



GENTERA®

30 YEARS TOGETHER

BOOSTING DREAMS FORWARD

2020 ANNUAL AND SUSTAINABILITY REPORT



30 YEARS TOGETHER

BOOSTING DREAMS

Genera is celebrating **30 years of constant growth and change**. This year showed us that the most important thing during difficult times is coming together and working for our clients. We are convinced that the decisions we have made over time keep us strong and allow us to remain faithful to our purpose of boosting dreams forward.

Table of Contents



| Letter from our Directors | Letter from our Chief Executive Officer |



01

Who we are

- » Gentera and its companies
- » Our purpose
- » Our clients
- » Our products
- » Our history
- » 2020 at a glance



02

Performance

- » Business Model
- » Compartamos
- » ConCrédito
- » Aterna
- » Yastás
- » Client Protection
- » Financial Education



03

Our People

- » Gentera's Philosophy
- » FISSEP Model
- » Indicators of people, hiring and turnover
- » Training and performance
- » Health and Safety



04

Social Commitment

- » Our Foundation



05

Sustainability

- » Materiality
- » Sustainability Strategy
- » Environment
- » Ethics
- » Corporate Governance
- » Risk management
- » Data Security



06

Financial Performance

- » Information for investors
- » Consolidated Financial Statements



LETTER

FROM OUR CHAIRMEN

102-14, 102-15

For three decades we have been driven by a meaningful purpose: to boost the dreams of millions of people by handling their financial service needs with a human touch

During this time, we have remained faithful to this idea regardless of the environment, because we know that behind every client there is a history of effort, struggle and resistance. We proudly help millions of people, especially women, make their dreams a reality and improve their quality of life.

Our business model is based on inclusion and a firm belief in the self-realization capabilities of individuals. For us, this means having the individual at the center of all our actions and decisions.

Carlos Labarthe
Chairman of Genera

2020 was a challenging year for us all. It required additional and extraordinary effort from all people and organizations dealing with the COVID-19 pandemic. Given that financial services are fundamental for keeping the economy active, we continued working throughout the year with the same enthusiasm as always to be close to our clients, providing them with the necessary support to face the crisis with resilience, solving their financial needs under unprecedented difficult circumstances.

Even in a challenging environment, we grew hand in hand with our clients, so this year we decided to reinforce our sustainability strategy and shift it towards an integrated vision of environmental, social and corporate governance (ESG) matters, which provides business value to our investors and allows us to adhere to new requirements of the market and the global context.

In an atypical and complex year like 2020, in which we celebrate the first 30 years of our organization, we are proud to continue working side by side with our clients and to be one of the best rated and capitalized financial institutions in the countries where we operate.

We thank our clients, employees and investors for their trust. 2020 will be remembered worldwide for the challenges we faced. For Gentera, in particular, it also means the beginning of a new age in our history, where no matter what happens, we will still be **TOGETHER BOOSTING DREAMS**.

Gentera's ability to respond quickly was due to flexibility, agility and timely actions taken by our team, who adapted to the circumstances and, without hesitation, have remained highly committed during this time of change

The implementation of technology to digitize our processes and services has made the difference to continue with the business, and to build higher client-satisfaction rates.

Carlos Labarthe y Carlos Danel
Chairmen of Gentera



Carlos Danel
Chairman of Gentera



LETTER

FROM OUR CEO

102-14, 102-15

For Genera, celebrating three decades is an achievement and a source of pride. Although we celebrated our anniversary during one of the most difficult years in our history, we feel satisfied because, faithful to our Purpose, we continue to help more and more clients in Latin America as we boost their dreams.

When an organization is clear about its Purpose, it is also clear about its priorities and strategies.

Thus, adhering to our values and keeping people at the center of all we do, once the COVID-19 pandemic began, we focused on preserving and protecting the health of our employees and clients, while paying special attention to the operation and financial health of the organization. This was undoubtedly the greatest challenge of 2020.

In Mexico, Peru and Guatemala, our more than 22,000 employees showed their resilience, commitment and solidarity. We served our clients needs in an efficient and timely manner in a challenging environment.

Enrique Majós

Chief Executive Officer of Genera

Thanks to the close relationship with our clients, we were able to offer them solutions adapted to the new reality and new needs

We have always ensured that our clients receive practical and useful information and messages for their personal care, not only for their physical health, but also for their emotional and business health.

As a team, we expedite digital processes for communication, coordination, recruitment, training and all types of remote work. We implement mechanisms to keep all our employees informed about the course and impact of the pandemic, and provide them with the necessary tools to correctly perform their duties in an environment where their health is always a priority. We recognize and thank them for their devotion, commitment and dedication.

In an environment where we are facing the most important health and economic crisis in our history, this 2020 at Genera we confirmed that financial services are a fundamental tool for our clients to grow and successfully face the challenges and opportunities that life presents them.

This is how we are celebrating our first 30 years, motivated and excited about the future, remembering our founding purpose, and working to contribute to the development of our society through financial services that boost dreams, always with a human touch.

Enrique Majós
Chief Executive Officer of
Genera



30 YEARS TOGETHER

We boost the dream of our clients, and for 30 years we have handled their financial needs with a human touch, with a single commitment that brings us together, the person is at the center of all we do.

WHO WE ARE

01



**BRINGING
DEVELOPMENT
OPPORTUNITIES
TO OUR
CLIENTS**

GENTERA and its companies

102-2, 102-3, 102-4

We are an entrepreneurial group, leader in financial inclusion, serving millions of people in Mexico, Peru and Guatemala by offering appropriate and accessible products to meet our clients financial needs, promoting a positive influence on their economic and entrepreneurial development.



Yastás

A bank commission agent administrator in Mexico that provides access to service payments, multilevel payments, cellphone top-ups and financial transactions in locations with limited banking infrastructure.

Aterna

An insurance agent specialized in handling the needs of popular segments that designs and operates life, health and property microinsurance, promoting a preventive culture.

ConCrédito

A Mexican company that grants personal and revolving credit to entrepreneurs and end clients.

Fiinlab

Genera's innovation lab that works to create solutions for financial inclusion through the innovation of sustainable models enabled for disruptive technologies.

Compartamos

Financial institutions that provide access opportunities to credit for working capital, savings, insurance and transactional channels to people in popular segments according to their entrepreneurial needs.

Fundación Compartamos

An organization that brings the social commitment of the group together under two causes: education and early childhood, following lines of action on volunteering, donation and emergency activities.



Our purpose

102-16

Our purpose is to boost the dreams of our clients.
We want to solve their financial needs with a human touch.

Achieving this purpose allows us to create shared value:



Social value

We offer inclusive opportunities to the greatest number of people in the shortest amount of time possible.
Our goal is to drive community development



Economic value

We create innovative, efficient and profitable business models



Human value

We put our trust in every person, in their willingness to grow
to fulfill themselves and to be better.



We believe that by providing access to competitive, convenient and quality financial solutions, we foster inclusion and development

Our clients

102-6

Our clients are committed to their family and community. Their individual income received from productive activities becomes a common good that allows them to share and diversify their opportunities.

At Genera, we provide appropriate and accessible financial services to entrepreneurs in the popular sector who wish to drive their economic positions forward.

More than 89% of our clients are women

We know that for our clients, well-being is made up of essential aspects that create safety and stability, such as family, health and sources of income, among others. Their financial needs are the same as those of anyone else: a credit, insurance, a savings account, transaction channels. The big difference lies in how they solve those needs. That is why, through the **products we offer, we seek to be the push they need to generate income that will allow them to make their dreams a reality.**



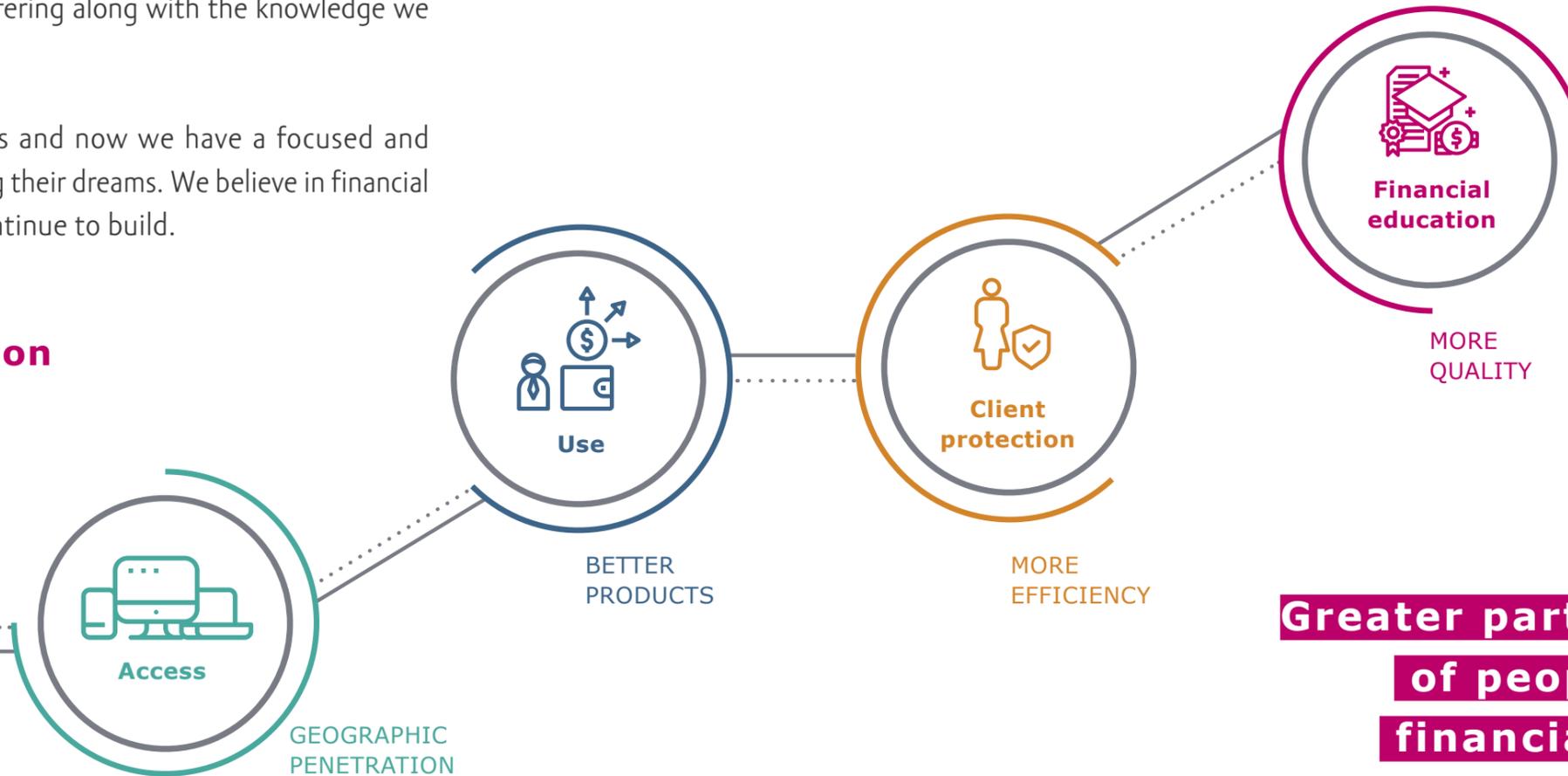
Our products

102-2, 102-6, 102-11

At Genera, we believe in an inclusive financial sector that extends opportunities to people and impacts their development. That is why we have expanded our value offering along with the knowledge we have acquired from our clients.

