which improve the health, education, and wellbeing of communities close to Gentera's operations	• Fundación Gentera • Social responsibility alliances • Call for education • Donors program
Competitors	We participate in microfinance events and associations in the countries where we operate	Periodical	Free competition, transparency and client protection	• Client Protection Index • Participation in: ASOMIF, Asociación de Instituciones de Microfinanzas del Perú • ProDesarrollo finanzas • Microempresa, A.C. • The Smart Campaign

Stakeholders	Communication channels	Frequency	Expectations	Response
Future Generations	• Website: http://www.compartamos.com.mx/wps/portal/banco/lealtad/chavitoscompartamos • Activities with clients' children	Constant Annual	Neutral or positive environmental footprint and contribution to Mexico's development	• Website chavitos: 7,004 participants • Contests for clients' children: 57,466 participants • Family Day: over 25 thousand participants • "Proyecto de vida" with Fundación Nemi
Media and opinion leaders	• Positioning campaigns in the media • Website: www.gentera.com.mx/wps/portal/Gentera/prensa/boletines/ • Email: medios@gentera.com.mx • One on one interviews	Constant Periodical	Transparency, equity, and promptness in providing information	We develop communication, management and crisis prevention plans in communications media, appoint and train spokespeople, hold press conferences, and perform media analysis
Strategic allies	Attention area	Constant	Profitability, convenience, and efficiency in commercial relations	Agreements and constant support for allies in their requests and projects on behalf of the operations area
Networks, Associations and Organisms	We participate in the financial sector's union meetings in each country where we operate	Periodical	Cooperation and transparency	• Asociación de Bancos de México (ABM) • Asociación de Bancos del Perú (ASBANC)
Academy	Website: www.gentera.com.mx/wps/portal/gentera/academia/inicio	Periodical	Link to the academic scope to share our business model	• Summer interns • Social service • Internships • Conferences in university forums

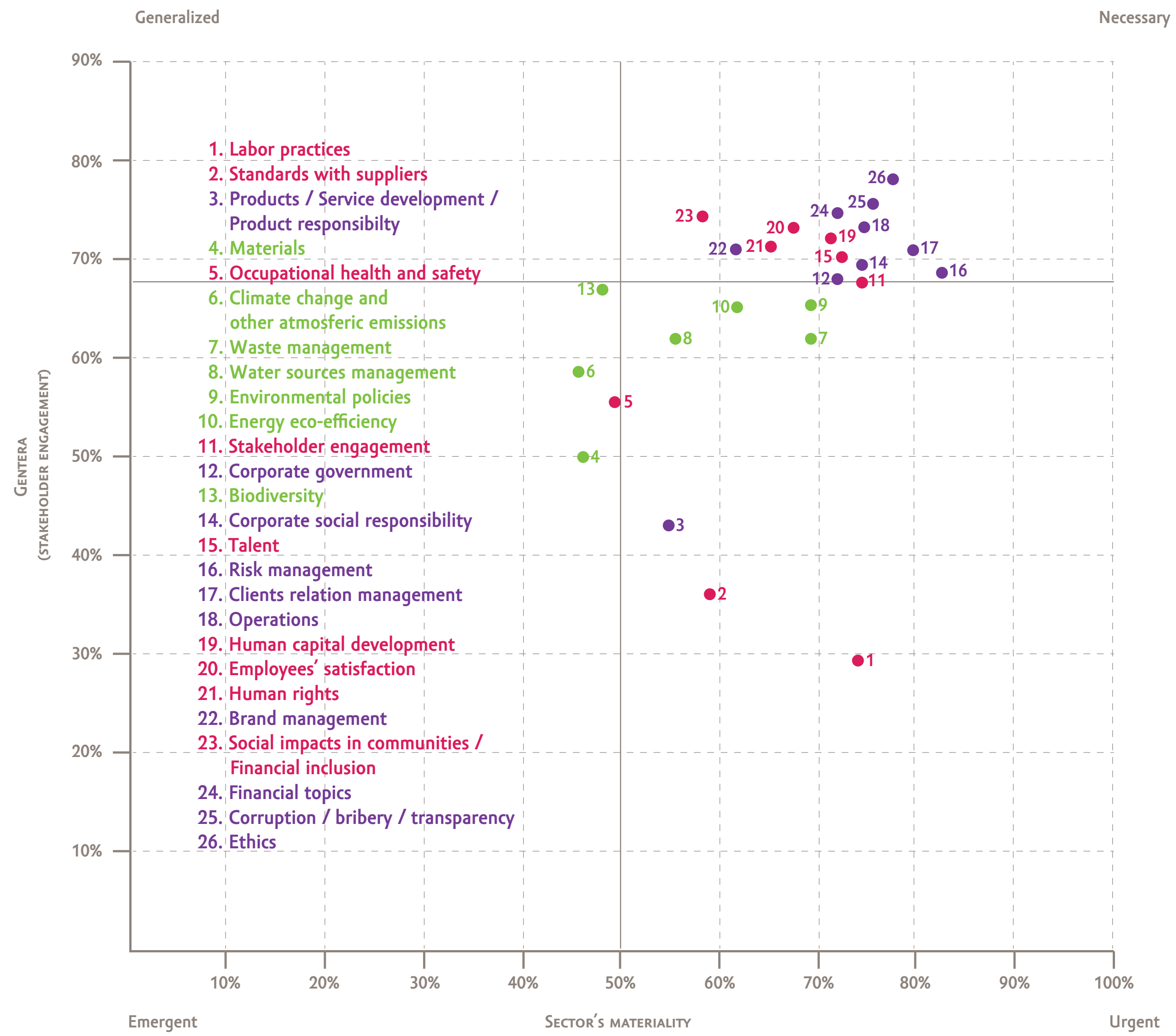
Materiality process

G4-18

Following our strong commitment to transparency, continuous improvement and strengthening ties with our stakeholders, during 2014 we conducted with Genera a review of our materiality study in order to complement it, to validate the material aspects which are of paramount importance regarding impact, both inside and outside the Group, which are reported in our Annual and Sustainability Report.

The methodology entailed an analysis of industry and social risks in the finance industry, with reference to the sector's maturity and the requirements of the industry and social organizations on ethical, social, economic and environmental matters. Subsequently, we determined the reporting status of our Group in regards to the sector and the requirements, with the scope of three countries in which we operate: Mexico, Peru and Guatemala.

Thus, the relevant issues were identified and presented to our employees for their prioritization, through an intranet survey and whose sample comprises 233 people. With these results, we validate the material aspects, same that are shown in the following chart:



These topics were reviewed and translated into aspects established by GRI's G4 Guide:

G4-19

Topic	GRI Aspect
Ethics and integrity	
Corruption, bribery and transparency	Anticorruption
Financial topics	Economic performance / Indirect economic impacts
Social impacts in communities / financial inclusion	Indirect economic impacts / Local communities / Financial Services Sector Supplement (Product and service labeling)
Operations	
Employees satisfaction	Employment / Training and Education / Labor practices grievance mechanisms (confidential)
Human capital development	Training and Education
Human rights	Diversity and equal opportunity / Equal remuneration for women and men / Non-discrimination / Indigenous rights / Investment (Clauses in suppliers contracts)
Clients relations management	Customer health and safety / Customer privacy / Compliance
Brand management	Product and service labeling / Marketing communications
Talent attraction and talent	Employment / Training and Education
Risk management	
Corporate Social Responsibility management	
Stakeholders engagement	Grievance mechanisms (environmental, labor practices, human rights, social impact)

Material aspects are identified throughout this document in blue.

Coverage and boundaries for each material aspect are established in the following table:

G4-20, G4-21

Material Aspect	Coverage		Boundary
Economic performance	●	●	Investors, employees, clients, suppliers, strategic allies and competitors
Indirect economic impact	●	●	Clients, suppliers, communities and non-profit organizations
Environmental grievance mechanisms	●	●	Employees, clients, communities, suppliers and authorities
Employment	●	●	Employees and communities
Training and education	●	●	Employees
Diversity and equal opportunity	●	●	Employees, suppliers, clients and future generations
Equal remuneration for women and men	●	●	Employees, authorities, non-profit organizations, suppliers and future generations
Labor practices grievance mechanisms	●	●	Employees, clients, communities, suppliers and authorities
Investment	●	●	Employees, suppliers, communities and non-profit organizations
Non-discrimination	●	●	Investors, employees, clients, suppliers, strategic allies, competitors, authorities, non-profit organizations, communities, future generations, networks, associations and organisms, media and opinion leaders
Indigenous rights	●	●	Communities, employees, future generations and non-profit organizations
Human rights grievance mechanisms	●	●	Employees, clients, communities, suppliers and authorities
Local communities	●	●	Communities, future generations and non-profit organizations
Anticorruption	●	●	Suppliers, clients, communities, employees, authorities, media and opinion leaders
Grievance mechanisms for impacts on society	●	●	Employees, clients, communities, suppliers and authorities
Customer health and safety	●	●	Employees, clients, authorities, networks, associations and organisms
Product and service labeling	●	●	Clients, authorities, competitors, networks, associations and organisms

Marketing communications	●	●	Employees, clients, authorities, networks, associations and organisms
Customer privacy	●	●	Employees, clients, authorities, networks, associations and organisms
Compliance	●	●	Employees, clients, authorities, networks, associations and organisms

- Material for the Group and its companies
- Material within and outside the Group and its companies
- Material within the Group and its companies
- Material outside the Group and its companies

About this Report

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

Our 2014 Annual and Sustainability Report, which includes information from January to December of the same year, comprises all our operations in all business units. It is based on the methodology established by the Global Reporting Initiative, in its G4 implementation manual, complying with the described principles and requirements, which are shown throughout this document. For this Report we have chosen the in accordance option –Core-.

This year there existed a re-statement of the social responsibility fund's information and measurement of beneficiaries. They are classified by scope –beneficiaries who participate in projects aiming to reach a great range of people in the shortest period of time through a direct operation form us or an NGO– and by depth –in which a long term commitment is establish to collaborate with beneficiaries, granting them a product to achieve a previously determined change–.

According to our commitment with transparency and as a better practice, this Report was verified externally by the company Valora Consultores.

GRI Index

G4-32

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Specific Standards Disclosure

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
Category: Economic						
Aspect: Economic Performance						
G4-DMA (DMA 1)	78, 100, 122					
G4-EC1	79-82, 84, 87, 89, 101, 104					✔
COM. FSSS G4-EC1	79-82, 84, 87, 89					✔
G4-EC2	122					✔
G4-EC3	61					✔
G4-EC4					Gentera does no receive financial assistance from the government.	
Aspecto: Presencia en el mercado						
G4-DMA (DMA 2)	61					

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-EC5	61					✔
G4-EC6	114					✔
Material Aspect: Indirect Economic Impacts						
G4-DMA (DMA 3)	40, 43, 82, 83, 88, 90					
G4-EC7	88, 89, 101					✔
G4-EC8	40, 86, 128					✔
Category: Environmental						
Aspect: Materials						
G4-DMA (DMA 5)	95					
G4-EN1	95					✔
G4-EN2	95					✔
Aspect: Energy						
G4-DMA (DMA 6)	93, 94					
G4-EN3	94					✔
G4-EN6	94, 95					✔
Aspect: Water						
G4-DMA (DMA 7)	93, 94					
G4-EN8	94					✔
G4-EN9					Gentera and subsidiaries are supplied by municipally-owned water infrastructure. As a financial services company, the water consumption is minimum, therefore it does no have a significant impact on water sources.	
G4-EN10	93, 94	Percentage and volume of water reused.	The information is currently unavailable.	The treatment and captation rainwater plant will start operating on 2015.		✔
Aspect: Biodiversity						
G4-DMA (DMA 8)	96					
G4-EN11	96					✔
G4-EN12	96					✔

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-EN13	96					✓
G4-EN14					Due to the nature of Gentera and their subsidiaries there is no significant impact on biodiversity.	
Aspect: Emissions						
G4-DMA (DMA 9)	93, 94					
G4-EN15	95					✓
G4-EN16	95					✓
G4-EN19	93					✓
G4-EN20					Due to the nature of Gentera and their subsidiaries, there are no ozone depleting subs-tances.	
G4-EN21					Due to the nature of Gentera and their subsidiaries, there are no NOx and SOx emissions.	
Aspect: Effluents and Waste						
G4-DMA (DMA 10)	93, 95					
G4-EN22					The corporate buil-ding and compartamos Banco's waste water discharges comply with the NMX AA 003 1980 regulations.	
G4-EN23	95					✓
COM. FSSS G4-EN23	95					✓
G4-EN24					Due to the nature of Gentera and their sub-sidiaries, there were no accidental spills.	
G4-EN25					Due to the nature of Gentera and their subsidiaries, hazardous waste is not imported or exported.	

DMA e Indicadores	Página o link	Omisiones identificadas	Razón de omisión	Explicación de omisión	Respuesta directa / Observaciones	Verificación externa p. 146
G4-EN26					Gentera and its subsidia-ries' discharges do not significantly affect water sources.	
Aspect: Products and services						
G4-DMA (DMA 11)	95					
G4-EN27	95					✓
G4-EN28	95					✓
Aspect: Compliance						
G4-DMA (DMA 12)	120					
G4-EN29					During the reporting period there were no sig-nificant fines regarding non compliance with environmental laws and regulations.	
Aspect: Transport						
G4-DMA (DMA 13)	95					
G4-EN30	95					✓
Aspect: Overall						
G4-DMA (DMA 14)	93					
G4-EN31	93, 101					✓
Aspecto: Supplier environmental assessment						
G4-DMA (DMA 15)	11					
G4-EN32	12					✓
Material aspect: Environmental grievance mechanisms						
G4-DMA (DMA 16)	27					
G4-EN34	27					✓
CATEGORY: SOCIAL SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK						
Material aspect: Employment						
G4-DMA (DMA 17)	12, 57					
G4-LA1	57, 59					✓

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-LA2	61					✓
G4-LA3	61					✓
Aspect: Labor / Management Relations						
G4-DMA (DMA 18)	60, 74					
G4-LA4	60, 74					✓
Aspect: Occupational health and safety						
G4-DMA (DMA 19)	64					
G4-LA5	66					✓
G4-LA6	67					✓
G4-LA7	66					✓
G4-LA8	60					✓
Material aspect: Education and training						
G4-DMA (DMA 20)	23, 68					
G4-LA9	68					✓
G4-LA10	71					✓
G4-LA11	73					✓
Material aspect: Diversity and equal opportunity						
G4-DMA (DMA 21)	23					
G4-LA12	59, 111					✓
Material aspect: Equal remuneration for women and men						
G4-DMA (DMA 22)	61					
G4-LA13	61					✓
Aspect: Supplier assessment for labor practices						
G4-DMA (DMA 23)	11					
G4-LA14	12					✓
Material aspect: Labor practices grievance mechanisms						
G4-DMA (DMA 24)	27					

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-LA16		Amount of complaints on labor practices.	The information is subject to specific confidentiality constraints.	Gentera and their subsidiaries have a reception and follow-up process for labor practices complaints however due to internal policies, the information is confidential.		
SUB-CATEGORY: HUMAN RIGHTS						
Material aspect: Investment						
G4-DMA (DMA 25)	23					
G4-HR2	71					✓
Material aspect: Non-discrimination						
G4-DMA (DMA 26)	23					
G4-HR3					163 complaints were received, same that have been monitored by the Ethics and Values Deputy Direction.	✓
Aspect: Freedom of association and collective bargaining						
G4-DMA (DMA 27)	60					
G4-HR4					No activities that violate freedom of association and the right of collective bargaining have been identified.	
Aspect: Child labor						
G4-DMA (DMA 28)	23					
G4-HR5	23				No activities with significant risk of child labor have been identified.	
Aspect: Forced or compulsory labor						
G4-DMA (DMA 29)	23					
G4-HR6	23				No activities with significant risk of compulsory labor have been identified.	

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
Material aspect: Indigenous rights						
G4-DMA (DMA 31)	23					
G4-HR8	23				In 2014, four grievances regarding human rights were filled before an external channel: CONAPRED.	✓
Aspect: Assessment						
G4-DMA (DMA 32)	23, 54					
G4-HR9					100% of Gentera's companies are evaluated to determine impacts regarding human rights.	✓
Aspect: Supplier human rights assessment						
G4-DMA (DMA 33)	11					
G4-HR10	12					✓
Material aspect: Grievance mechanisms for impacts on society						
G4-DMA (DMA 34)	11, 27					
G4-HR12					In 2014, four grievances regarding human rights were filled before an external channel: CONAPRED.	✓
Sub-category: Society						
Material aspect: Local communities						
G4-DMA (DMA 35)	40, 90					
G4-SO1	43, 82, 90					✓
FS13	38					
FS14	37					
Material aspect: Anti-competitive behavior						
G4-DMA (DMA 36)	26, 112					
G4-SO4	26					✓
G4-SO5	26					✓

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
Aspect: Public policy						
G4-DMA (DMA 37)	123					
G4-SO6					Gentera and their subsidiaries always maintain an ethical behavior, therefore there are no contributions to any political party.	
Material aspect: Grievance mechanisms for impacts on society						
G4-DMA (DMA 41)	27					
G4-SO11					Gentera and their subsidiaries have a recepction and follow up process for social impact complaints. However no grievances of this kind were received during the reporting period.	
Sub-category: Product responsibility						
Material aspect: Costumer health and safety						
G4-DMA (DMA 42)	37, 47					
G4-PR1	36, 47					✓
G4-PR2					During the reporting period there were no non compliances to regulations regarding products and services impacts in clients' health and safety.	
Material aspect: Product and service labeling						
G4-DMA (DMA 43)	36, 40, 46, 47, 82					
G4-PR3	46					✓
G4-PR4					During the reporting period there were no non compliances to regulations regarding product and services labeling.	

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-PR5	47	Satisfaction service results.	The information is subject to specific confidentiality constraints.	Gentera and their subsidiaries have a process to measure their clients' satisfaction, however these results are confidential.		✔
Material aspect: Marketing Communications						
G4-DMA (DMA 44)	47					
G4-PR6					Gentera and their subsidiaries do not offer prohibited or litigated products and/or services. They comply with applicable regulations completely.	
G4-PR7					During the reporting period there were no non compliances regarding marketing communications.	
Material aspect: Customer privacy						
G4-DMA (DMA 45)	47, 48					
G4-PR8	47, 49	Number of substantiated grievances regarding personal data breaches.	The information is subject to specific confidentiality constraints.	Gentera and their subsidiaries have a monitoring process for third party data privacy. However, complaints were filled and its is confidential information.		✔
Material aspcet: Compliance						
G4-DMA (DMA 46)	120					

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	Direct response / Observation	External Assurance p. 146
G4-PR9					Durante el periodo de reporte no se presentaron incumplimientos a la normativa relativos al suministro y uso de productos y servicios.	
Financial services sector supplement						
Aspect: Product portfolio						
DMA 47	23, 26, 40, 42, 46, 121, 123					
FS6	34					
FS7	37, 44					
FS8					Gentera and their subsidiaries have no products under services that offer environmental benefits.	
Aspect: Audit						
DMA 48	120					
Aspect: Active ownership						
DMA 49	123					
FS10	123	Percentage and number of companies with which Gentera and subsidiaries might have interacted on social and environmental topics.	The information is currently unavailable.	Gentera and their subsidiaries participate and interact with several companies, chambers and associations regarding social and environmental topics. However, the amount and percentage of these interactions is unavailable.		
FS11	47				Gentera and their subsidiaries have no assets which are subject to environmental controls.	

G4-32, G4-33

External assurance

VALORA

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

We conducted a review of non-financial information in "We work for financial inclusion: Annual and Sustainability Report" (hereinafter "Report") of Gentera S.A.B. de C.V. (hereinafter Gentera) closed at December 31, 2014.

Scope of our work

The Directorate of Gentera is responsible for the preparation and submission of the report in accordance with the Sustainability Reporting Guidelines of Global Reporting Initiative version 4.0 (G4) and the Financial Services Sector Supplement of the Global Reporting Initiative, as detailed in the G4-32 item "GRI index" of the "Report" and following the criteria of Materiality Matters, obtaining confirmation of Global Reporting Initiative on proper application thereof.

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

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

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

Summary of activities

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

- Risk analysis of information to identify material events occurring during the reporting period.
- Review of the update of the materiality.
- Interviews with Gentera´s staff responsible for providing the information contained in the "Report".

VALORA

- Analysis of gathering processes and internal controls performed over quantitative data reflected in the "Report" regarding the reliability of information, using analytical procedures and sampling review testing.
- Support during the developing process of the report to review progress in the drafting texts, in order to detect possible omissions.
- Comparison of the report versus the previous year: monitoring programs, depth of information and increased indicators, when applicable.
- Review of the implementation of the requirements set forth in the Guide for the elaboration of Sustainability Reports of Global Reporting Initiative G4 version 4.0 (G4).
- Verifying the GRI index table of the final draft of the report, depending on the in accordance the option chosen.

Conclusions

Based on the procedures performed, as described above, on "We work for financial inclusion: Annual Report and Sustainability" from Gentera S.A.B. de C.V. financial year closed at December 31, 2014, we conclude that:

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

Valora Sostenibilidad e Innovación S.A. de C.V

Jose Luis Madrid

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

Consolidated Financial Statements

December 31, 2014 and 2013
(With Independent Auditors' Report Thereon)
(Free Translation from Spanish Language Original)

INDEPENDENT AUDITOR'S REPORT

(Free Translation from Spanish Language Original)

The Board of Directors and Stockholders Gentera, S. A. B. de C. V.:

We have audited the accompanying consolidated financial statements of Gentera, S. A. B. de C. V. (Gentera) and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements of Gentera, S. A. B. de C. V. and Subsidiaries, for the years ended December 31, 2014 and 2013, have been prepared in all material respects, in accordance with the accounting criteria for credit institutions in Mexico issued by the Commission.

KPMG CARDENAS DOSAL, S. C.

Alejandro De Alba Mora

February 19, 2015.

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

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2013
(Millions of Mexican pesos)

Assets		2014		2013
Cash and cash equivalents (note 6)	$	3,143	$	2,169
Investment securities (note 7):				
Available for sale		24		22
Debtors on repurchase/resell agreements (note 8)		196		342
Current loan portfolio (note 9):				
Commercial loans:				
Business and commercial		415		353
Consumer loans		22,702		19,664
Residential mortgages		49		44
Total current loan portfolio		23,166		20,061
Past-due loan portfolio (note 9):				
Commercial loans:				
Business and commercial		23		13
Consumer loans		761		631
Residential mortgages		1		1
Total past-due loan portfolio		785		645
Total loan portfolio		23,951		20,706
Less:				
Allowance for loan losses (note 9)		1,294		1,228
Loan portfolio, net		22,657		19,478
Other accounts receivable, net (note 10)		587		468
Property, furniture and equipment, net (note 11)		921		976
Investment in associated company (note 3j)		107		–
Deferred taxes, net (note 16)		1,056		175
Other assets, deferred charges and intangibles, net (note 12)		1,852		1,732
Total assets	**$**	**30,543**	**$**	**25,362**

Liabilities and Stockholders' Equity		2014		2013
Liabilities:				
Deposit funding (note 13):				
Demand deposits	$	96	$	66
Time deposits:				
General public		878		638
Debt securities issued		9,273		8,537
		10,247		9,241
Bank and other loans (note 14):				
Due on demand		90		–
Short-term		2,709		3,640
Long-term		3,037		2,341
		5,836		5,981
Other accounts payable:				
Income tax payable		694		54
Employee statutory profit sharing payable (note 16)		38		22
Sundry creditors and other accounts payable (note 17)		1,616		1,063
		2,348		1,139
Deferred credits and prepayments		52		58
Total liabilities		18,483		16,419
Stockholders' equity (note 19):				
Paid-in capital:				
Capital stock		4,764		4,764
Additional paid-in capital		763		763
		5,527		5,527
Earned capital:				
Statutory reserve		870		731
Prior years' results		2,150		207
Cumulative translation adjustment		147		43
Net income		3,125		2,264
		6,292		3,245
Non-controlling interest		241		171
Total stockholders' equity		12,060		8,943
Commitments and contingent liabilities (note 20)				
Subsequent event (note 24)				
Total liabilities and stockholders' equity	**$**	**30,543**	**$**	**25,362**

Memorandum accounts		2014	2013
Other contingent liabilities (note 6)	$	1,380	1,053
Uncollected interest accrued on past due loans (note 9)		102	72
Other memorandum accounts (notes 14 and 16)		20,379	21,432

The historical capital stock as of December 31, 2014 and 2013, amounts to $4,764, in each year.