We started by granting credits and now we have a focused and adequate ecosystem for boosting their dreams. We believe in financial inclusion as a foundation to continue to build.

Financial inclusion



Access: we have a network of transaction points for our clients convenience, consisting of branches, banking correspondents and digital media.

Use: all our products have been designed based on the knowledge we have acquired over 30 years of helping our clients.

Client protection: we incorporated the Client Protection Principles into our operations because we have seen the positive impact they have on the value offering we provide to our clients.

Financial education: we want to develop people's financial capabilities to help make informed decisions, good resource management and the responsible use of financial services for their well-being and that of their families.

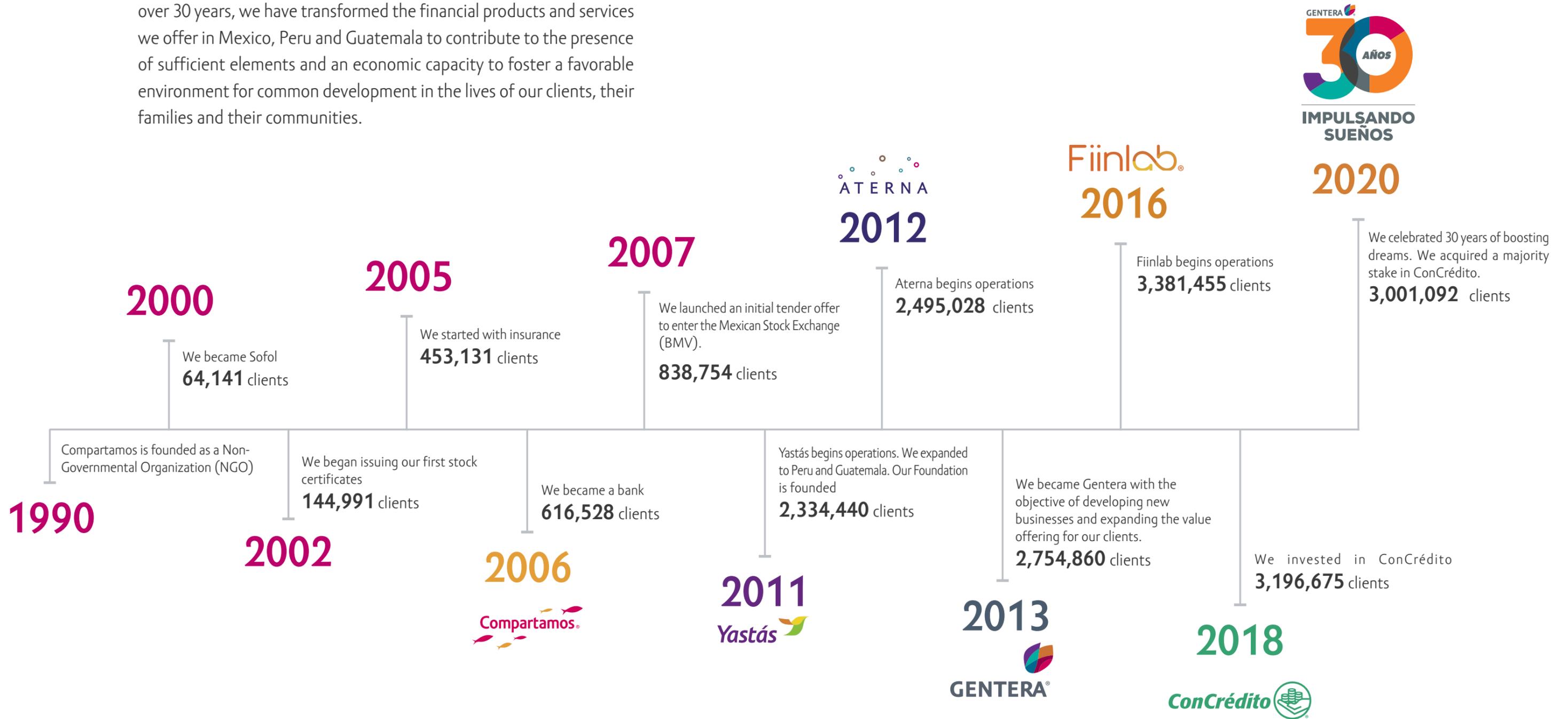
Throughout our history we have learnt that a credit is the first financial instrument our clients use and later they become familiar with the use of products; such as a savings account to achieve a goal or using a banking correspondent to pay for their services. This year was unique; having insurance became a relevant issue. The pandemic made people aware of the importance of having an instrument to fall back on in adverse situations such as the ones we are facing worldwide.

In 2020, we impacted the lives of more than 3 million clients by lending more than 100 billion pesos through 7 million disbursements, which allowed them to improve their living and working conditions, as well as reinvent their businesses to face the health emergency



Our history

At Genera we are proud of the path we've followed, in which together, over 30 years, we have transformed the financial products and services we offer in Mexico, Peru and Guatemala to contribute to the presence of sufficient elements and an economic capacity to foster a favorable environment for common development in the lives of our clients, their families and their communities.





2020 at a glance

We started 2020 satisfied with the positive results we achieved in 2019. As soon as we realized that the impact of the pandemic would be global, we redefined our priorities:

1. Protecting the health of clients and employees

2. Continuing and adapting our operations

3. Being aware of changes in the environment

In order to understand our clients and their businesses' positions, we conducted weekly surveys, which allowed us to identify **three moments that our clients were in during 2020: containment, recovery and reactivation.** We designed an appropriate action plan to support them in the moment they were going through.

In the containment stage, we suspended payments of credits and recognized those clients who continued their payments.

In the recovery stage, we made it easier for group clients to obtain new credits and extended the term to repay the previous one, according to their needs.

Finally, in the reactivation stage, we made it easier for each client.

Our clients played an important role in their communities. Owners of grocery stores and pharmacies continued to work during the pandemic. Others transformed their business to produce and sell face masks and antibacterial gel; while still others began to offer their services on the internet and through social networks while incorporating home delivery. With them, we affirmed once again their resilience and ability to find opportunities in adverse environments.

The COVID-19 crisis has been an opportunity for us to do things differently and reinvent ourselves. Our employees, who have always stood out for their commitment to our clients, adapted to a new way of working and, despite the circumstances, found a way to be available and personal.



At the same time, in order to continue operations, we implemented actions to boost our financial strength and thereby continue supporting our clients in the reactivation of their businesses.

Some of the actions taken to strengthen our financial position were refinancing credit and debt issuances. With this, we were able to hold a solid financial position and handle the needs of our clients in order to overcome the crisis and contribute to the economic recovery of the countries where we operate.

2020 was a challenging year, yet it was the best reason to celebrate, testing our capabilities, proving again and again what we are capable of when we have a meaningful purpose: boost the dreams of our clients.

We are aware of the responsibility we have. Our clients expected us to provide the resources to reactivate their businesses with which they support their families and move their communities.

We are convinced that once again, together, we will overcome this challenge, because there is no better way to overcome adversities than by facing them and learning, but more importantly, by doing it hand in hand with those who are our reason for being.



30 YEARS TOGETHER



For 30 years we have **developed financial products tailored to the needs of our clients**, along with a warm and personal treatment, because we know that behind each of them there is a story and dreams to boost.

PERFORMANCE

02



CREATING VALUE FOR OUR CLIENTS

Our products

102-7, 102-9

Throughout our history, we have come to know and understand the financial needs of the market segments we serve. In response, we have designed an ecosystem of products that create value for our clients, their families and communities.

In 2020, through our financial services, we were able to impact the lives of 3 million clients in Mexico, Peru and Guatemala with more than \$100 billion pesos disbursed

Need	Type of solution
FINANCING to start or grow their business	CREDIT
POSSIBILITY to face a crisis	SAVINGS
PROTECT the family	INSURANCE
TRANSACTION points	TRANSACTIONAL CHANNELS

Genera Ecosystem



We believe in using business principles to solve social problems

Genera's Results

Country	2018	2019	2020
Amount disbursed in the financial operation (in millions of pesos)	\$118,282	\$137,090	\$100,155
Number of disbursements	8,802,680	9,615,963	7,040,774
Number of clients/households benefited	3,196,675	3,486,699	3,001,092

Compartamos

102-7, FS6, FS7, FS13, 103-1, 103-2, 103-3, FS14, FN-CB-240a.1, FN-CB-240a.2, FN-CB-000.B

Compartamos is the **brand under which our subsidiaries operate, through which we bring a full range of financial services to our clients.** It is Genera's best-positioned brand, and it is also the name we started under 30 years ago. Its logo symbolizes a shoal of fish swimming against the current, a story similar to the one we are going through this 2020. However, we have found the cleverness, resilience and tenacity of our clients, capable of finding opportunities in the face of adversity, which inspires us every day to do our best to boost their dreams.



Compartamos Banco

A financial institution in Mexico that offers credit, savings, insurance and transactional channels to microentrepreneurs.