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

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

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

Carlos Labarthe Costas
Chief Executive Officer

Patricio Diez de Bonilla García Vallejo
Chief Financial Officer

Oscar Luis Ibarra Burgos
General Internal Auditor

Marco Antonio Guadarrama Villalobos
Controller

http://www.compartamos.com/wps/portal/Grupo/Inicio

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

CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2014 and 2013
(Millions of Mexican pesos, except earning per share)

		2014	2013
Interest income (note 22)	$	14,451	12,590
Interest expense (note 22)		(822)	(818)
Financial margin		13,629	11,772
Provision for loan losses (note 9)		(1,692)	(1,608)
Financial margin after provision for loan losses		11,937	10,164
Commissions and fee income (note 22)		883	761
Commissions and fee expense (note 22)		(657)	(606)
Other operating income (expenses), net (note 22)		(77)	(44)
Administrative and promotional expenses		(7,939)	(6,763)
Operating income		4,147	3,512
Equity method of associated company (note 3j)		(4)	–
Operating income before income taxes		4,143	3,512
Current income taxes (note 16)		(1,862)	(1,207)
Deferred income taxes (note 16)		881	(34)
Net income		3,162	2,271
Non-controlling interest		(37)	(7)
Controlling interest net income	$	3,125	2,264
Earning per share (in pesos)	$	1.90	1.38

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

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

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

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

http://www.compartamos.com/wps/portal/Grupo/Inicio

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2014 and 2013
(Millions of Mexican pesos)

	Paid-in capital		Earned capital					
	Capital stock	Additional paid-in capital	Statutory reserve	Prior years´ results	Cumulative translation adjustment	Net income	Non-controlling interest	Total stockholders' equity
Balances as of December 31, 2012	$ 4,629	898	602	207	119	2,010	179	8,644
Changes resulting from stockholders' decisions:								
Constitution of reserves for the fund to repurchase shares (note 19)	–	–	199	(199)	–	–	–	–
Repurchase of shares (note 19)	–	–	(172)	–	–	–	–	(172)
Resolutions agreed on April 25, 2013:								
Appropriation of prior year's net income (note 19)	–	–	–	2,010	–	(2,010)	–	–
Dividends payment (note 19)	–	–	–	(1,710)	–	–	–	(1,710)
Dividend refund from repurchased shares (note 19)	–	–	1	–	–	–	–	1
Constitution of statutory reserve (note 19)	–	–	101	(101)	–	–	–	–
Appropriation to capital stock (note 19)	135	(135)	–	–	–	–	–	–
Total	135	(135)	129	–	–	(2,010)	–	(1,881)
Changes related to the recognition of comprehensive income:								
Net income	–	–	–	–	–	2,264	7	2,271
Cumulative translation adjustment of subsidiaries	–	–	–	–	(76)	–	–	(76)
Total	–	–	–	–	(76)	2,264	7	2,195
Non-controlling interest	–	–	–	–	–	–	(15)	(15)
Balances as of December 31, 2013	4,764	763	731	207	43	2,264	171	8,943
Changes resulting from stockholders' decisions:								
Constitution of reserves for the fund to repurchase shares (note 19)	–	–	208	(208)	–	–	–	–
Repurchase of shares (note 19)	–	–	(182)	–	–	–	–	(182)
Resolutions agreed on April 24, 2014:								
Appropriation of prior year's net income (note 19)	–	–	–	2,264	–	(2,264)	–	–
Constitution of statutory reserve (note 19)	–	–	113	(113)	–	–	–	–
Total	–	–	139	1,943	–	(2,264)	–	(182)
Changes related to the recognition of comprehensive income:								
Net income	–	–	–	–	–	3,125	37	3,162
Cumulative translation adjustment of subsidiaries	–	–	–	–	104	–	–	104
Total	–	–	–	–	104	3,125	37	3,266
Non-controlling interest	–	–	–	–	–	–	33	33
Balances as of December 31, 2014	**$ 4,764**	**763**	**870**	**2,150**	**147**	**3,125**	**241**	**12,060**

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

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

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

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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2014 and 2013
(Millions of Mexican pesos)

		2014	2013
Net income	$	3,125	2,264
Adjustment for items not requiring cash flows:			
Depreciation and amortization		333	292
Provisions		560	294
Current and deferred income taxes		981	1,241
Equity investment in associated company		4	–
		1,878	1,827
Operating activities:			
Change in investment securities		(2)	478
Change in debtors on repurchase/resell agreements		146	(313)
Change in loan portfolio (net)		(3,179)	(2,341)
Change in other operating assets (net)		(91)	(132)
Change in deposit funding		1,006	1,450
Change in bank and other loans		(145)	644
Change in other operating liabilities		(1,219)	(1,365)
Net cash flows from operating activities		1,519	2,512
Investment activities:			
Proceeds from the disposal of furniture and equipment		4	16
Payments in the acquisition of furniture and equipment		(214)	(531)
Investment in associated company		(111)	–
Increase in intangibles assets		(172)	(351)
Net cash flows from investment activities		(493)	(866)
Financing activities:			
Payments associated to repurchase of own shares		(182)	(172)
Dividends payments in cash		–	(1,710)
Dividend refund from repurchased shares		–	1
Change in non-controlling interest		70	(8)
Net cash flows from financing activities		(112)	(1,889)
Net increase (decrease) in cash and cash equivalents		914	(243)
Effects on changes in cash and cash equivalents		60	(14)
Cash and cash equivalents at the beginning of the year		2,169	2,426
Cash and cash equivalents at the end of the year	$	3,143	2,169

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

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

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

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

http://www.compartamos.com/wps/portal/Grupo/Inicio

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014 and 2013
(Millions of Mexican pesos)

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

1. Description of business and significant transactions

Description of business–

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

At December 31, 2014 and 2013, Gentera and its consolidated subsidiaries are comprised of:

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

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

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

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

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

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

2014 Significant transactions–

I. During the first half of 2014, a licitation process was undertaken to sell Bank's loan portfolio previously written-off during the years 2010, 2011 and 2013, whose amount of principal and not collected accrued interests at the time of write-off amounted to $1,798. On March 24, 2014, as a result of this licitation, an onerous contract of assignment of loans was signed, generating to the Bank a tax loss on loan portfolio sale of $1,797, which under current tax legislation will be deductible at the time that the book value of allowance for loan losses as of December 31, 2013 is applied; the Bank decided to take the future deduction for the loss up to the amount updated at December 31, 2013, from the remaining surplus pending to be deducted of the global preventive allowance for loan losses which amounts to $1,193, therefore the tax loss carryforward of $358, which is estimated to be realized in 2015, was recognized as part of the debit balance of deferred taxes (notes 9 and 16).

II. On July 28, 2014, through Board of Directors' Meeting, the investment in the corporation Finestrella, S. A. P. I. de C. V. (Finestrella) was approved. Finestrella is incorporated in Mexico, the investment through the subscription and payment of shares for $111, representing 33% of capital stock, and grating funding for $20 convertible into shares when met certain agreements and financial goals that allow Gentera potentially acquire up to 100% of the capital stock. Finestrella's main activity is lending through an electronic plataform.

III. On July 28, 2014, the Board of Directors' Meeting approved to enter into the business of money orders from the United States to Mexico by acquiring 100% of Pagos Intermex, S. A. de C. V. ("Intermex") and Monex Servicios, S. A. de C. V. ("Monex Servicios"). On October 16, 2014, a purchase agreement was signed to acquire 100% of capital stock of Intermex and Monex Servicios for $186. The acquisition is subject to the fulfillment of various conditions precedent common to this type of transaction and the authorization of the Commission.

2013 Significant transactions–

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

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

2. Authorization and basis of presentation–

On February 19, 2015, the following officers approved the issuance of the accompanying consolidated financial statements and their related notes.

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

The shareholders of Gentera are empowered to modify the consolidated financial statements after its issuance. The accompanying 2014 consolidated financial statements were authorized for issuance by the Board of Directors, and will be submitted for approval at the next Shareholders Meeting.

On March 16, 2011, the National Banking and Securities Commission (the Commission) issued the "Resolution that modifies the general regulations applicable to securities issuers and other securities market participants", which establishes that securities issuers which, through its subsidiaries, carry out mainly financial activities subject to the supervision of Mexican authorities, are required to prepare and audit its financial statements under the same basis applicable to such subsidiaries, with the purpose of ensuring that the financial information of both entities is comparable. The aforementioned is determined when such activities represent more than 70% of consolidated assets, liabilities or total revenues at the prior year-end. Consequently, since the Bank comprises 74% and 89% of the consolidated assets and revenues, respectively, as of and for the year ended December 31, 2014 (73% and 91% respectively, in 2013), the accompanying consolidated financial statements have been prepared in conformity with the accounting criteria established by the Commission throughout the "Accounting criteria for credit institutions" in Mexico.

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

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

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

The financial statements of the foreign subsidiaries have been translated into Mexican pesos (reporting currency) considering that their recording and functional currency are the same, resulting in the use of the following exchange rates: a) month-end for monetary and non-monetary assets and liabilities ($4.9368 Mexican pesos per sol and $1.9409 Mexican pesos per quetzal as of December 31, 2014), b) historical for stockholder's equity and c) weighted average of the period ($4.9109 Mexican pesos per sol and $1.9077 Mexican pesos per quetzal) for revenues costs and expenses, translation effects are presented as part of stockholders' equity. The exchanged rates used in 2013 were a) month-end for monetary and non-monetary assets and liabilities ($4.6813 Mexican pesos per sol and $1.6686 Mexican pesos per quetzal), b) historical for stockholder's equity and c) weighted average of the period ($4.6684 Mexican pesos per sol and $1.6535 Mexican pesos per quetzal) for revenues, costs and expenses, presenting translation effects as part of stockholders' equity.

3. Summary of significant accounting policies–

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

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

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

(a) Recognition of the effects of inflation–

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

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

			Inflation	
December 31		UDI	Yearly	Cumulative
2014	$	5.2703	4.18%	12.38%
2013		5.0587	3.78%	11.76%
2012		4.8746	3.94%	12.31%

(b) Basis of consolidation–

The accompanying consolidated financial statements as of December 31, 2014 and 2013, include the balances of Gentera and its subsidiaries mentioned below. All significant balances and transactions between Gentera and the subsidiaries have been eliminated upon consolidation.

Entity	Equity	Functional currency
Bank	99.98%	Mexican pesos
Compartamos Guatemala	99.99%	Quetzales
Financiera Compartamos	84.20%	Soles
Red Yastás	99.99%	Mexican pesos
Compartamos Servicios	99.99%	Mexican pesos
Controladora AT1	50.00%	Mexican pesos

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

(c) Cash and cash equivalents–

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

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

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

(d) Investment securities –

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

Available-for-sale securities

Securities which are not classified as trading, but which are not intended to be held to maturity. Available-for-sale securities are recorded at fair value, using current prices obtained from specialists in the supply and price calculation to value securities portfolios. Fair value is the amount at which interested parties are willing to an exchange for the financial instrument, in an uninfluenced transaction. The valuation effects are reported in stockholders' equity under "Unrealized gain from valuation of available-for-sale securities", which upon sale are recycled through the consolidated statement of income to recognize the difference between the net value of realization and acquisition cost. Interest is recognized in the consolidated income statement in accrual basis.

Impairment of the value of a security

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

During the years ended December 31 2014 and 2013, Gentera did not make transfers between categories.

(e) Repurchase/resell agreements–

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

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

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

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

(f) Loan portfolio–

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

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

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

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

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

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

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

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

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

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

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

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

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

As of December 31, 2014 and 2013, Gentera had mainly a short-term consumer loan portfolio (note 9).

(g) Allowance for loan losses–

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

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

On June 24, 2013, the Commission published in the Official Gazette a resolution amending the general dispositions applicable to credits institutions to adopt a methodology of expected loss for credit risk, considering the probability of default, loss given default and exposure at default. In addition, commercial loans are classified into different groups, thus commercial loans outstanding at December 31, 2014 were evaluated using the model of expected loss.

The corresponding percentage range is established in accordance with Article 129 of the applicable general provisions, as shown in the next page.

The current commercial loans as of December 31, 2013, were evaluated in accordance with the incurred loss methodology set forth by the Commission until June 24, 2013, which consists in a methodology based on the debtor's rating process and the probability of default.

Allowances for loan losses made at December 31, 2014 and 2013 were determined in conformity with the degree of risk and the corresponding percentage ranges of allowance as shown below:

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

Troubled loans – Commercial loans with a high probability of not being collected. As of December 31, 2014 and 2013, Gentera has troubled loans for $7 and $9, respectively, which come from Financiera Compartamos. These loans have been fully reserved.