2,175,142
clients

\$22,093
portfolio (millions of pesos)

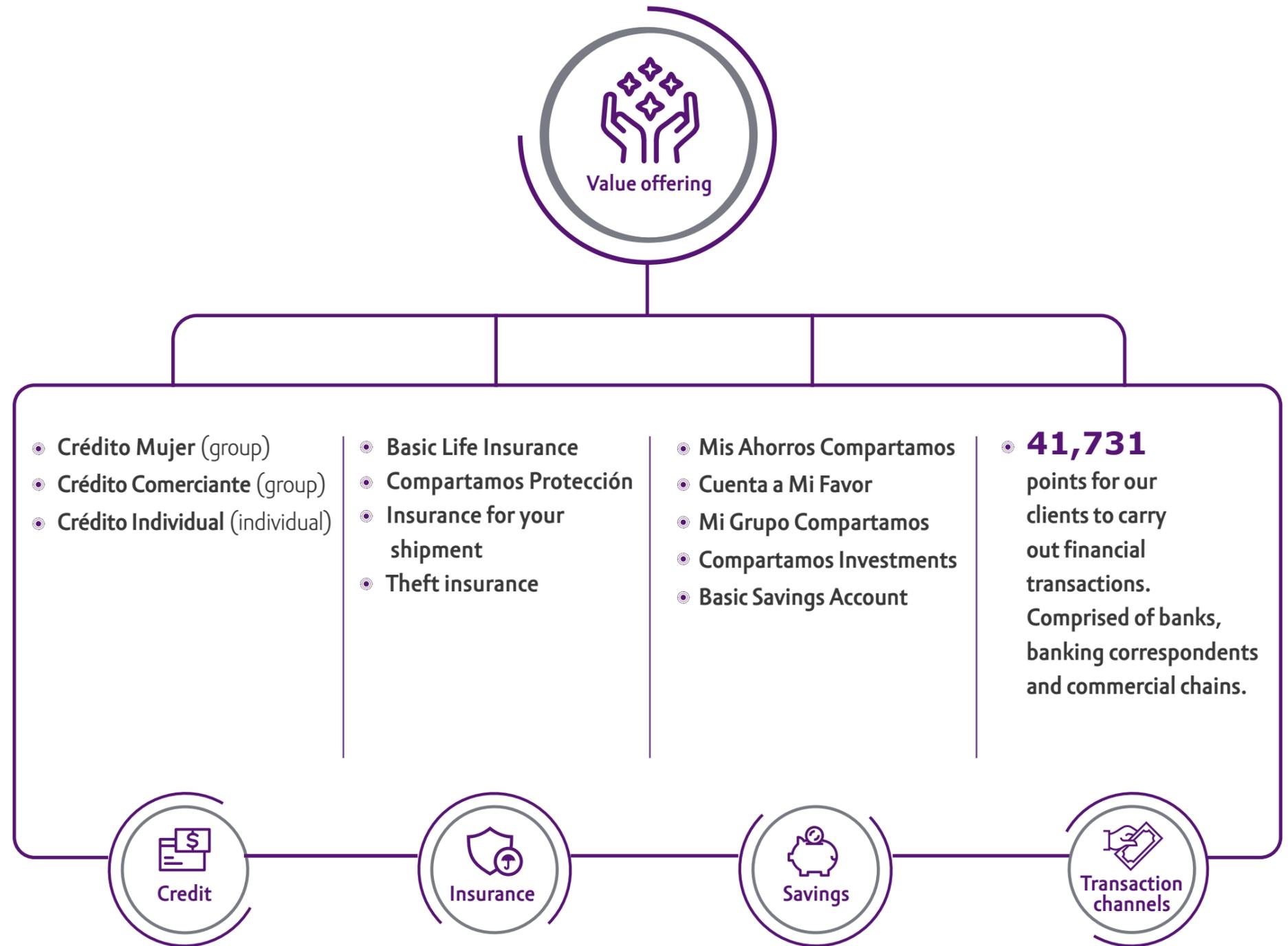
5.64%
default rate

\$10,157
average balance per client

543
service offices

163
branches

14,604
employees



Compartamos Financiera

A financial institution in Peru that offers **credits, savings, insurance and transaction channels** for entrepreneurs.



677,678
clients

\$15,623
portfolio (millions of pesos)

4.58%
default rate

\$23,055
average balance per client

108
agencies

5,352
employees



Compartamos, S.A.

A company in Guatemala that offers **credits, insurance and transaction channels** to women entrepreneurs.



105,355
clients

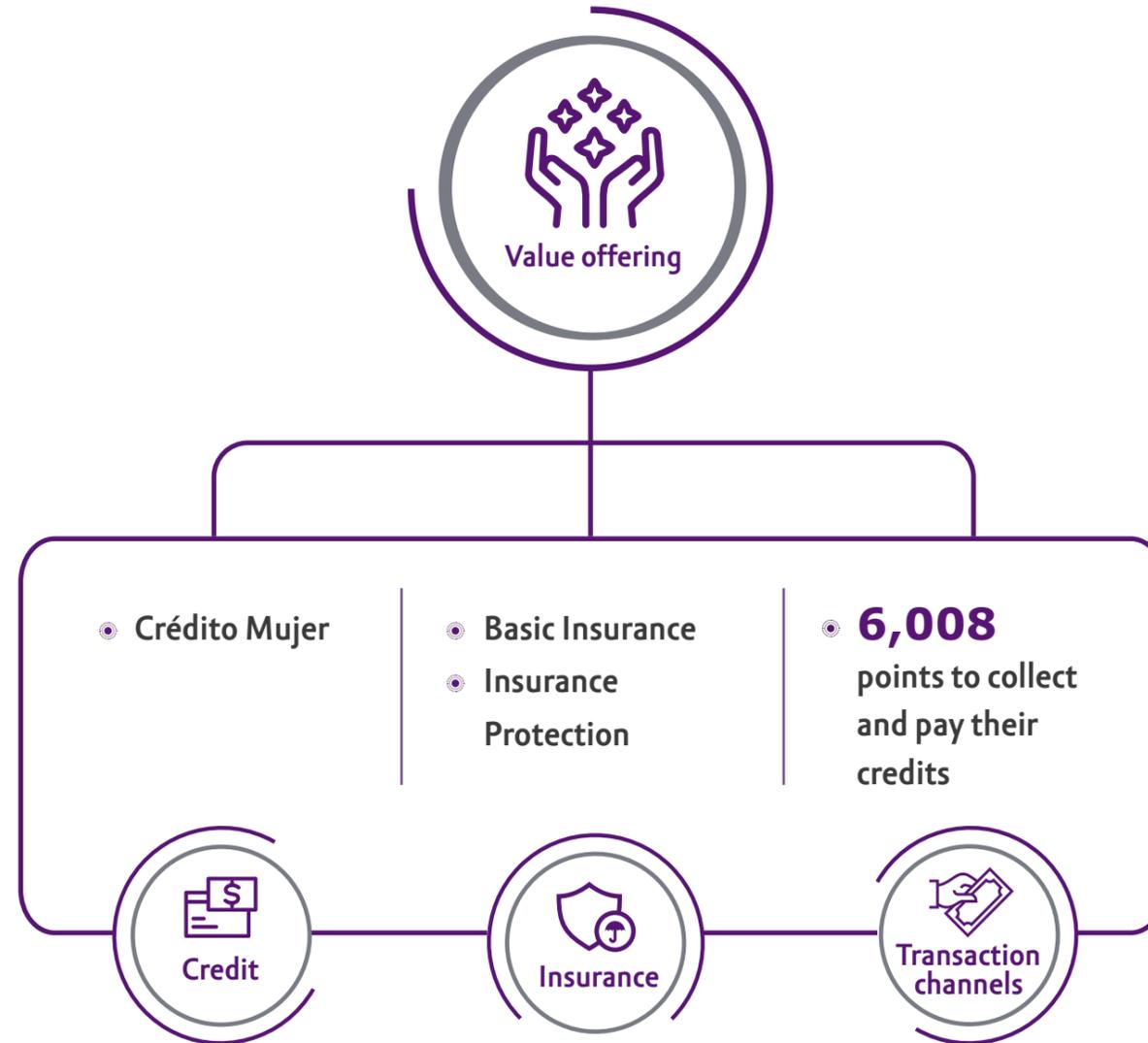
\$723.7
portfolio (millions of pesos)

12.59%
default rate

\$6,870
average balance per client

42
service offices

833
employees





Credit

Credit was the first financial service we offered to our clients, it was developed as we got to know them, listening to their needs and understanding how and for what they used it.

- In group credits we found an option for women who have a productive activity that they use to contribute to the family economy, or wish to start one. We understood that they need short term credits and amounts tailored to their activities. Ease of access and few requirements, as well as the transparency of how the credit works are characteristics that our clients value.
- The support during the term of the credit gives them confidence and being able to count on someone to advise them gives them peace of mind. Finally, we found that the fact that it is a group credit motivates them to use it correctly so as not to affect their colleagues, who are also making an effort to get ahead. In other words, assuming their commitments is the best example of solidarity.
- Currently, 89.7% of our clients are women.
 In particular, our credits have been an instrument of empowerment and financial independence for them which impact their families, their communities and society.

Credit results by country

	Mexico	Peru	Guatemala	Total
Total clients	2,218,059	677,678	105,355	3,001,092
Women clients (%)	89.7%	88.1%	100.0%	89.7%
Men clients (%)	10.3%	11.8%	0.0%	10.3%
Client retention rate >30 days	87.9%	60.9%	83.6%	81.5%
Insured clients	1,997,874	677,678	69,392	2,744,944
Clients with voluntary insurance	1,770,546	388,653	64,905	2,224,104
Average credits disbursed	\$13,767	\$16,980	\$11,221	\$14,225
Disbursements	5,689,755	1,157,255	193,764	7,040,774
Amount disbursed (millions of pesos)	\$78,330	\$19,650	\$2,174	\$100,155
Annual growth in disbursements (%)	-24.9%	-34.3%	-31.3%	-26.8%
Delinquency rate	5.64%	4.58%	12.59%	5.43%
Past-due portfolio (millions of pesos)	\$1,403	\$716	\$91	\$2,209

Note: The information for Mexico includes 42,917 ConCrédito clients only for the indicators of clients, insured clients and default rate.