The calculation of the allowance for loan losses for consumer loans is made in conformity with the current dispositions issued by the Commission, which model of expected loss establishes that the allowance for loan losses is based on the probability of default, loss given default and exposure at default, considering for the calculation of the reserve the figures at the last day of each month. This methodology considers variables such as:

i) outstanding amount, ii) payment made, iii) past-due days, iv) total term, v) remaining term, vi) the original loan amount, vii) the original value of the property, viii) loan balance and ix) the type of loan.

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

The allowance for loans losses as of December 31, 2014 and 2013, is determined by the degree of risk assigned to the loan, as shown below:

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

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

Degree of risk and percentages of allowance for loan losses at December 31, 2014 and 2013 are as shown in the next page.

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

Write-offs–

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

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

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

(h) Other accounts receivable –

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

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

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

(i) Property, furniture and equipment–

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

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

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

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

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

(j) Investment in associated–

Investment in associated company, which Gentera owns less than 50% stake in the capital stock and has no control, are accounted for using the equity method based on financial statements of the associate as of and for the year ended 31 December 2014, including participation in the deficit on investment of the associate. At December 31, 2014, the 33% in the capital stock in the associate Finestrella amounts to $107 and the equity investment in the associate for the period from July 28 to December 31, 2014 is a loss of $4.

(k) Income taxes and employee statutory profit sharing (ESPS)–

The current income taxes and ESPS during the year are determined according to current tax legislation (note 16).

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

Deferred income taxes 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 income taxes and ESPS are recognized in results of the period in which they were enacted.

Deferred asset for ESPS is reserved, given that Gentera has the policy to reward its employees up to a month of salary, even when there is no resulting payment base for ESPS according to the current tax legislation.

(l) Other assets, deferred charges and intangibles–

This caption is mainly comprised of investment in the development of the electronic banking system, guarantee deposits, insurance and expenses paid in advance, as well as expenses for debt issuance. Amortization is made using the straight-line method during the life of each transaction. For the years ended December 31, 2014 and 2013, the charge to the consolidated income statement for amortization amounted to $66 and $20, respectively.

(m) Impairment of long-lived assets–

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

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

(n) Deposit funding–

Liabilities arising from deposit funding including demand deposits, time deposits and debt securities issued (stock exchange certificates or "Cebures") are recorded at placement cost, plus interest expense, determined by the straight-line method as they are accrued.

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

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

(o) Bank and other loans–

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

(p) Provisions–

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

(q) Employee benefits–

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

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

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

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

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

(r) 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.

(s) 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.

(t) Cumulative translation adjustment–

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

(u) Comprehensive income–

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

(v) Revenue recognition–

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

Loan portfolio interest is recognized as it accrues, except for those related to past-due portfolio, which are recognized in income when they are collected. Commissions are recognized when earned under the caption "Commissions and fee expense" in the consolidated statement of income.

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

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

(w) Interest expense–

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

(x) Other operating income (expense)–

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

(y) Earning per share–

This caption represents the result of dividing the profit for the period by the weighted average of current shares during the period. For the years ended on December 31, 2014 and 2013, the earning per share is $1.90 pesos and $1.38 pesos, respectively.

(z) Contributions to the Banks Savings Protection Institute (IPAB)–

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

Contributions made for this concept for the years ended December 31, 2014 and 2013, amounted to $41 and $36, respectively, which were charged directly to results of the year.

(aa) Foreing currency transactions–

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

(bb) Contingencies–

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

(cc) Segment information–

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

4 New accounting standards–

The Mexican Board of Financial Reporting Standards (CINIF – Spanish abbreviation), issued new FRS and the document called "FRS Improvements 2014", which contains specific modifications to current FRS, which it came into force on January 1, 2014. Such FRS and Improvements did not generate material effects in the consolidated financial statements of Gentera and its subsidiaries since these were not applicable or there is a specific accounting framework issued by the Commission.

On September 24, 2014 the Commission published in the Official Gazette a Resolution which modified the "General dispositions applicable to credit institutions" specifically the accounting criteria "B-6 Loan Portfolio", being the main changes related to restructured and past-due loans. Such changes did not generate material effects in the consolidated financial statements of Gentera and its subsidiaries for the year ended December 31, 2014, given that there is not significant amounts of restructured loans.

5. Foreign currency position–

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

1. The (short or long) position in US dollars must not exceed a maximum of 15% of the Bank's basic capital.

2. The foreign currency position by currency must not exceed 2% of net capital, except for the dollar or currencies referred to the dollar, which can reach up to 15% of the basic capital of the Bank.

3. Liabilities in foreign currency must not exceed 1.83 times the Bank's basic capital.

4. The foreign currency operations investment regulations make it necessary to hold a minimum amount of liquid assets, in accordance with a calculation mechanism established by the Central Bank, based on the maturity of operations in foreign currency.

As of December 31, 2014 and 2013, the Bank had a long position of 1,144 dollars and 1,398 dollars, respectively, within the limits set forth by Central Bank. The net assets at December 31, 2014 of Compartamos Guatemala and Financiera Compartamos represent a long position of 21,917,465 dollars and 48,077,641 dollars, respectively (long position of 19,287,478 dollars and 35,670,282 dollars, respectively in 2013).

As of December 31, 2014 the exchange rate determined by the Central Bank and used by Gentera to value its assets in foreign currency was $14.7414 pesos per dollar ($13.0843 pesos per dollar in 2013). On February 19, 2015, issuance date of the consolidated financial statements, the exchange rate was $14.9473 pesos per dollar.

6. Cash and cash equivalents–

At December 31, 2014 and 2013, cash and cash equivalents consist of the following:

		2014	2013
Cash on hand	$	42	62
Mexican banks		1,021	530
Foreign banks		437	302
Restricted funds:			
Monetary regulation deposit with the Central Bank*		308	204
Bank loans whit maturity up to three days*		1,072	849
Other funds		263	222
	$	3,143	2,169

* Included as part of the caption "Other contingent liabilities" in memorandum accounts.

For the years ended December 31, 2014 and 2013, interest earned from banks and other restricted funds amounted to $38 each year.

At December 31, 2014 and 2013, the monetary regulatory deposit with Central Bank has no established term and bears interest at the rate of bank deposit funding. For the years ended December 31, 2014 and 2013, interest obtained from monetary regulatory deposits amount to $7 and $8, respectively.

At December 31, 2014 and 2013, other restricted funds correspond to guarantee deposits with financial institutions in Peru incurred by Financiera Compartamos for $257 and $216, respectively, and the saving fund of Gentera's employees for $6 in each year.

At December 31, 2014, the average rate of interbank loans maturing in 3 days was 3.01% (3.78% in 2013). For the years ended on December 31, 2014 and 2013, interest earned from call money transactions amounted to $40 and $49, respectively.

At December 31, 2014 and 2013, Gentera has no precious metals, coins or position in foreign bills and coins.

7. Investment securities–

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

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

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

At December 31, 2014 and 2013, investments in available-for-sale securities at fair value corresponding to certificates of deposit of Central Bank of the Republic of Peru for $24 and $22, respectively.

At December 31, 2014 and 2013, the valuation of available-for-sale securities recognized within "Earned capital" net of deferred tax represents a profit of $7,220 pesos and $78,215 pesos, respectively.

At December 31, 2014 and 2013, the average rates of investments were 3.43% and 4.10%, respectively. In addition, for the years ended on December 31, 2014 and 2013, interest income from investments amounted to $2 and $8, respectively.

8. Debtors on repurchase/resell agreements–

Gentera carries out transactions of repurchase/resell agreements with a 1 day term, acting as buyer. As of December 31, 2014 and 2013, the balance of $196 and $342, respectively, relates to CETES in 2014 and development bonds in 2013.

For the years ended on December 31, 2014 and 2013, the interest income arising from repurchase/resell agreements transactions in the consolidated income statement amount to $7 and $2, respectively.

The terms of transactions of repurchase/resell agreements as of December 31, 2014 and 2013, are two days in each year, weighted interest rates of 2.83% and 3.53%, respectively.

9. Loan portfolio–

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

At December 31 2014 and 2013, total loan portfolio (current and past due loans) are comprised as follows:

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

	2013		
	Principal	Accrued interest	Total loan portafolio
Current loans:			
Commercial loans:			
Business and commercial	$ 347	6	353
Consumer loans	19,306	358	19,664
Residential mortgages	43	1	44
	19,696	365	20,061
Past due loans:			
Commercial loans:			
Business and commercial	12	1	13
Consumer loans	579	52	631
Residential mortgages	1	–	1
	592	53	645
Total loan portfolio	$ 20,288	418	20,706

Income from interest and commissions for the years ended at December 31, 2014 and 2013, segmented by type of loan are described as follows:

	2014	2013
Interest income (note 22)		
Commercial loans:		
Business and commercial	$ 113	79
Consumer loans	14,225	12,390
Residential mortgages	10	6
	$ 14,348	12,475
Commissions income (note 22)		
Consumer loans	$ 387	340

At December 31, 2014 and 2013, the loans (current and past due loans), are broken-down by economic sector, as follows:

	2014	
Economic activity	Amount	%
Commerce	$ 19,364	81
Construction	38	–
Professional services	2,209	9
Agriculture	156	1
Cattle raising	233	1
Manufacturing	606	2
Other	1,345	6
	$ 23,951	100

	2013	
Economic activity	Aumont	%
Commerce	$ 16,777	81
Construction	20	–
Professional services	1,950	9
Agriculture	129	1
Cattle raising	201	1
Manufacturing	532	3
Other	1,097	5
	$ 20,706	100

The distribution of the loan portfolio at December 31, 2014 and 2013, by geographical region is shown as follows:

	2014		2013	
	Current	Past-due	Current	Past-due
In Mexico:				
Aguascalientes	$ 121	2	86	1
Baja California Norte	428	10	321	6
Baja California Sur	271	17	173	3
Campeche	210	10	207	3
Chiapas	947	34	942	30
Chihuahua	235	11	184	9
Coahuila	522	14	487	24
Colima	62	3	67	3
Distrito Federal	663	12	500	16
Durango	337	9	280	16
Estado de México	2,136	40	1,812	57
Guanajuato	492	11	353	8
Guerrero	671	10	539	17
Hidalgo	534	9	418	7
Jalisco	484	10	391	10
Michoacán	558	11	454	9
Morelos	299	10	292	11
Nayarit	178	4	132	5
Nuevo León	628	27	562	18
Oaxaca	737	13	688	14
Puebla	1,357	31	1,252	28
Querétaro	169	2	133	3
Quintana Roo	286	9	297	11
San Luis Potosí	293	4	222	7
Sinaloa	320	9	261	6
Sonora	445	14	389	11
Tabasco	800	20	765	21
Tamaulipas	800	18	639	15
Tlaxcala	521	8	429	8
Veracruz	2,207	75	2,133	52
Yucatán	246	4	211	6
Zacatecas	137	1	92	1
Total Mexico carried forward	$ 18,094	462	15,711	436

	2014		2013	
	Current	Past-due	Current	Past-due
Total Mexico brought forward	$ 18,094	462	15,711	436
Abroad:				
Guatemala	206	10	178	7
Peru	4,415	246	3,807	149
Total abroad	4,621	256	3,985	156
Accrued interests	451	67	365	53
Total portfolio	$ 23,166	785	20,061	645

At December 31, 2014 and 2013, aging of the past-due loan portfolio is as follows:

	2014				
	Aging				
			Years		
	1 to180 days	181 to 365 days	1 to 2	More than 2	Total
Commercial loans:					
Business and commercial	$ 8	9	3	3	23
Consumer loans	540	159	36	26	761
Residential mortgages	–	–	–	1	1
	$ 548	168	39	30	785

	2013				
	Aging				
			Years		
	1 to180 days	181 to 365 days	1 to 2	More than 2	Total
Commercial loans:					
Business and commercial	$ 4	4	5	–	13
Consumer loans	469	117	45	–	631
Residential mortgages	–	–	–	1	1
	$ 473	121	50	1	645

Following is an analysis of the movements of the past-due loans, for the years ended December 31, 2014 and 2013.

	2014	2013
Past due loans at the beginning of the year	$ 645	523
Plus:		
Transfer from current loans	2,024	1,844
Less:		
Write offs	1,633	1,359
Collections	254	348
Transfer to current loans	7	6
Exchange rate fluctuation	(10)	9
Past-due loans at year-end	$ 785	645

Interest and commission income for the years ended December 31, 2014 and 2013, according to the type of loan is comprised as follows:

	2014		
	Interest	Commissions	Total
Current loans:			
Business and commercial	$ 112	–	112
Consumer loans	14,212	387	14,599
Residential mortgages	10	–	10
	14,334	387	14,721
Past due loans:			
Business and commercial	1	–	1
Consumer loans	13	–	13
	14	–	14
	$ 14,348	387	14,735

	2013		
	Interest	Commissions	Total
Current loans:			
Business and commercial	$ 79	–	79
Consumer loans	12,383	340	12,723
Residential mortgages	6	–	6
	12,468	340	12,808
Past due loans:			
Consumer loans	7	–	7
	$ 12,475	340	12,815

Interest on past due loans, which by accounting criteria is recorded in memorandum accounts and applied to income until collected, as of December 31, 2014 amounts to $102 ($72 in 2013).

For the years ended on December 31, 2014 and 2013, the amount recovered on the previously written-off loan portfolio amounted to $27 and $25, respectively, see note 22.

Sale of loan portfolio 2014–

During the first half of 2014, an auction process was undertaken to sell Bank's loan portfolio previously written-off, during the years 2013, 2011 and 2010, whose amount of principal and not collected accrued interests at time of the write-off, are described as follows:

Year	Number of written-off loans	Principal	Interest	Total
2013	376,067	$ 1,145	94	1,239
2011	101,260	275	16	291
2010	88,421	254	14	268
Total	565,748	$ 1,674	124	1,798

On March 24, 2014, as a result of this licitation, an onerous contract of assignment of loans was signed and a payment of $468,467 pesos was received, which is presented under the "Other operating income (expenses)" caption in the consolidated statements of income. Such onerous assignment of loans generated to the Bank a tax loss carryforward on loan portfolio sale of $1,797, which under current tax legislation will be deductible at the time in which the balance of allowance for loan losses as of December 31, 2013 is totally applied; the Bank decided to take the future deduction for the loss up to the amount updated at December 31, 2013, from the remaining surplus pending to be deducted of the allowance for loan losses which amounts to $1,193, therefore the deducible tax loss carry forward of $358, which is estimated to be realized in 2015, was recognized as part of the debit balance of deferred taxes (note 16).

Sale of loan portfolio 2013–

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

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

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

Credit losses warranty

On November 7, 2014, the Bank entered into a contract of warranty service with the Special Fund for Technical Assistance and Agricultural Credit Guarantee (Fondo Especial de Asistencia Técnica – "FEGA"), through the Bank of Mexico, the latter in its capacity as Trustee in the schemes of second loss of some products of consumer loan portfolio of the Bank established by contract. At December 31, 2014, the amount of the loan portfolio selected by the Bank for warranty with the FEGA amounts to $1,537 and the commission paid for the warranty was $4, amount that was recognized in the caption "Commissions and fee paid" in the consolidated statement of income. The maximum amount of loss from the insured portfolio, if any, would be recovered under contractual conditions through FEGA coverage ranges between 1.5% and 3% of the guaranteed amount.

At December 31, 2014 and 2013, the loan portfolio of the Bank and Compartamos Guatemala is not given as security. The Financiera Compartamos' loan portfolio at December 31, 2014 and 2013, given as security for funding received for its operation amounts to $877 and $875, respectively.

Loan management

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

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

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

During the years ended on December 31, 2014 and 2013, Financiera Compartamos restructured loans for $40 and $18, respectively; these restructurings did not include capitalized interest.

Allowance for loan losses

As of December 31, 2014 and 2013 the rating of the overall portfolio and the provisions created based on the actual risk tables for each year, are as follows:

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

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

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

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

The movements in the allowance for loan losses during the years ended December 31, 2014 and 2013, are as follows:

	2014	2013
Allowance for loan losses at the beginning of the year	$ 1,228	1,024
Plus:		
Increase in the provision for loan losses	1,692	1,608
Less application of reserves by write offs:		
From current loans (by death)	29	23
From past due loans	1,633	1,359
Exchange rate fluctuation	(36)	22
Allowance for loan losses at year-end	$ 1,294	1,228

At December 31, 2014 the allowance for loan losses recorded by Gentera includes $39 ($16 in 2013), as a complement to reserve 100% of past-due interest at the end of these years.

10. Other accounts receivable–

At December 31, 2014 and 2013, this caption is comprised as follows:

	2014	2013
Loan portfolio accessories	$ 101	60
Other receivables:		
Sundry debtors	162	162
Debit by intermediation	446	292
	709	514
Less:		
Allowance for doubtful accounts	(122)	(46)
	$ 587	468

11. Property, furniture and equipment–

At December 31, 2014 and 2013, this caption is comprised as follows:

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

* See comment on next page.

	2013				
		Original Cost	Depreciation and amortization annual rate (%)	Accumulated depreciation	Net value
Land	$	4	–	–	4
Constructions		18	5	(6)	12
Office furniture and equipment		195	10	(55)	140
Transportation equipment		112	25 y 20	(50)	62
Computer equipment		652	30, 25 y 15	(367)	285
Others:					
Leasehold improvements		464	*	(130)	334
Telecommunications equipment		180	10	(41)	139
	$	1,625		(649)	976

* The amortization rate of leasehold improvements is in accordance with the term of the lease agreement for each property.

For the year ended December 31, 2014, the charge to the consolidated income statement in the "Administrative and promotional expenses" caption related to depreciation and amortization amounted to $266 and $66, respectively ($272 and $20, respectively, in 2013).

Fully depreciated assets

	Original cost		
		2014	2013
Office furniture and equipment	$	8	3
Transportation equipment		5	2
Computer equipment		200	141
Leasehold improvements		93	68
	$	306	214

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

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

At December 31, 2014 and 2013, assets leased through capitalized leases are comprised as follows:

		2014	2013
Office furniture and equipment	$	9	5
Computer equipment		184	199
Transportation equipment		13	10
		206	214
Less accumulated depreciation		147	92
	$	59	122

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

	2014				2013		
		Future minimum payments	Discounted interest	Present value	Future minimum payments	Discounted interest	Present value
Less than one year	$	55	(2)	53	78	(6)	72
Between one and five years		12	(1)	11	59	(2)	57
	$	67	(3)	64	137	(8)	129

Interest expense over capitalized leases during the years ended on December 31, 2014, and 2013, was of $8 and $10, respectively, which is recorded under the caption of "Other operating income (expenses)" in the consolidated statements of income.

12. Other assets, deferred charges and intangibles–

At December 31, 2014 and 2013, this caption is comprised as follows:

		2014	2013
Goodwill (a)	$	757	718
Brand (b)		–	1
Guarantee deposits (c)		56	50
Insurance (d)		9	33
Development of the electronic banking system (e)		903	692
Advance payments		165	219
Debt issuance costs		26	27
		1,916	1,740
Less:			
Accumulated amortization		64	8
	$	1,852	1,732

(a) It derives from the acquisition of Financiera Compartamos which is subject to impairment testing.

(b) During the acquisition of Financiera Compartamos the brand was recorded at fair value in conformity with Mexican FRS B-7 "Business acquisitions". In 2014, the mark was written-down because it was replaced in Peru by the own brand "Compartamos".

(c) Not amortizable, subject to recovery upon expiration of each leasing agreement for the respective service office.

(d) Insurance is amortized according to the duration of each policy. The amount charged to the consolidated income statement in the years ended on December 31, 2014 and 2013, was $62 and $36, respectively.

(e) Investment intangibles, includes the rent of licenses and acquisition of software of the Bank, for the development of the new electronic system to book and control the banking operation, which began its utilization in May 2014. The estimated useful life of the intangible asset is ten years and the amortization for the period from May to December 2014, amounts to $46.

13. Deposit funding–

Deposit funding includes deposits on demand, time deposits and debt securities issued. As part of the deposit funding, 12 and 6 million of soles at December 31, 2014 and 2013, respectively, are kept as demand deposits (equivalent to $61 and $27 million of pesos at December 31, 2014 and 2013, respectively) and 178 and 136 million of soles in time deposits at December 31, 2014 and 2013, respectively, (equivalent to $878 and $638 million of pesos, respectively), from which 7 and 11 million of soles at December 31, 2014 and 2013, respectively (equivalent to $36 and $53 million of pesos, respectively), are managed by FIDUPERU in accordance with the purchase and sale agreement of Financiera Compartamos.

At December 31, 2014 and 2013, the average annual interest rate on deposits on demand was 2% in each year.

At December 31, 2014 and 2013, long term debt securities (Cebures-Spanish acronym) were issued in Mexican pesos of un-secured nature covered by the increase in the program approved by the Commission in the amount of $12,000, as follows:

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

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

			2013		
Cebures	Amount of program	Date of issuance	Date of maturity	Interest rate	Balance
COMPART 10	$ 1,000	October 2010	**October 2015	TIIE 28 Days + 130 bp	$ 1,000
COMPART 10*	1,500	December 2012	**October 2015	TIIE 28 Days + 130 bp	1,500
COMPART 11	2,000	September 2011	September 2016	TIIE 28 Days + 85 bp	2,000
COMPART 12	2,000	August 2012	August 2017	TIIE 28 Days + 70 bp	2,000
COMPART 13	2,000	September 2013	August 2018	TIIE 28 Days + 60 bp	2,000
					8,500
Interest payable					20
					8,520
Premium carry forwards of the reopening of COMPART10					17
Total debt issuance					$ 8,537

* Reopening
** There are maturities of capital in October 2014 for $500 and $750 in Compart 10 issuance and Compart 10* reopening, respectively.

Interest accrued by Cebures for the year ended on December 31, 2014 amounted to $410 ($380 in 2013), see note 22.

At December 31, 2014 and 2013, Cebures had the following terms at maturity:

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

	2013					
Concept	1 to 179 days	6 to 12 months	More than 1 to 2 years	Over 2 years	Balance	Contractual value
Cebures	$ 20	1,250	1,250	6,000	8,520	8,500

14. Bank and other loans–

At December 31, 2014 and 2013, Gentera had contracted the following loans in Mexican pesos and in soles translated into pesos, as follows:

	2014	2013
Demand and short-term:		
Due on demand	$ 90	–
Development banks loans	250	1,001
Public trusts loans	850	1,100
Other institutions	1,609	1,539
Total demand and short-term	2,799	3,640
Long-term:		
Loans from multiple banking institutions	47	–
Loans from development banks	1,000	300
Other institutions	1,990	2,041
Total long-term	3,037	2,341
Total bank and other loans	$ 5,836	5,981

For the year enden on December 31, 2014, the accrued interest of bank and other loans amounted to $352 ($359 in 2013), see note 22.

Credit facilities received by Gentera, at December 31, 2014 and 2013, as well as the unused portion are as shown in the next page.

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

Institution	2013 Credit facility received	2013 Unused portion
Fideicomisos Instituidos en Relación con la Agricultura (FIRA)	$ 3,000	1,900
Nacional Financiera, S. N. C. (NAFIN)	2,500	1,450
BBVA Bancomer, S. A.	400	400
Banco Nacional de México, S. A.	350	350
HSBC México, S. A.	550	550
Banco Ve por Más, S. A.	300	300
Corporación Interamericana de Inversiones	400	–
International Finance Corporation	200	117
Banco Mercantil del Norte, S. A. (Banorte)	200	200
Banco Santander (México), S. A.	250	250
Sociedad Hipotecaria Federal	500	250
Banco Ahorro Famsa, S. A.	300	300
Corporación Financiera de Desarrollo S.A. (COFIDE)	856	138
FONDEMI – COFIDE	47	–
Banco de la Nación	239	99
FIDEICOMISO MIMDES – FONCODES	28	–
Scotiabank Perú S. A.	52	–
BBVA Banco Continental	107	–
Banco Interbank	211	75
Corporación Andina de Fomento – CAF	70	–
Microfinance Growth Fund LLC	72	–
PettelaarEffectenbewaarbedrijf N. V.	79	–
Triodos Fair Share Fund	39	–
Triodos SICAV II – Triodos Microfinance Fund	125	–
ResponsAbility SICAV (Lux)	185	–
Credit Suisse Microfinance Fund Management	257	–
Dual Return Fund SICAV	39	–
Microfinance Enhancement Facility S. A., SICAV–SIF	107	–
DWM Income Funds S.C.A. – SICAV SIF	90	–
Instituto de Crédito Oficial del Reino de España – ICO	96	8
Microfinance Loan Obligations S. A.	20	–
Symbiotics SICAV (Lux)	117	–
International Finance Corporation – IFC	159	–
Citibank	121	–
Nederlandse Financierings–Maatschappij Voor Ontwikkelingslanden N.V.	189	38
Micro– Small & Medium Enterprises Bonds SA	70	–
Corporación Interamericana de Inversiones – CII	26	–
Finethic Microfinance, Societé en Commandite par Actions (S.C.A.)	24	–
	$ 12,375	6,425

At December 31, 2014, Gentera had obtained resources from NAFIN and FIRA for $1,250 and $850, respectively ($1,050 and $1,100 of NAFIN and FIRA in 2013, respectively). These resources were assigned to small entrepreneurs and the amount of accrued interest for the year ended on December 31, 2014, for the loans of NAFIN and FIRA were $32 and $28, respectively ($81 of NAFIN and $10 of FIRA, in 2013).