We have grown with our clients; when we noticed a constant demand for credit from male microentrepreneurs, we adapted our group credit product to provide them with an adequate value offering.

Likewise, when we discovered that group credits clients were beginning to feel more familiar with the financial service, we designed an individual product that would maintain features such as ease of access, transparency, few requirements and flexibility in terms and amounts.

When we expanded our services to Peru and Guatemala, we also decided to learn from them in order to improve, exchanging best practices, trends and information. Communication and work between the countries has been essential so that united we can grow together.

Credit portfolio by country and type of market

	Type of market	Total (millions of pesos)	Percentage represented by the market
Mexico	Women's Group Market	\$22,093	61.5%
	Mixed Group Market		18.5%
	Mixed Individual Market		20.0%
Peru	Total structured Microenterprise	\$15,624	55.9%
	Total penetration Microenterprise		37.5%
	Total pre-approved Microenterprise		1.3%
	Total structured Consumption		0.8%
	Total penetration Consumption		4.5%
	Pre-approved Consumption		0.1%
Guatemala	Women's Group Market	\$724	100%

The acceptance of group credits in Peru, where individual credits predominate, has given thousands of Peruvian women the opportunity to join or rejoin the Peruvian financial system. Individual credits continue to be their majority share of Compartamos Financiera's portfolio.

In Guatemala, Crédito Mujer has been the tool for women entrepreneurs in Peru, mainly engaged in business, to contribute to their family's economy. For them, obtaining a credit almost down to the word reflects the confidence that the institution has in them and their projects.

Distribution of credit clients in Peru

Size	Peru
Microenterprises	591,219
Small enterprises	61,372
Non-revolving consumption	24,893
Medium-sized enterprises	193
Mortgage loan	1
Total	677,678

Distribution of credit clients in Mexico

Market	Clients	Products	Client per product	Percentage of clients according to the market	Portfolio (millions of pesos)
Women's Group Market	1,465,576	Crédito Mujer (CM)	1,465,240	67.36%	\$13,583
Mixed Group Market	581,008	Crédito Comerciante	581,008	27.71%	\$4,082
Individual Mixed market	128,558	Crédito Individual (CI)	113,643	5.22%	\$2,940
		Crédito Crece y Mejora CM	10,014	.46%	\$994
		Crédito Adicional CM	1,350	.06%	\$176
		Crédito Crece y Mejora CCR Credit	2,814	.13%	\$235
		Crédito Adicional CCR Credit	699	.03%	\$74
		Crédito Crece y Mejora CI	31	.00%	\$5
		Crédito Equipa tu casa	-	.00%	-
		Crédito Grupal Digital	336	.02%	\$4
		Crédito Adicional CGD	-	.00%	-
		Crédito Crece y Mejora CGD	7	.00%	-
			2,175,142	100%	\$22,093



Distribution of clients by country and industrial sector

Industrial sector	Mexico	Peru	Guatemala
Business	-	77.5%	61.1%
Textiles	36.7%	-	27.4%
Food	36.6%	-	5.1%
Various	15.9%	-	0.2%
Manufacturing	0.7%	-	1.7%
Livestock, agriculture and fishing	5.4%	1.4%	3.2%
Services	4.7%	14.6%	1.2%
Industry	-	6.5%	-



Insurance

Linked to credit, **we have incorporated life insurance that protects our clients in the event of death.** We also create products as we identify situations to which our clients are vulnerable.

Because most of the people we serve are women, we designed insurance to protect them in the event of cancer or myocardial infarction. Along those lines, we developed insurance to protect them in the event of robbery, which is a situation to which they are exposed in some of the communities where we operate.





Savings

Our value offering in Mexico and Peru includes **savings, one more tool available to our clients to achieve their goals.**

Our savings products have two important qualities: safety and availability. For six years we have worked hard to make our clients familiar with our savings products and to make them the best allies to achieve their dreams.



Transaction channels

Bringing financial opportunities to our clients in remote communities is beneficial when the necessary channels are in place for them to transact and take full advantage of their products. In this sense, Compartamos has developed its plan of alliances with banks, banking correspondents and commercial chains to favor financial inclusion together with the strategy of digital channels aimed at the client.

Compartamos Banco has 41,731 channels available for our clients to collect and pay their credits. The channels are a network comprised of our own branches, banks, banking correspondents and stores, as well as commercial chains.



In 2020 we registered 1,555,785 active savings accounts in Mexico, with a balance of \$2,767,597,298 million pesos

ConCrédito

102-7, 102-10, FS6, FS7, FS13, 103-1, 103-2, 103-3, FS14, FN-CB-240a.1, FN-CB-240a.2

A Mexican company with 13 years of experience, which grants personal and revolving credits to entrepreneurs, who issue loans to their end users through ValeDinero, payment products through CrediTienda and life insurance with ClubProtege.



42,917
active distribution
clients serving

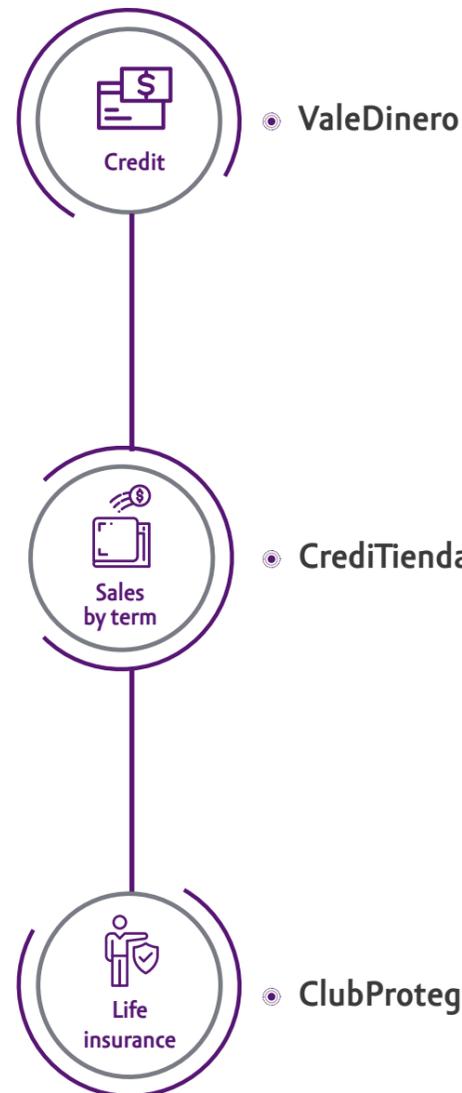
530,656
users

\$2,248
million pesos total portfolio

1,577
employees

95
service offices

Value offering



ConCrédito has a digital online sales platform where a variety of products are offered

In order to strengthen our value offering, in 2020 Genera acquired a majority stake in ConCrédito, a highly profitable company with a new business model based on direct sales and technological capabilities that improve client experience.

In ConCrédito we found many similarities. The segment we serve, the experience in credit and insurance, but above all, the awareness that technology should be capitalized for people. ConCrédito has a long history in this area, so we will be working to develop synergies and best practices that create value for the people we serve.

ConCrédito Results

Number of clients (active distributors)	42,917
Users	530,656
Portfolio (millions of pesos)	\$2,248
Default rate (%)	6.92%
Average balance per client	\$52,384
Service offices	95

Aterna

102-7, FS7, 103-1, 103-2, 103-3, FS14, FN-IN-000.A

The **insurance agent specialized in handling the needs of popular segments**. It designs and operates services to promote a preventive culture for Compartamos clients in Mexico, Peru and Guatemala, as well as for Yastás commission agents. It is the result of the strategic partnership between **Genera and INTERprotección**
 *www.inter.mx



6,918,221

active life insurance policies

121,872

claims handled

\$876

million pesos paid in claims

26

employees

24,614,549

life insurance policies placed

Business Model

- **Clients:** people in the underserved segment, who generally do not have access to formal preventive mechanisms to handle unforeseen events.
- **Partners:** distribution channels to reach clients.
- **Insurance companies:** cover the risk of the products and services offered.



Insurance

- **Life.** We offer our clients the peace of mind that their family members will be covered when they are no longer with us.
- **Health.** Considering that an accident, illness or emergency can destabilize a family's economy, we take care of our clients and their loved ones by protecting their physical integrity.
- **Damages.** We recognize how difficult it is to obtain assets, that's why we offer our clients the opportunity to protect their property against accidents or natural disasters.



Aterna is the largest microinsurance broker in Latin America

As we gained experience and got to know our clients better, we realized that credit was not the only financial service they needed. When one of our clients died, in addition to the enormous impact on the family, it affected the family economy because they did not have that income, or because the family members had to use their assets to pay for funeral expenses. This is how Aterna was created, putting into practice a human touch that characterizes us to promote a preventive culture in the three countries where we operate, seeking to cover our clients, their families and their assets.

Aterna Results

Company	Claims handled	Sum insured paid (millions of pesos)
Compartamos Banco	104,479	\$711.7
Compartamos Financiera	16,994	\$158.8
Compartamos S.A.	343	\$4.5
Other channels	56	\$1.0

Aterna Profit and Loss

Ranking	2018	2019	2020
Distribution channels	9	10	6
Claims handled	98,485	144,276	121,872
Total brokered premium (millions of pesos)	\$1,289	\$1,786	\$1,637
Sum insured paid to beneficiaries (millions of pesos)	\$439	\$617	\$876
Voluntary insurance policies (in millions)	7	8	6
Policies sold	19,613,916	27,524,996	24,614,549
Active policies	5,304,741	8,426,751	6,918,221

In 2020, Aterna handled more than 121,000 claims and placed more than 24 million policies in Mexico, Peru and Guatemala

Yastás

102-7, FS13, 103-1, 103-2, 103-3, FS14

The **bank commission agent administrator** that provides access to financial transactions, payment of services, multilevel payments, cellphone top-ups and financial operations **in places with limited banking infrastructure.**



21.3
million transactions performed

8.2
million financial operations

4,904
active commission agents

2,015
issuers

140
employees



Yastás is currently the largest administrator of banking correspondents in Mexico

Financial operations



Payment of services



Yastás was created from the need to provide our clients an option to carry out financial transactions directly in their communities. As our relationship with our clients got deeper, we discovered that, in addition to credit, savings and insurance, they were going to urban centers where banking infrastructure existed to make payments for their services and other obligations. Thus, in 2011, Yastás was founded, which, through a Point-of-Sale Terminal installed in community businesses, provides access to carry out transactions, even to the last mile.