As of December 31, 2014, borrowings accrued interest at average annual interest rates in local currency of 4.36% (4.69% in 2013), in soles of 8.12 % (8% in 2013) and in quetzals of 10.5%.

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

15. Employees' benefits–

At December 31, 2014, Gentera has a mixed pension plan (defined benefit and defined contribution) that covers its employees. The benefits are based on years of service and the amount of employee's compensation. Gentera's policy to fund the defined benefit plan is to contribute according to the projected credit unit method, while funding the pension plan of defined contribution is according to seniority and age of the employees. The amount charge to results of the years 2014 and 2013 for the defined contribution plan amounted to $9 and $11 respectively.

At December 31, 2014 and 2013, labor liability recognized is comprised as shown in the next page.

(a) Reconciliation between the initial and final balances of the defined benefit obligations (OBD-Spanish abbreviation) for the years ended at December 31, 2014 and 2013.

Financial position of assets and liabilities	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement	
	2014	2013	2014	2013	2014	2013
OBD at beginning of period	$ (33)	(34)	(9)	(7)	(9)	(6)
Plus (less):						
Labor cost of current service	(6)	(5)	(4)	(3)	(3)	(3)
Financial cost	(2)	(2)	(1)	–	(1)	–
Actuarial earnings generated in the period	(29)	(2)	–	–	2	–
Paid benefits	28	10	3	1	–	–
OBD at the end of the period	$ (42)	(33)	(11)	(9)	(11)	(9)

(b) The value of the acquired benefits obligations as of December 31, 2014 and 2013 was $46,835 pesos and $27,000 pesos, respectively.

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

Following is the reconciliation between the OBD and the PNP recognized in the consolidated balance sheets, as of December 31, 2014 and 2013.

Labor liabilities	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement	
	2014	2013	2014	2013	2014	2013
OBD at December 31	$ (42)	(33)	(11)	(9)	(11)	(9)
Plan assets	–	–	–	–	–	–
Financial position of plan	(42)	(33)	(11)	(9)	(11)	(9)
Actuarial gains	–	–	–	–	–	2
PNP	$ (42)	(33)	(11)	(9)	(11)	(7)

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

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

CNP	Pre-retirement severance payment		Pre-retirement seniority premium		Seniority premium at retirement	
	2014	2013	2014	2013	2014	2013
Labor cost of the current service	$ 6	5	4	3	3	2
Financial cost	3	2	1	–	1	1
Actuarial (earnings) loss	–	2	–	–	–	–
Amortization of the transition liability	–	–	–	–	–	–
Total	$ 9	9	5	3	4	3

(e) Main actuarial assumptions:

The main actuarial assumptions used, expressed in absolute terms, as well as the discount rates, yield of the plan assets (AP-Spanish abbreviation), salary increases and changes in the indexes or other variables referred, at December 31, 2014 and 2013, are as follows:

Age	2014		
	Death (%)	Disability (%)	Rotation (%)
20	0.001606	0.000760	0.606061
25	0.001828	0.001000	0.112179
30	0.002128	0.001120	0.0068027
35	0.002526	0.001290	0.042735
40	0.003078	0.001640	0.027349
45	0.003823	0.002210	0.016340
50	0.004850	0.003470	0.009033
55	0.006280	0.007120	0.003814
60	0.008297	0.000000	0.000000
65	0.011214	0.0000000	0.000000

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

	2014	2013
Discount rate	7.35%	7.10%
Rate of salary increases	5.57%	5.57%
Rate of increases to the minimum salary	3.50%	3.50%

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

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

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

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

16. Tax on earnings and employee statutory profit sharing (ESPS)–

(a) *Income Tax (IT)*

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

In accordance with the current tax legislation until December 31, 2013, companies must pay the tax greater between IT and IETU. If it pays IETU, the payment is considered final and not subject to recovery in subsequent years. According to the current IT Law as of December 31, 2013, the IT rate for the fiscal years of 2014 and 2013 was 30%. The IETU rate for the fiscal year of 2014 was 17.5%. The ESPS rate for the fiscal years of 2014 and 2013 was 10%.

For the years ended December 31, 2014 and 2013, Gentera determined tax earnings of $6,207 and $4,023, respectively, that represent a current IT of $1,862 and $1,207, respectively. The current IT for the year ended December 31, 2013 was higher compared to the tax determined for IETU purposes in this year.

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

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

- The dividends paid to individuals and corporations resident abroad, shall be subject to an additional tax of 10%, which is considered final and must be retained by the entities that distribute such dividends. The new rule solely applies to dividend payments from earnings generated from January 1, 2014.

- The deductible amount of some employees' benefits expenses is limited for corporations, for example, the wage expenses which is exempted income for the worker, will be deductible for only 47% and in some cases until 53%.

- The IT law applicable in 2013 establishes in its transitory sections that the current IT rate would be 28% beginning in 2014. The deferred taxes that were calculated using a rate of 28% until December 31, 2012, were modified using a rate of 30% at the end of year 2013, derived from the change in the IT rate according with the tax reform. The item that was calculated using a rate of 28% was related to the surplus of the provision for the global loss reserve to be applied, which is totally reserved in the Bank.

Notwithstanding that Gentera does not consolidate its subsidiaries for tax proposes, following is presented for informative purposes the expense (income) in the consolidated income statement related to current and deferred income taxes for the years ended December 31, 2014 and 2013.

	2014		2013	
	Current IT	Deferred IT	Current IT or IETU	Deferred IT
Bank	$ 1,651	(831)	1,093	5
Financiera Compartamos	58	(9)	50	(6)
Red Yastás	–	–	–	33
Compartamos Servicios (IT in 2014 and IETU in 2013)	150	(43)	55	3
Controladora AT, S.A.P.I.	3	2	9	(1)
	$ 1,862	(881)	1,207	34

The reconciliation between the current and effective IT tax rates of the Bank for the years ended on December 31, 2014 and 2013, which provision is the main consolidated IT expense, is shown as follows:

		2014	2013
Income before IT	$	4,053	3,594
IT at 30% rate on income before IT	$	(1,216)	(1,078)
Plus (less) the effect of IT on:			
Deductible annual inflation adjustment		79	71
Allowance for loan losses		(427)	(411)
Deduction of 2.5% of the global loss reserve		–	122
Deduction from the loan portfolio sale		–	228
Other non-deductible or taxable items, net		(87)	(15)
Current IT		(1,651)	(1,083)
IT paid in 2013 corresponding to 2012		–	(10)
ISR diferido		831	(5)
Deferred IT	$	(820)	(1,098)
Effective IT rate		20%	30%

At December 31, 2014 and 2013, the main temporary differences of Gentera on which deferred IT was recognized are as follows:

		2014	2013
Allowance for loan loss reserves	$	2,646	1,178
Furniture and equipment		23	9
Installation expenses		144	102
Employees' benefits		64	49
Provisions		486	332
Tax losses carryforward		965	239
Other		158	85
		4,486	1,994
IT rate		30%	30%
Deferred IT		1,346	598
Less:			
Valuation allowance*		290	423
Valuation allowance*	$	1,056	175

* The valuation allowance as of December 31, 2014 corresponds to tax losses carryforward. As of December 31, 2013, the valuation allowance of the deferred tax asset of the Bank, corresponds to the surplus of the provision for loan losses over the loan portfolio annual average of 2.5% that is deducted in each fiscal year, given that the new IT law included some precepts that generated uncertainty about the future deduction of the surplus generated until 2013, as well as for the tax losses carryforward.

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

As of December 31, 2014 and 2013, 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, 2014, the movement of deferred IT balance represented a credit on the income statement of $881 (debit to income statement of $34 in 2013).

As of December 31, 2014 and 2013, Compartamos Servicios recognized a deferred tax asset derived from ESPS, which amounted to $43 and $16, respectively, which is fully reserved.

As of December 31, 2014 and 2013, the balance of the Capital Contributions Account (Cuenta de Capital de Aportación - CUCA -Spanish abbreviation) and the net tax profit account (Cuenta de Utilidad Fiscal Neta - CUFIN -Spanish abbreviation) for $5,995 and $2,763, respectively, are included in "Other memorandum accounts".

(b) IETU–

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

(c) ESPS–

For the years ended December 31, 2014 and 2013, Compartamos Servicios calculated ESPS base on article 16 of the IT Law. The amount of ESPS determined for the years ended December 31, 2014 and 2013 is $38 and $22, respectively, which were recognized under the "Administrative and promotion expenses" caption in the consolidated statement of income. At December 31, 2014 and 2013, Financiera Compartamos recorded a provision of $11 and $9 for ESPS, respectively, such liability was recognized in the account "Sundry provisions" within the "Sundry creditors and other accounts payable" caption.

17. Sundry creditors and other accounts payable –

At December 31, 2014 and 2013, the balance of this caption is comprised as follows:

		2014	2013
Capitalized lease liabilities (note 11)	$	64	129
Social security contributions		31	27
Other taxes		306	254
Labor liabilities a(note 15) (*)		73	47
Sundry provisions		486	332
Sundry creditors		656	274
	$	1,616	1,063

(*) Includes $9 and $3, at December 31, 2014 and 2013, respectively, of labor liability of Financiera Compartamos. During December 2013, Gentera made severance payments for a total amount of $5, which decreased the labor liability that was determined by actuaries using figures as of November 2013.

Following is the analysis of the most significant provisions for the years ended December 31, 2014 and 2013.

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

Type of provision	Balance at January 1, 2013	Plus increases	Less aplications	Less cancellations	Balance at December 31, 2013
Short term:					
Sundry provisions	$ 272	1,745	1,653	32	332

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

Following are presented the main provision concepts at December 31 2014 and 2013.

	2014	2013
Performance bonus	$ 310	259
Advisory and services	54	–
Commissions	69	29
Other	53	44
Total provisions	$ 486	332

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

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

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

The IPAB manages the Bank Savings Protection System, which was gradually restructured as per the established transition guidelines. The new System for the Protection of Bank Savings, in effect since 2005, comprises, among other changes, the protection of deposits from the general public amounting to the equivalent of 400,000 UDI (approximately $2.10 and $2.02 at December 31, 2014 and 2013, respectively), excluding interbank deposits and those payable to its stockholders and upper bank management, among others.

Fees paid to the IPAB during the years ended December 31, 2014 and 2013, amounted to $41 and $36, respectively, which were charged directly to the results of the year.

19. Stockholders' equity–

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

Movements 2014–

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

Movements 2013–

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

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

Gentera's subscribed and paid capital at December 31, 2014 and 2013 is comprised as follows:

Series	Shares	Description	Amount
"Unique"	415'595,676	Minimum fixed capital with no withdrawal rights	$ 1,201
	1,232'569,852	Variable capital	3,563
	1,648'165,528	Capital stock	$ 4,764

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

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

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

The Ministry of Finance and Public Credit (SHCP-Spanish acronym) requires banks to have a percentage of capitalization on assets at risk, which are calculated by applying certain percentages depending on assigned risk. As of December 31, 2014 and 2013, the Bank had complied with the percentage.

Minimum capital stock–

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

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

Capitalization–

Net capital–

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

At December 31, 2014 and 2013, the Bank is in compliance with the capitalization rules, which require the Bank to maintain a certain net capital in relation to market and credit risks incurred in its operations, which may not be lower than the total amount from adding up capital requirements for both types of risk.

Capitalization index of the Bank–

Capitalization rules for financial institutions establish requirements for specific levels of net capital, such as a percentage of assets subject to market, credit or operational risk. The Bank's capitalization Index (ICAP by its acronym in Spanish) as of December 31, 2014 is 33.08% according to the current rules[1]. As of December 31, 2013 is 27.77%.