Yastás Results

	2018	2019	2020
Active business	3,277	4,683	4,904
Businesses authorized to carry out Compartamos Banco's financial transactions	3,066	4,526	4,577
Businesses authorized to carry out savings transactions	2,966	3,911	4,214
Number of municipalities in which it operates	1,082	1,245	1,309
Total number of transactions (in millions)	15.7	18.1	21.3
Number of financial transactions (in millions)	7.1	7.2	8.2

At the close of 2020, Yastás has almost 5,000 active businesses



Commission agents by type of business

Type of business	Number of commission agents	%
Groceries	2,373	48%
Self-service	630	13%
Stationery and Books	482	10%
Pharmaceuticals and Herbal Medicine	433	9%
Computers and Telephones	311	6%
Hardware	194	4%
Pets and Gifts	91	2%
Clothing and Accessories	83	2%
Other Food Items	71	1%
Furniture and Household Goods	52	1%
Candy and Baking Goods	33	1%
Auto and Truck Parts	30	1%
Footwear	23	0%
Not Reported	24	0%
Perfumery and Jewelry	18	0%
Departmental items	11	0%
Fuels	10	0%
Beverages	9	0%
Seeds and Grains	9	0%
Textile Products	6	0%
Leisure Articles	5	0%
Interior decoration	4	0%
Lenses and Orthopedics	2	0%

Presence of commission agents in municipalities by degree of marginalization

	2018	2019	2020
Very low	42.7%	45.7%	42.3%
Low	20.9%	19.8%	19.0%
Medium	16.1%	15.1%	16.3%
High	18.0%	17.2%	19.7%
Very high	2.3%	2.2%	2.7%



Client protection

FS4

For Genera, the trust that millions of people place in us forces us to improve constantly. That is why we have incorporated seven client protection principles into our operations.

Customer Protection Principles

1. Suitable products and services
2. Prevention of credit overhang
3. Transparency
4. Competitive pricing
5. Fair and respectful treatment of clients
6. Client data privacy¹
7. Mechanisms for resolving complaints

In order to provide excellent service, Genera employees took annual certification in this area in 2020.

Client protection certification

Country	Mexico	Peru	Guatemala	Total
Certified employees	14,384	5,239	782	20,405
Compliance (%) *	99%	100%	96%	99%

99% of our employees were certified in client protection

* **Note.** The % of compliance is taken from the active workforce at the date of certification.

Our promoters and advisors provide continuous support to measure our client's payment capacity and prevent credit overhang



¹ See our client data privacy initiatives in the Corporate Governance section of this report.



Financial Education

103-1, 103-2, 103-3, FS14, FS16, FN-CB-240a.4

At Genera, we recognize that by providing thousands of people their first approach to financial services, it is our responsibility to offer them the knowledge and tools they need to make good financial decisions that will allow them to improve their income and thus positively transform the quality of life in their homes, families and communities.

In 2020, we continued to implement financial education initiatives with clients, employees and the community to improve their skills virtually.

Clients initiatives

<p>Group methodology We published eight video clips on our social networks with topics on budgeting, saving, over-indebtedness prevention, credit bureau, preventive culture and corporate finance.</p> <hr/> <p>Results:</p> <p>20,467 views</p>	<p>Individual methodology We delivered two sessions to individual credit clients in cycle 1 and 2 on business management and personal finance. In these sessions we provided them with financial education booklets that contain effective and financially healthy ideas for their businesses.</p> <hr/> <p>Results:</p> <p>31,950 delivered notebooks</p>	<p>Financial Education Blog We developed and published content on Compartamos Banco's website on financial education and entrepreneurship.</p> <hr/> <p>Results:</p> <p>31 published articles 39,183 users 63,666 views</p>	<p>Financial Education section on Compartamos Banco's website In the financial education section of Compartamos Banco's website, we offered clients and the community three calculators: Gastos hormiga [small expense], Organizando mis gastos [organizing my expenses] and Alcanzando mis sueños [Achieving my dreams], which contribute to money management.</p> <hr/> <p>Results:</p> <p>1,251 users of the calculators: - 457 Gastos hormiga - 430 Organizando mis gastos - 284 Alcanzando mis sueños</p>	<p>Facebook Compartamos During this year we published 28 posts on Facebook with personal finance tips.</p> <hr/> <p>Results:</p> <p>2.45% average engagement rate in the year</p>
--	---	--	--	--



Initiatives with new employees

We understand that before teaching our clients about finances, we must master the subject ourselves. We want our employees to have healthy finances, contributing to a healthy cycle of well-being, stability and happiness that is reflected in their attitude at work.

In this regard, all our employees, particularly new hires, receive financial education training.

1. Training for sales personnel. We held a virtual workshop on personal finances that included topics such as expense organization, savings, credit and insurance.

2. Sound Finances Certification. We offered an online certification for new employees on concepts such as small expenses, organizing my expenses and achieving my dreams.

1,531 employees participated in the Sound Finances Certification and 95% of them passed

Additionally, we provide our employees with relevant information on the Intranet or the Gentérate app on how the products we offer work and other financial topics of interest, so that they can address any concerns and provide the best advice to our clients at all times.

At the end of the year, we had registered more than 35,000 visits to the Financial Education section of Gentérate

Visits per post





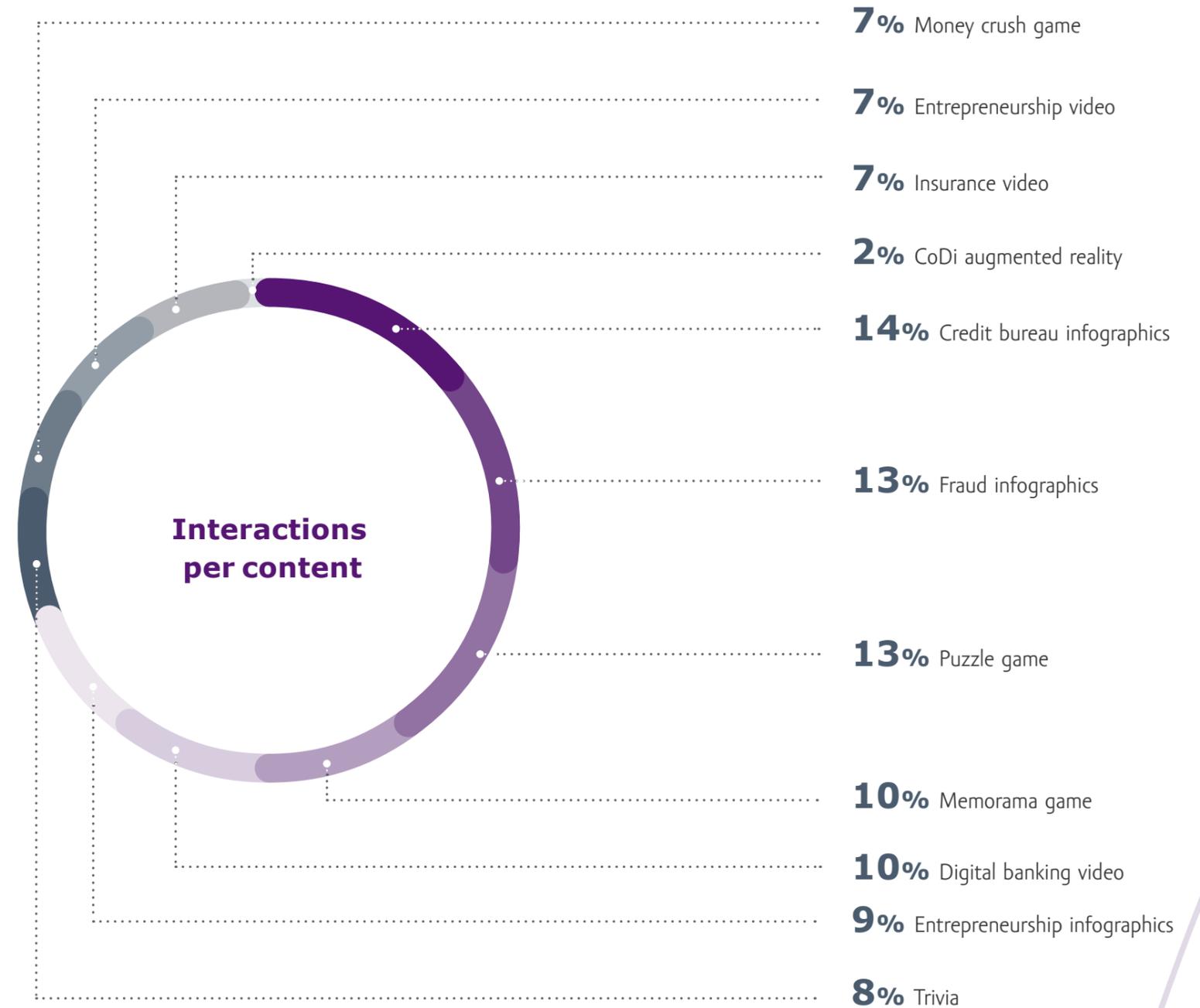
Community Initiatives

In order to reinforce our presence in the community and promote social development through financial education, as we have done for many years, although this time in a totally virtual way, we participated in **National Financial Education Week** in Mexico.

Through Compartamos Banco, which is part of the Mexican Banking Association (ABM), we created a virtual stand with infographics and videos on digital banking and entrepreneurship. In addition, we developed an online experience with interactive activities on savings, credit, budgeting, personal finances, digital banking tips, fraud prevention, credit bureau and an augmented reality of CoDi².

At the close of National Financial Education Week, we registered 4,568 visits to our virtual stand

² CoDi is a payment platform developed by Banco de México (Bank of Mexico) that operates through the Interbank Electronic Payments System (SPEI, by its acronym in Spanish). With CoDi, anyone can make payments and collections from their cell phone, using their accounts in any bank or financial institution in a simple, secure, fast, commission-free way which is available at any time.