The ICAP on assets subject to credit risk ("ASRC" by its acronym in Spanish) as of December 31, 2014 and 2013 is 41.11% and 34.77%, respectively.

Following are the most relevant items of the ICAP at December 31, 2014 and 2013:

		2014	2013
Assets in market risk	$	2,207	1,954
Assets in credit risk		20,345	16,988
Assets in operational risk		2,734	2,330
Total risk assets	$	25,286	21,272
Net capital	$	8,364	5,906
Ratio on assets subject to credit risk		41.11%	34.77%
Ratio on assets subject to total risk		33.08%	27.77%

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

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

The net capital is determined as follows:

December 31		2014	2013
Stockholders' equity [1]	$	9,369.0	6,637.7
Deferred taxes, asset from tax differences		(64.0)	–
Deduction of intangibles and deferred expenses or costs		(941.0)	(731.4)
Basic capital		8,364.0	5,906.3
Complementary capital		–	–
Net capital	$	8,364.0	5,906.3

1 As of December 31, 2014 and 2013, the computation only considers the following capital accounts: i) capital stock, ii) statutory reserves, iii) prior years' results, and iv) net income. All this in accordance with the modification of the Article 2 Bis, Section I, subsection a) of the General Provisions applicable to Credit Institutions, issued in the Official Gazette on November 28, 2012.

According to Article 220 of the General Provisions applicable to Credit Institutions, issued in the Official Gazette on December 2, 2005 and subsequent amendments, the Bank has as of December 31, 2014 and 2013 a Ratio of Basic Capital 1(RBC1) higher than 0.875, and a Ratio of Basic Capital higher than 1.0625 and an ICAP higher than 10%, therefore it is classified in the "I" category in accordance with the aforementioned provisions.

The Ratio of Basic Capital 1 and the Ratio of Basic Capital, is determined as follows:

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

$ICAP_M$ = Ratio of minimum capitalization.

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

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

(a) Market risk–

The capital required for the position of assets at market risk of the Bank as of December 31, 2014 and 2013 is as follows:

Item		Amount of the equivalent positions 2014	2013	Capital requirement 2014	2013
Operations at nominal rate in local in local currency	$	2,206.5	1,954.5	176.2	156.4
Positions in foreign currency or with return indexed to exchange rates		0.0	0.0	0.0	0.0
	$	2,206.5	1,954.5	176.2	156.4

(b) Credit risk –

The amount corresponding to weighted assets subject to credit risk and their respective capital requirements of the Bank as of December 31, 2014 and 2013 is shown below per risk group and item:

	Risk-weighted assets 2014	2013	Capital requirement 2014	2013
Risk group:				
Group III (weighted at 20%)	$ 234.5	179.6	18.8	14.4
Group VI (weighted at 100%)	17,958.9	15,411.4	1,436.7	1,232.9
Group VIII (weighted at 125%)	150.4	197.5	12.0	15.8
Permanent investments and other assets	2,001.5	1,199.0	160.1	95.9
Total credit risk	$ 20,345.3	16,987.5	1,627.6	1,359.0

(c) Operational risk–

The capital requirement from its exposure to operational risk for December 2014 is $218.7, while in 2013 was $186.4, both equivalent to the corresponding percentage, as established in the Article 2 Bis 112 of the capitalization requirements for multiple banking institutions, of the average of 15% of the requirement for market and credit risks.

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

20. Commitments and contingent liabilities–

Gentera has entered into a number of lease agreements for its head office and service offices from which it performs its transactions. The average terms of these agreements range from two to five years. Rent payments to be made over the next five years amount to $1,169 ($299 in 2015, $285 in 2016 $254 in 2017, $191 in 2018, and $140 in 2019).

Compartamos Servicios entered into a lease agreement of a building for the exclusive use of corporate offices, the amount of the rent is in dollars and will be translated into Mexican pesos as of April 1, 2013, date when conditions are met to occupy the building. The term of the agreement is for a period of 126 months, starting on October 1, 2012, and ending on March 31, 2023, paying a total of 44,889,935 dollars to an exchange rate of $12.62 pesos per dollar, during the aforementioned period. For the payment of the rent Gentera has a grace period of six months to condition the property for its use beginning on October 1, 2012.

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

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

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

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

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

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

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

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

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

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

For the years ended on December 31, 2014 and 2013, lease payments were recorded in the consolidated income statement for $309 and $238, respectively.

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

Commitment from the option to purchase shares

Per the agreement entered into on March 28, 2011 by Gentera related to the acquisition of 82.7% of the stockholders' equity of Financiera Compartamos, the minority shareholders, whose equity represents 17.3% of Financiera Compartamos' paid-in capital, and Gentera agreed an option to purchase/sale shares as follows: (i) Gentera may exercise the purchase over all the shares owned by minority shareholders and (ii) minority shareholders may exercise the sale over all the shares owned by them. Such options may be exercised by any of the parties considering the following: (i) 15% of the minority interest (represented by 552,l74 shares) exercisable at either 18, 24, 36 and 48 months following the day after the agreement is closed, considering the highest price per share between 57.05 soles ($281.64 pesos at December 31, 2014) or 3.5 times the net stockholders' equity per share, to the extent that such value is not greater than 114.09 soles ($563.24 pesos at December 31, 2014) (ii) 2.3% of the minority interest (represented by 84,666 shares) will be exercisable beginning 18 months and up to 5 years after the agreement is closed, considering the highest price per share between 57.05 soles ($281.64 pesos at December 31, 2014) or 3.5 times the net stockholders' equity per share, among other considerations. At December 31, 2012, an option of purchase was exercised acquiring 97,793 shares of Financiera Compartamos at a price of 57.05 soles per share, increasing Gentera participation to 84.20% leaving the minority stockholders with 15.80%.

At December 31, 2014 and the date of approval of these financial statements, Gentera's management is in process of assessing if exercising the purchase option is convenient and minority shareholders have not been formally expressed if there is intention to exercise its sale option.

21. Balances and operations with related parties–

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

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

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

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

For the years ended on December 31, 2014 and 2013, Gentera granted to key management personnel, short term direct benefits for $178 and $202, respectively.

The main transactions celebrated with related parties for the years ended on December 31, 2014 and 2013, are as follows:

	Expenses 2014	2013
Donations	$ 12	8
Advisory and services	2	2

22. Additional information from segments–

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

Out of the total income earned by the Bank (main subsidiary) for the years ended December 31, 2014 and 2013, 98% came from its loan operation. Consequently, the resources of deposit funding and bank and other loans obtained during the year were primarily used for the placement of loans, therefore the accrued interest are identified by the credit segment, same trend is reflected in administrative expenses. The remaining operations (approximately 2% of the operation of the Bank for 2014 and 2013) are the treasury segment and commissions from insurance operations.

Financial margin–

For the years ended on December 31, 2014 and 2013, the financial margin is shown as follows:

	2014	2013
Interest income:		
Loan portfolio interest	$ 14,348	12,475
Interest on cash and cash equivalents	85	95
Interest arising from investments in securities	2	8
Interest from repurchase/resell agreements	7	2
Placement premium	9	10
	$ 14,451	12,590
Interest expense:		
Demand and time deposits	$ 43	66
Cebures (includes amortization of issuance expenses of $17 and $13 in 2014 and 2013, respectively)	427	393
Bank and other loans	352	359
	$ 822	818

Interests and commissions per type of loan–

Interests and commissions per type of loan, for the years ended on December 31, 2014 and 2013, are comprised as follows:

	2014 Current	2014 Past-due	2013 Current	2013 Past-due
Interest income				
Commercial loans:				
Business and commercial	$ 112	1	79	–
Consumer loans	14,212	13	12,383	7
Residential mortgages	10	–	6	–
	$ 14,334	14	12,468	7

For the years ended on December 31, 2014 and 2013, income and expense for commissions and fees, are comprised as follows:

	2014	2013
Commissions and fees income:		
Consumer loans	$ 387	340
Insurance operations	156	165
Other	340	256
	$ 883	761
Commissions and fees expense:		
Bank fees	$ 212	214
Brokers	362	307
Insurance operations	68	77
Other	15	8
	$ 657	606

For the year ended on December 31, 2013, financial intermediation income for $10,520 pesos relates to valuation of investment securities.

For the years ended on December 31, 2014 and 2013, "Other operating income (expenses)", is analyzed as follows:

		2014	2013
Other operating income (expenses)			
Loan portfolio recoveries	$	27	25
Allowance for bad debts		(153)	(77)
Miscellaneous losses		(11)	(4)
Donations		(34)	(26)
Results on sales of furniture and equipment		7	(39)
Capitalized leases		(8)	(10)
Other income (expenses) (mainly insurance premium and cancellation provisions)		95	87
Totals	$	(77)	(44)

Following is a condensed income statement (including intercompany balances eliminations) of the consolidated income statement of Gentera for the years ended on December 31, 2014 and 2013.

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

	2013							
		Subsidiaries						
	Gentera	Bank	Compartamos Guatemala	Financiera Compartamos	Red Yastás	Compartamos Servicios	Controladora AT	Total
Interest income	$ 2	11,391	118	1,058	1	20	–	12,590
Interest expense	–	(575)	–	(243)	–	–	–	(818)
Financial margin	2	10,816	118	815	1	20	–	11,772
Financial margin adjusted for credit risk	2	9,445	104	592	1	20	–	10,164
Operating income before income taxes	(96)	8,354	(13)	117	(20)	(4,904)	74	3,512
Net income	(96)	7,256	(13)	73	(53)	(4,962)	66	2,271

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

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

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

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

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

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

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

e. Clear determination of responsibilities pertaining to CRM.

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

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

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

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

Credit risk–

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

The Bank's loan portfolio at December 31, 2014 is made up in 100% of loans made to individuals for a specific purpose (consumer portfolio) in Mexican pesos. The consumer portfolio is sufficiently diversified to represent no concentration risk and there is a scarce value of individual positions. In accordance with the criteria set forth in paragraph 70 of "International convergence of capital measurements and capital standards" Basel II, we classified the Bank's loan portfolio as retail portfolio.

As of December 31, 2014, the portfolio is comprised of 3 million loans (2.9 million in 2013), the average outstanding balance in 2014 has remained at approximately $6,051 mexican pesos ($5,645 mexican pesos for 2013), at an average term of four months.

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

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

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

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

Consumer loans

	Distribution of the loan portfolio by rating (data in percentages to the total loan portfolio)			
	2014		2013	
Rating	Balance	Average	Balance	Average
A–1	70.7	71.9	68.0	67.7
A–2	0.6	0.9	2.2	2.4
B–1	0.8	0.7	0.2	0.3
B–2	14.7	13.4	0.1	0.2
B–3	2.0	2.2	1.2	1.2
C–1	5.0	5.3	19.1	18.2
C–2	1.5	1.2	3.9	4.2
D	0.7	0.7	1.0	0.8
E	4.0	3.7	4.3	5.0
Total	100.0	100.0	100.0	100.0

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

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

Commercial loan portfolio

	Credit risk 2014		Credit risk 2013	
Concept	Balance	Average	Balance	Average
Commercial loan portfolio:				
Total exposure	$ –	–	0.0	182.0
Expected loss	–	–	0.0	0.9
Unexpected loss at 95%	–	–	0.0	12.8
Expected loss/total exposure	0.0%	0.0%	0.0%	0.5%
Unexpected loss/total exposure	0.0%	0.0%	0.0%	7.1%

At December 31, 2014 and 2013 the quantitative information for the credit risk of the consumer loan portfolio, is as follows:

	Credit risk			
Concept	Balance 2014	Average 2014	Balance 2013	Average 2013
Consumer loan portfolio:				
Total exposure	$ 18,408	17,233	15,995	15,502
Expected loss	243	250	256	254
Unexpected loss at 95%	245	253	258	257
Expected loss/total exposure	1.3%	1.5%	1.6%	1.6%
Unexpected loss/total exposure	1.3%	1.5%	1.6%	1.7%

The expected loss pertaining to the portfolio under consideration as of December 31, 2014 represents 1.3% of the overall balance exposed to default. The Bank has set up loan loss reserves totaling $882, equivalent to 4.7% of the balance of the overall portfolio. As of December 31, 2013, the expected loss was of 1.6% and the allowance amounted to $877; 5.4% with respect to the balance of the overall portfolio. The loan portfolio is rated in accordance with the rules for rating the loan portfolio issued by the SHCP and the methodology established by the Commission. The Bank only sets up allowance for loan losses in addition to those created as a result of the portfolio rating process, in compliance with Title Two, Chapter I, Section Four of Article 39 of the General Provisions Applicable to Credit Institutions. As of December 31, 2014 and 2013, no additional allowance for loan losses were required (note 9).