Client initiatives in response to COVID-19

Keeping people at the center of what we do has never made more sense than in 2020. The best way to celebrate our 30th anniversary was to experience how our Philosophy and actions came together.

At the end of 2019 we started hearing about the risk and likelihood of SARS COV2 (COVID-19) being declared a pandemic, which led us to take immediate action.

We began by learning about what was happening in places where COVID-19 had first arrived, mainly in countries similar to those where Genera operates. We knew about the actions that governments were taking, financial institutions and health protocols, among other issues. We drew up an action plan, although there were few factors we could control.

We set our priorities: **protecting the health of clients and employees, continuing our operations, and keeping ourselves informed with reliable sources.** Our experience in crisis management helped lead the development of a diagnosis and a plan ready to be implemented as soon as necessary.

At Compartamos, once COVID-19 arrived to Mexico, Peru and Guatemala, we decided to strengthen our relationship with our clients, albeit remotely, by making use of technology. Our sales force would stop visiting our clients in their homes and businesses but would keep in contact with them through mobile devices or smartphones.

The health crisis created an adverse environment for economic and productive activities of society as a whole, and our clients were no exception. This impacted the fulfillment of their credit obligations. We conducted surveys to learn about their state of health and that of their businesses. We were able to identify three stages our clients would be in and for which we had to be prepared with actions to support them.

In the containment stage, we deferred our client's payments. In Mexico, we deferred payments for ten weeks; in Guatemala, for seventeen weeks; and in Compartamos Financiera, for more than six months due to stricter restrictions on movement in Peru. We also extended the terms of all active insurance policies in response to the declaration of the pandemic in order to protect our clients and their families against any eventuality.

Most of our clients joined our payment deferral program, Beneficios 1.0 [Benefits 1.0], a completely understandable measure because many of them, faced with uncertainty, stopped their productive activities and closed their businesses over health issue concerns. Other clients continued to work as they were classified as essential activities, implementing the necessary safety protocols.

Our operations did not stop, that is, we continued disbursements. Some clients continued to pay as normal, while others paid partially, and those who were unable to make payments did not see their credit history affected.

The benefits offered in the three stages were highly appreciated and valued by our clients

Thinking about the recovery stage and with the information from surveys, we found that our clients would need more time to pay and new credits to supply their stores. In mid-July, we launched the Beneficios 2.0 [Benefits 2.0] program, which consisted of the following: a payment plan, a grace period, recharging their credit and early renewal.

Our clients found early renewal to be the most convenient benefit. It is an alternative for those who were about to finish their cycle where they could pay off the balance of their current credit and obtain a new one at a preferential rate. This would give them an additional amount to reinvest in or adapt their businesses.

One of the discoveries during the implementation of the Beneficios 2.0 stage was the need for tailored support options for each client.

For this reason, starting in October we launched Beneficios 3.0 with alternatives for clients to select the most convenient ones according to where their business was: reactivation of the simplified pricing model, COVID payment agreements for clients with a payment plan or early renewal for clients with a payment plan and reduced groups.

In Mexico, Peru and Guatemala, all the measures implemented adhered to policies and provisions of the governments of each country, as well as those of the regulatory institutions of the financial sector.



Another initiative we implemented was the Compartamos con tu Familia portal, a digital platform created to generate content to guide our clients and their families in dealing with the pandemic. The portal contains information on health care, emotional health, games and activities for the family, as well as advice for early childhood, among other things. An emotional support line was also made available to clients and their families.

At Yastás, commission agents were provided with a policy that covers them in case of being tested positive for COVID-19, as well as a bonus to provide their business with antibacterial gel and some additional commissions.

During the pandemic our commission agents played a critical role in their communities. Grocery stores and pharmacies became the places to stock up on basic necessities, not to mention payments and financial transactions in the clients own communities.

Aterna responded in a quick and timely manner with different benefits for Genera's clients' and employees, adapting processes according to the needs that arose. In this sense, it extended the terms of insurance policies at no additional cost, as well as the protection that covers the client against unexpected expenses due to a cancer diagnosis, surgery, hospitalization or death.

Despite the uncertainty that 2020 brought, at Genera we demonstrated our ability to overcome the adversities caused by the pandemic, but above all to offer our clients, albeit from a distance, the necessary facilities and adjustments to financial products so that they could overcome this period.

At Genera, we are convinced that together we will come out ahead



30 YEARS TOGETHER



The effort, talent and commitment of our 22,366 employees enable us to **provide people-centered financial services**, as we have done for three decades.

OUR PEOPLE

03

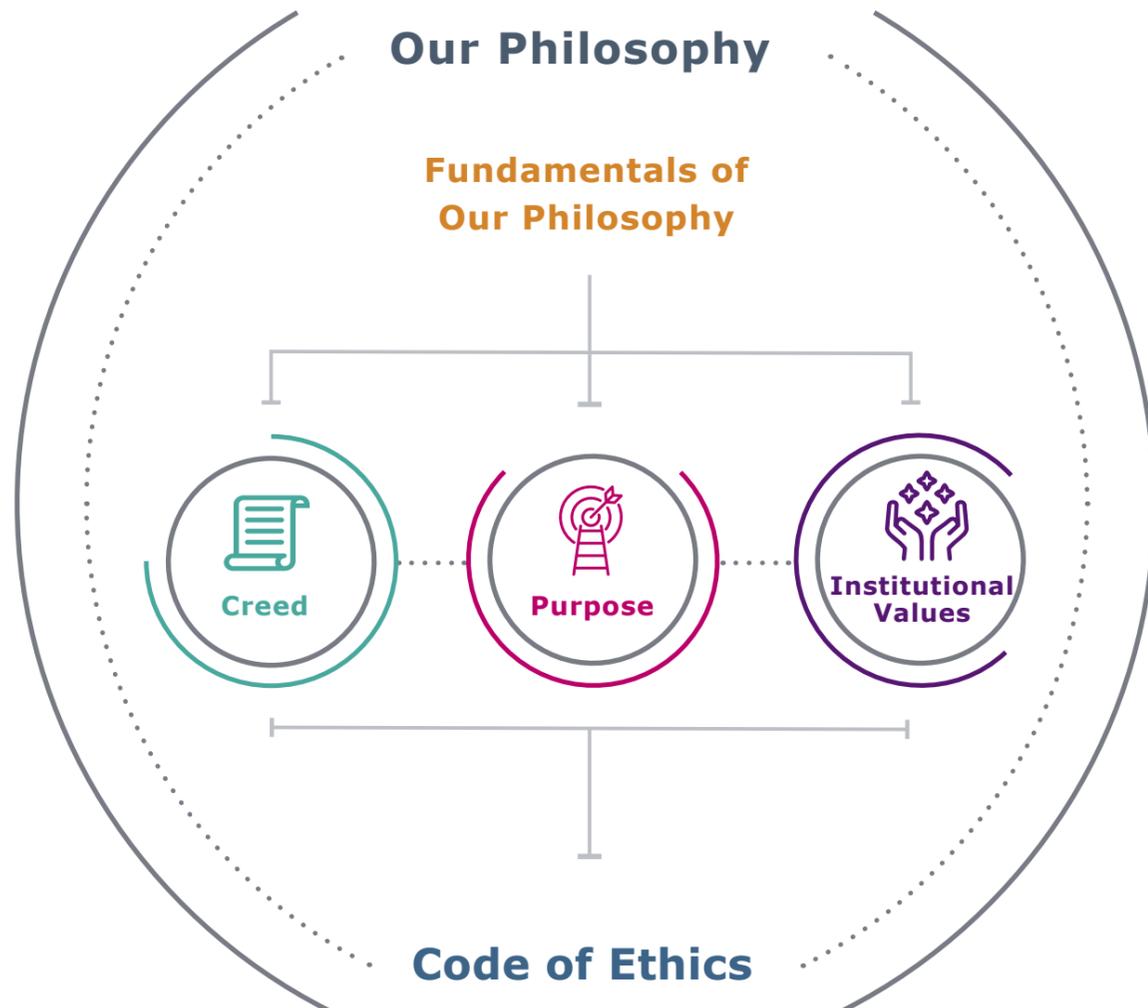


COMMITTED TO
A MEANINGFUL
PURPOSE

Gentera's Philosophy

102-16

At Gentera, our Philosophy represents the way we think and act. It is the way we show respect for the dignity of the individual and our commitment towards the common good. It keeps us faithful to the service commitment that inspired us to achieve the purpose that moves us, guided by values and ethical criteria.



Gentera's Creed

We have deep convictions that guide our daily actions, no matter when or where we are. **They inspire us to be meaningful and build a better future for our clients, employees, their families and their communities.**

1. We believe in the individual and in their capacity to improve in order to be better.
2. We believe that to act ethically is to do the greatest possible good and we strive to make this a reality in our lives.
3. We believe that exclusion is a result of poverty, and that by offering access to competitive and quality financial solutions, we create inclusion and development.
4. We believe in using business principles to help solve social problems.
5. We believe that, in the right context, profitability is the engine for development and creating competitive and efficient industries.
6. We believe that there is a space where social, economic and human values coexist and reinforce each other.
7. We believe in sustainable development and care for the environment.
8. We believe in *Serviazgo* as a leadership style based on serving others, which inspires and is meaningful through serving, training, growing and delivering results.
9. We believe that we should aspire to inspire and transform, even though the challenge is enormous.

Institutional values

In Genera we act according to our six values.

We are convinced that keeping the person at the center of everything we do encourages us to be better in many ways



Living our values Survey

	2018	2019	2020
Number of participants	17,644	18,503	19,801
Results	91%	89%	91%



The experience of the six institutional values in our employees., among other factors, is reflected in the **recognition we received in 2020** in Mexico, Peru and Guatemala, which were granted by the Great Place to Work Institute³.



Mexico

2° place in The Best Places to Work in Mexico, in the category of more than 5,000 employees.

1° place in Best Places to Work in Banking, Insurance and Finance.

6° place Best Places to Work in Diversity and Inclusion, in the category of more than 5,000 employees.

12° place in The Best Places to Work in Latin America 2020.

4° place in The best companies to work for in Mexico, Banking category.



Peru

10° place Best Places to Work for Millenials.

9° place Best Places to Work in Peru, in the category of more than 1,000 employees.



Guatemala

2° place Best Places to Work, category of more than 500 and up to 1,000 employees in Central America.

³ See the list of recognitions for Genera and its businesses in Annex II.

FISSEP Model

102-16, 403-5, 403-6, 404-2

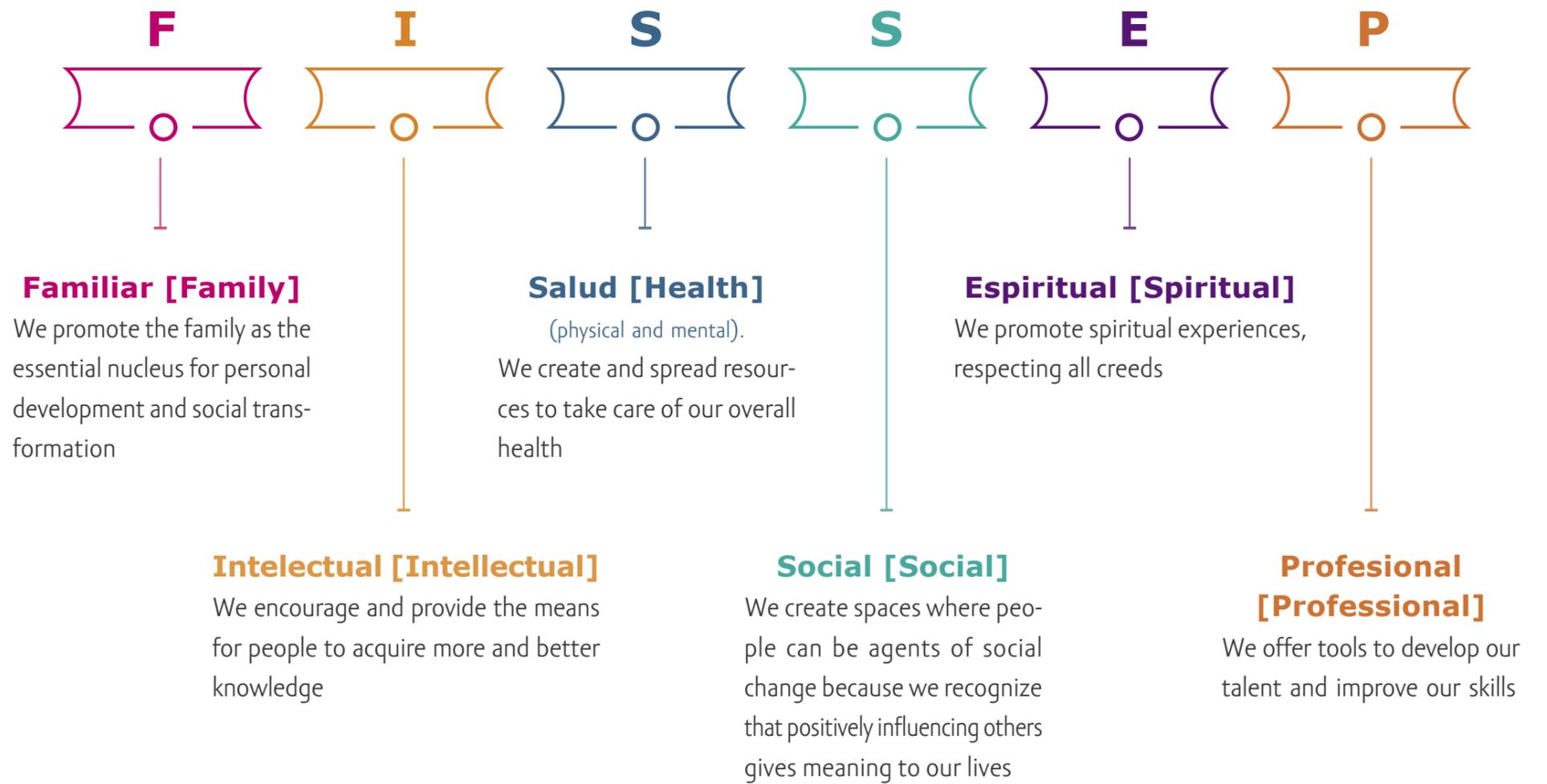
The integral development of our employees has always been a priority for Genera. We know how important it is to have focused employees, which is why we offer them programs to become the best version of themselves.

At the beginning of 2020, we introduced the new FISSEP Model, which inspires our employees to strive for six dimensions of the individual: Family, Intellectual, Health (physical and mental), Social, Spiritual and Professional. The update consisted of incorporating mental health as a topic that is relevant to the current dynamics of the world.

We promote wellbeing in each of these dimensions, considering the interests and moments in life each person is in.

We believe in the individuals and in their ability to improve to be better

In 2020, the Vive Fissep Portal registered 287,791 visits, while its Facebook profile has 8,793 followers



To contribute to the integral development of our employees, this year we launched the Vive FISSEP⁴ Portal, which delivers content that they can share with family and friends.

⁴ View the Vive FISSEP Portal at: <https://vivefissep.mx/>

Pyxis Model

Another program that strengthens the human development of our employees is the **Pyxis Model**, which focuses on developing the leadership of our employees based on service to others (*Serviazgo*) and it is supported by four commitments: serve, train, grow and deliver results.

In 2020 we carried out different training activities regarding this model, promoting the leadership of our employees in *Serviazgo* and addressing their emotional resilience.

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





Through these initiatives, we provided **126,954 hours of human development training**, which greatly contributed in turning our employees into leaders who inspire their surroundings.

Training initiative

<p>#BrillandoJuntos A program focused on developing congruency, credibility, trust and respect for fulfilling promises, without losing communication or interest in a person.</p>	<p>Pyxis #VibrandoJuntos A program aimed at being available to others, whether they are family, colleagues or clients, based on emotions and empathy.</p>	<p>Emotional First Aid Brigadiers A course focused on developing skills to support others in emotional issues.</p>	<p>Emotional First Aid Webinars Two-hour sessions on relevant topics such as comprehensive self-care, PAE brigades, elderly care, pandemic, grief in difficult times and emotional resilience strategies.</p>	<p>Professionalization of protection assistants A program aimed at strengthening participants as ethical and trustworthy individuals in order to increase their work effectiveness and quality of life.</p>	<p>Conquer your happiness A program focused on strengthening emotional resilience through different techniques.</p>	<p>Emotional Support A program aimed at developing priority emotional containment needs according to the socio-emotional context.</p>
<p>- Virtual - For sales, operations and Yastás assistant managers.</p>	<p>- Virtual - For sales, operations, Yastás and branch positions.</p>	<p>- Virtual - For all personnel for voluntary consultation.</p>	<p>- Virtual - For all personnel for voluntary consultation.</p>	<p>- Virtual - For protection assistants for executives.</p>	<p>- Virtual - For all CEAS employees, assistant directors of sales, operations and Yastás, Compartamos -Guatemala and Compartamos Peru.</p>	<p>- Virtual - For all positions in 33 service offices.</p>
<p>Human development training hours: 1,044</p>	<p>Human development training hours: 26,782</p>	<p>Human development training hours: 7,538</p>	<p>Human development training hours: 6,098</p>	<p>Human development training hours: 616</p>	<p>Human development training hours: 82,395</p>	<p>Human development training hours: 2,481</p>
<p>Employees who participated: 116</p>	<p>Employees who participated: 13,293</p>	<p>Employees who participated: 7,538</p>	<p>Employees who participated: 1,016</p>	<p>Employees who participated: 11</p>	<p>Employees who participated: 6,311</p>	<p>Employees who participated: 827</p>

Indicators of people, hiring and turnover

102-8, 102-35, 102-41, 201-3, 202-1, 202-2, 401-1, 401-2, 401-3, 103-1, 103-2, 103-3, 405-1

Every day, the 11,029 male and 11,337 women employees who make up Genera and its companies work with dedication, responsibility and humanism, but above all, are together and committed to a purpose that is meaningful: to **boost the dreams of our clients.**

Total Workforce

	2018	2019	2020
Employees	22,060	22,726	22,366
Employees with permanent contracts	93.0%	92%	95.15%
Women employees	48.8%	49%	49.3%

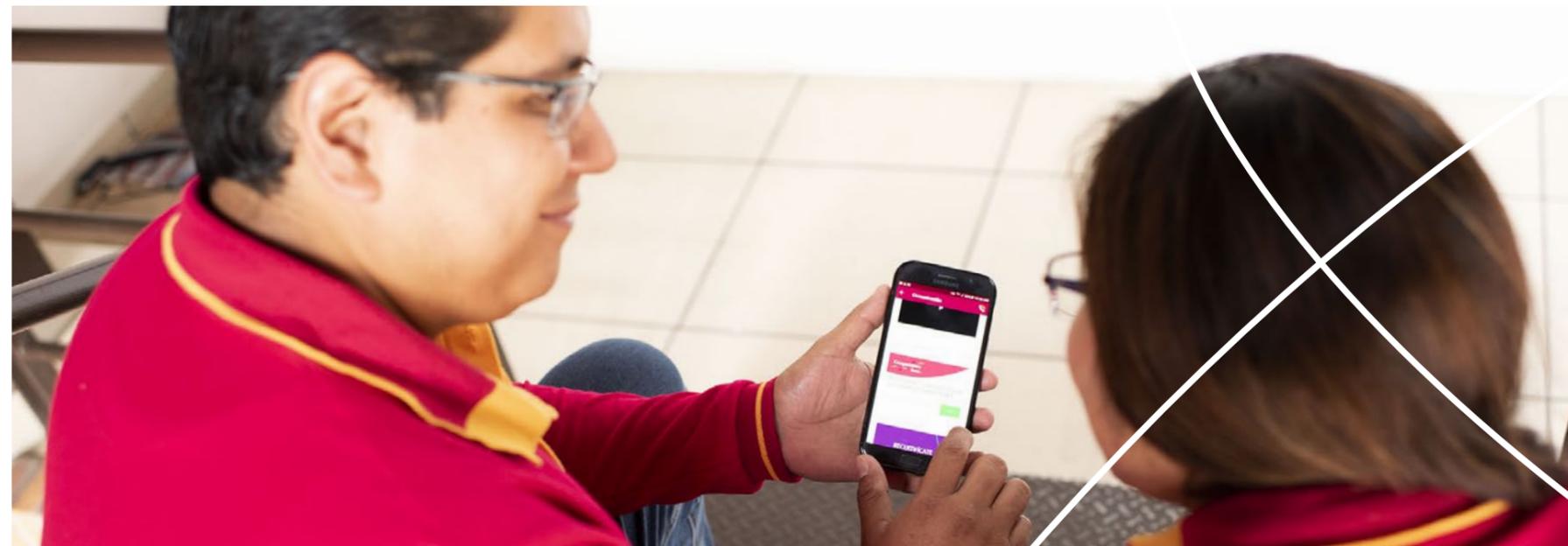


Employees by country



72% Mexico
24% Peru
4% Guatemala

	2018	2019	2020
Mexico	16,836	16,296	16,181
Peru	4,303	5,470	5,352
Guatemala	921	960	833