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

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

At December 31, 2014, income from loan operations amounted to $13,169, representing 98% of the Bank's total income, compared to the same item at December 31, 2013, the variation in income, in percentage terms is 13%.

Income from loan operations

		2014	2013	Variation (%)
Loan income	$	13,169	11,667	13
Total income	$	13,443	11,939	13
Income from loan operations (%)		98	99	

With respect to credit risk management for operations with financial instruments or counterparty risk, the credit risk exposure in operations with financial instruments, and the expected and unexpected loss thereof, are calculated on a daily basis. Such allowance is part of the daily report on market risk. As of December 31, 2014, the Bank's position in financial instruments subject to counterparty risk totals $1,072; 100% in Call Money operations. The expected loss pertaining to counterparty risk is 0.4% of the overall exposure. In comparison, as of December 31, 2013, the Bank's position in financial instruments subject to counterparty risk totaled $849; 100% in call money operations with an expected loss from counterparty risk of 0.5%, with respect to the overall exposure.

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

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

Following is the exposure to counterparty risk for purchase/sale of securities and interbank loans as of December 31, 2014 and 2013 of the Bank, as well as the maximum exposure to such risk during these years.

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

* The authorized counterparty risk limit is 8% of the product related to the ASRC of the Bank's latest known net capital. The ASRC product x ICAP of the period was $6,664.

		Exposure to counterparty risk at December 31, 2013		
		Amount at end	Maximum exposure	Concentration at end (%)
Total position	$	849	849	100
Purchase/sale of securities		–	–	–
Rating AAA		–	–	–
Rating AA		–	–	–
Rating A		–	–	–
Call Money	$	849	849	100

* The authorized counterparty risk limit is 8% of the Bank's latest known net capital. The ASRC product x ICAP of the period was $6,129.

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

Market risk–

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

As of December 31, 2014 and 2013, the Bank's portfolio of financial instruments subject to market risk is comprised solely of Call Money operations and purchase of CETES. As a result, the main risk factors that could affect the value of the investment portfolio are interest rates, spreads, and the prices of other financial instruments. It should be mentioned that the Bank's treasury operation is limited to investment of cash surpluses from the credit operation.

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

Parameters used in calculating the VaR.

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

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

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

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

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

Portfolio	Value at Risk, 1 day (VaR) on December 31, 2013 Market value	VaR at 99%	% Position	Use of limit (%)[1]
Total position	$ 849	0.002	0.0002	0.18%
Money[2]	$ 849	0.002	0.0002	0.18%
Derivative[3]	–	–	–	–
Foreign exchange	–	–	–	–
Equity	–	–	–	–

1. The authorized risk limit is .15% related to the product of Assets Subject to Market Risk ("ASRM"-Spanish abbreviation) of the Bank's last known net capital. The ASRM product x ICAP of the Bank as of December 31, 2013 was $702.
2. The positions subject to market risk referred to are call money operations.
3. There are no derivative operations for trade or hedge purposes.

The market VaR is calculated daily, including the main positions, asset and liability, subject to market risk shown in the balance sheet, which is also used for interest rate risk management. The daily average VaR of the Bank in 2014 was $1,958 pesos, corresponding to 5.9% of the last calculated exposure as of December 31, 2014. The daily average VaR held in 2013 was $4,299 pesos, corresponding to 0.0007% of the last ASRM product x ICAP known as of December 31, 2013.

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 99.2%.

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

Following are the sensitivity and stress tests of the Bank conducted as of December 31, 2014 and 2013, respectively.

	Sensitivity analysis as of December 31, 2014 Market Value	VaR at 99%	Sensitivity +100 pb	Stress +150pb
Total position	$ 1,072	0.002	0.060	0.089
Money	–	–	–	–
Purchase of securities	–	–	–	–
Call money	$ 1.072	0.002	0.060	0.089

	Sensitivity analysis as of December 31, 2013 Market Value	VaR at 99%	Sensitivity +100 pb	Stress +150pb
Total position	$ 849	0.002	0.047	7.08
Money	$ 849	0.002	0.047	7.08
Purchase of securities	–	–	–	–
Call money	$ 849	0.002	0.047	7.08

Income from treasury operations at the end of 2014 was $58, accounting for 0.4% of the Bank's overall income. The variation in treasury income was determined comparing the same item for the prior year 2013, was $75.

	Income from treasury operations 2014	2013	Variation (%)
Income from treasury operations	$ 58	75	(23%)
Total interest income	$ 12,878	11,401	13%
Income from treasury operations (%)	0.5%	0.7%	(29%)

Liquidity risk–

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

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

The measurement methodology used in liquidity risk management is:

- Liquidity gap analyses consider the Bank's main assets and liabilities, whether recorded on or off the balance sheet, establishing maturity bands according to the characteristics of the products offered. A limit is established for each bucket.

- Liquidity Value at Risk (liquidity VaR) for measurement of the market's liquidity risk determines the possible inability to liquidate positions in one day and is calculated in the same way as the market VaR with a 10-day horizon.

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

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

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

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

* The authorized risk limit is calculated as a percentage of the total liquid assets plus available lines.

The liquid assets plus available lines of the Bank as of December 31, 2014 were $8,763.

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

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

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

* The authorized risk limit is calculated as a percentage of the total liquid assets plus available lines.

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

Differences in flows (gaps) show excesses (greater asset flows than liability flows) in the first buckets, which is natural for the type of operations handled by the Bank, as 90% of the assets considered correspond to cash flows arising from recovery of loans with an average term of four months and investments at terms below 180 days, while liability flows correspond to financing contracted at the short and medium term maturity date, giving rise to a positive accumulated gap over 360 days, at the end of 2014, of $15,705. The overall accumulated gap is positive.

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

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

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

The Bank's net capital as of December 31, 2014 is $8,429.

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

	VaR Liquidity, 10 days 2013			
		Value	Position (%)	Use of limit (%)*
VaR liquidity at 99%	$	0.0059	0.0007%	0.17%
Money	$	0.0059	0.0007%	0.17%
Purchase of securities		–	–	–
Call money	$	0.0059	0.0007%	0.17%

* The authorized risk limit is 0.48% of the ASRM product for last known Bank's ICAP.

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

The average liquidity VaR for 2014 was $6,191 pesos, equivalent to 5.92% of the limit calculated at December 31, 2014 ($104,500 pesos). Sensitivity and stress tests are also conducted for liquidity risk management. The average liquidity VaR for 2013 was $13,596 pesos, equivalent to 0.0002% of Bank's net capital as of December 31, 2013.

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

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

Operational risk (including legal and technological risk).

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

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

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

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

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

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

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

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

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

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

Technological risk–

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

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

Legal risk–

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

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

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

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

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

At the end of December 2014 consumption level tolerance which is defined as 1.03% of the annualized income of the Bank was 0.24%, which indicates that operational risk losses are below the maximum tolerance.

24. Subsequent event–

Under the contract of warranty service whith FEGA, described in note 9 under "Credit losses warranty", dated January 7, 2015, the Bank selected a new loan portfolio amounting to $773.

25. Recently issued financial reporting and regulatory standards –

On May 19, 2014, the Commission published in the Official Gazzete the resolution amending various articles of general provisions applicable to credit institutions, including Article 174 which is referred to Annex 33 that contains the accounting criteria for credit institutions. These provisions shall enter into force beginning January 1, 2015, pursuant to resolution issued on July 3, 2014. The significant accounting policies that had changes are mentioned below:

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

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

The CINIF has issued the FRS and Improvements listed below:

FRS C-3 *"Accounts Receivable"*– FRS C-3 is effective for years beginning January 1, 2018, and is applicable retrospectively; however, early adoption is allowed as of January 1, 2016 provided that it takes place concurrently with the adoption of FRS C-20 "Financing Instruments Receivable" receivable.

FRS C-9 *"Provisions, Contingencies and Commitments"*– FRS C-9 is effective for years beginning on or after January 1, 2018; early adoption is allowed as of January 1, 2016 provided that it takes place concurrently with the initial adoption of FRS C-19 "Financial instruments payable". FRS C-9 supersedes Bulletin C-9 "Liabilities, Provisions, Contingent Assets and Liabilities and Commitments". The first-time adoption of this FRS does not produce accounting changes in the financial statements.

FRS C-19 *"Financial instruments payable"*– FRS C-19 is effective for years beginning on or after January 1, 2018 with retrospective effects and early adoption is allowed as of January 1, 2016provided that it takes place concurrently with the adoption of FRS C-9 "Provisions, contingencies and commitments", FRS C-3 "Accounts receivable" and FRS C-20 "Financing instruments receivable.

FRS C-20 *"Financing instruments receivable"*– FRS C-20 shall be effective for years beginning January 1, 2018, and is applicable retrospectively. Early adoption is allowed as of January 1, 2016 provided that it takes place concurrently with the initial adoption of FRS C-3 "Accounts receivable" and supersedes the provisions set forth in Bulletin C-3 in this regard.

FRS D-3 *"Employee benefits"*– FRS D-3 is effective for years beginning on or after January 1, 2016 with retrospective effects and early adoption is allowed as of January 1, 2015. FRS D-3 supersedes the provisions in FRS D-3. Main changes include the following:

- **Direct benefits –** The classification of direct short-term benefits was modified and the recognition of deferred Employee Statutory Profit Sharing (ESPS) was ratified.

- **Termination benefits –** The bases were modified for identifying when payments for the termination of a work relationship actually meet post-employment benefits or when they are termination benefits.

- **Post-employment benefits –** Among others, the following were modified: the accounting recognition of multi-employer plans; government plans and plans of entities under common control; the recognition of the net defined benefit liability (asset); the bases for determining the actuarial hypothesis in the discount rate; the recognition of the Service Cost of Past Periods (SCPP) and of the Early Settlement of Obligations (ESO).

- **Remeasurements –** In recognizing post-employment benefits, the corridor approach is eliminated in the treatment of the plan's profits and losses (PPL); therefore, they are recognized as accrued and recognized directly in Other Comprehensive Income ("ORI"), requiring their recycling to the period's net profit or loss under certain conditions.

- **Plan Asset Ceiling (PA)** – Identifies a plan asset ceiling and specifies which entity contributed funds do not qualify as such.

- **Recognition in profit or loss of PM, SR and gains or losses from Early Settlement of Obligations (ESO) –** In post-employment benefits, the totality of the Service Cost of Past Periods (SCPP) of Plan Modifications (PM), Staff Reductions (SR) and the gains or losses from Early Settlement of Obligations (ESO) are immediately recognized in profit or loss.

- **Discount rate –** Establishes that the discount rate of Defined Benefit Obligations (DBO) is based on investment grade corporate bond rates (deep market) and, in their absence, on government bond rates.

- **Termination benefits –** Requires an analysis as to whether separation payments qualify as termination benefits or are actually post-employment benefits and notes that if the benefit is non-cumulative with no preexisting granting conditions, it is a termination benefit and, therefore, it should be recognized when the event occurs. However, if preexisting conditions are present, either contractually, by law or payment practices, it is deemed a cumulative benefit and should be recognized as a post-employment benefit.

2015 FRS Improvements

In December 2014, CINIF issued the document referred to as "2015 FRS Improvements", which contains precise modifications to some FRS. The modifications that bring about accounting changes are listed below:

FRS B-8 "Consolidated or combined financial statements"– defines investment entities and stipulates that, in view of the characteristics of such entities' primary activities, they generally do not exert control over an investee. This improvement is effective for periods beginning on or after January 1, 2015 and the accounting changes that arise should be recognized retrospectively.

Bulletin C-9 "Liabilities, provisions, contingent assets and liabilities and commitments"– provides that foreign currency advances should be recognized at the exchange rate prevailing on the date of the transaction; that is, at the historical exchange rate. Such amounts should not be modified by subsequent exchange fluctuations between the functional currency and the foreign currency in which the price of goods and services related to such advance payments are denominated. This improvement is effective for periods beginning on or after January 1, 2015 and the accounting changes that arise should be recognized retrospectively.

Management estimates that the new FRS, with exception FRS D-3, and the improvements to FRS will not have important effects on Gentera's financial statements. The Administration is evaluating the financial impact of the adoption of the new FRS D-3.

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Oscar Luis Ibarra Burgos
General Internal Auditor

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G4-3, G4-5, G4-7

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