Employees by country, age group and gender

Age	Mexico			Peru			Guatemala		
	M	W	Total	M	W	Total	M	W	Total
<=30 years	2,881	2,276	5,156	1,375	1,750	3,125	297	90	387
31-50 years	5,000	5,648	10,650	1,254	924	2,178	285	155	440
>=51 years	198	178	375	42	7	49	5	1	6
Total	8,079	8,102	16,181	2,671	2,681	5,352	587	246	833

Employees by age group and gender

Age	Total		
	M	W	Total
<=30 years	4,553	4,116	8,669
31-50 years	6,539	6,727	13,266
>=51 years	245	186	431
Total	11,337	11,029	22,366

Employees by employment category⁵, age group and gender

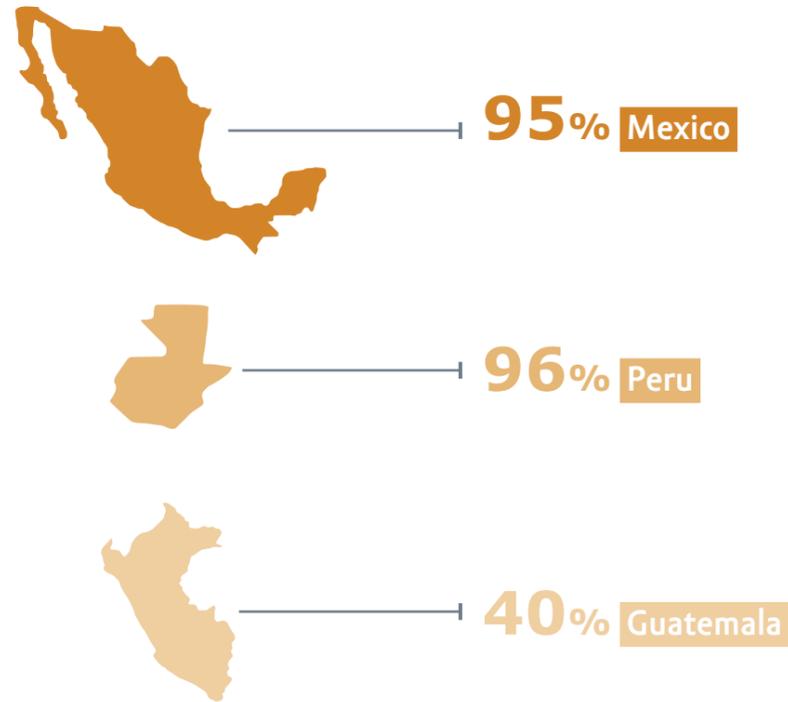
Professional category	Compartamos Banco		Yastás		Aterna		Servicios de Soporte		ConCrédito		Compartamos Financiera		Compartamos S.A.	
	Mexico		Mexico		Mexico		Mexico		Mexico		Peru		Guatemala	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Directors	36	15	3	1	1	1	58	35	10	3	20	6	3	1
Managers	50	46	1	6	1	1	106	94	22	18	51	30	3	3
Administration	753	1,981	8	13	11	11	262	312	213	169	459	896	79	84
Sales force	6,051	4,639	92	16	0	0	0	0	401	741	2,141	1,749	502	158
Total	6,890	6,681	104	36	13	13	426	441	646	931	2,671	2,681	587	246
Total by company and country	13,571		140		26		867		1,577		5,352		833	

⁵Classification Criteria for work categories at Genera and its enterprises are listed below:

- **Directors** CEO, General Directors, Executives, Operational and Assistant Directors (HAY grade above 18) except for HC Sales classifier.
- **Managers** HC category Managers: CEAS, decentralized, Operations and International (HAY grades 15, 16, and 17).
- **Administration** Employees with a grade below manager of CEAS, Decentralized, Operational and International categories (HAY grades less than 15).
- **Sales Force** All personnel with the Sales category from the Assistant director to advisor level.



2020 Directors hired from the local communities



Note: Citizens of each country are considered local.

We value diversity of age, gender, origin, nationality, marital status, ideas, opinion, religion, social or economic status, preferences and ways of thinking because we know that they complement and strengthen our team.

We are a source of employment for more than 22,000 families in the communities of the countries where we operate



We offer equal opportunities in the recruitment, selection, hiring, promotion and performance evaluation processes, as well as benefits matching their professional category.

Of the total number of people who make up our team, 8,979 employees in Mexico are unionized; this figure does not exist in the other countries.

Hiring

Genera's employees are fundamental in fulfilling our purpose, which is why we aim to be a decent source of employment in the three countries where we operate.

To attract the best talent, we know that we must have the best working conditions such as a competitive salary, benefits exceeding those afforded by law, and a good working environment where employees can develop personally and professionally. We want to encourage them to be a better version of themselves so they can have a positive impact on their families and society.

Throughout the year, despite adverse conditions in Mexico, Peru and Guatemala, we hired 2,996 people to join our team. Taking advantage of the technological capabilities in place, we conducted the selection, interviewing, hiring and onboarding processes virtually.



New hires by age and country

Age group	Mexico		Peru		Guatemala	
	Number	%	Number	%	Number	%
18 a 28 years old	750	44.4%	831	73.5%	108	61.36%
29 a 38 years old	709	42.0%	228	20.2%	62	31.23%
39 a 48 years old	198	11.7%	63	5.6%	6	3.41%
49 a 58 years old	33	2.0%	8	0.7%	0	0.0%
Total	1,690	100%	1,130	100%	176	100%

New hires by age and country

Gender	Mexico		Peru		Guatemala	
	Number	%	Number	%	Number	%
Women	701	41.5%	548	48.5%	141	80.1%
Men	989	58.5%	582	51.5%	35	19.9%
Total	1,690	100%	1,130	100%	176	100%

New hires by company and country

Company	Mexico		Peru		Guatemala	
	Number	%	Number	%	Number	%
Yastás	23	1.4%	-	-	-	-
Aterna	4	0.2%	-	-	-	-
Compartamos	1,599	94.6%	985	87.2%	176	100.0%
Services (CEAS)	64	3.8%	145	12.8%	-	-
Total	1,690	100%	1,130	100%	176	100%



We have an attractive value offering for our employees, with a benefits package that contributes to improving their quality of life.

Guaranteed fixed compensation

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



Mexico

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



Peru

- Salary⁽¹⁾
- Vacation⁽²⁾
- Christmas bonus⁽²⁾
- Bonus 14⁽²⁾
- Guatemalan Social Security Institute (IGSS, by its acronym in Spanish), Guatemalan Private Enterprise Worker's Recreation Institute (IRTRA, by its acronym in Spanish) and Technical Institute for Training and Productivity (INTECAP, by its acronym in Spanish)⁽²⁾
- Local holidays⁽²⁾
- National holidays⁽²⁾



Guatemala

(1) Basic remuneration.

(2) Legal benefits.

(3) Benefits exceeding those afforded by law.

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

Benefits

Guatemala

- Bonus decree
- Bonus 13 (Christmas bonus)
- Bonus 14 (bonus that employers must pay to their employees)
- Performance bonus (ED)*
- CV2 stock bonus*
- Incentive bonus*
- Savings
- Life insurance
- Medical insurance
- Health program sales
- Combo
- New Child benefit
- Car benefit*

Peru

- Family allowance
- Grocery vouchers
- Productivity bonus (incentives)*
- Performance bonus (ED)*
- CV2 stock bonus*
- Compensation for service time (CTS)
- Vacation
- July bonus
- December bonus
- Life insurance
- ESALUD Medical Expense Insurance
- Automobile benefit*
- Overtime*
- Mobility*
- Christmas basket
- Secondment bonus*
- Ex-gracia payment

Mexico

- Emergency assistance
- Savings fund**
- Grocery vouchers**
- Pension plan
- CV2 stock bonus*
- Personal accident insurance*
- Life insurance
- Major medical insurance*
- COVID-19 Insurance
- Combo (insurance flexibility)**
- Benefits for employees who are new moms and dads
- Flexible maternity and paternity leave work
- New Child vouchers
- Legal and psychological counseling for employees
- Institutional permits
- Half day for birthdays
- Agreements
- Operating bonus*
- Performance bonus*
- Permanence bonus
- Savings bank
- Car benefit***
- Gasoline vouchers***
- Webinars
- Telecommuting*



*Applies only to certain positions.

**Applies once passing first six months with the company.

***Applies only for certain positions, during the last half of 2020 they were halted due to the health emergency.

The close relationship we have with our employees allows us to constantly review and update our benefits package according to where they are in their lives and their needs.

One of the most relevant benefits we have is CUNA, which consists of providing maternity uniforms for our employees, a birth kit to welcome the new baby, additional grocery vouchers and the possibility of selecting between two flexible scheduling options for maternity or paternity, depending on the case.



Paternity

10 full days
20 part-time days*



Maternity

Additional maternity period (42 days)
6 x 2 x 6*
(6 hours in the office, 2 from home, for 6 months)

*Applies for employees working at the office.

Parental leave by country

Country	Employees who were entitled to parental leave		Employees who took parental leave		Employees who returned to work after parental leave ended		Employees that returned to work after parental leave ended that were still employed 12 months after their return to work	
	W	M	W	M	W	M	W	M
Mexico	430	528	365	528	323	467	318	459
Peru	162	81	162	81	149	75	149	75
Guatemala	24	65	24	65	24	65	23	58
Total	616	674	551	674	496	607	490	592



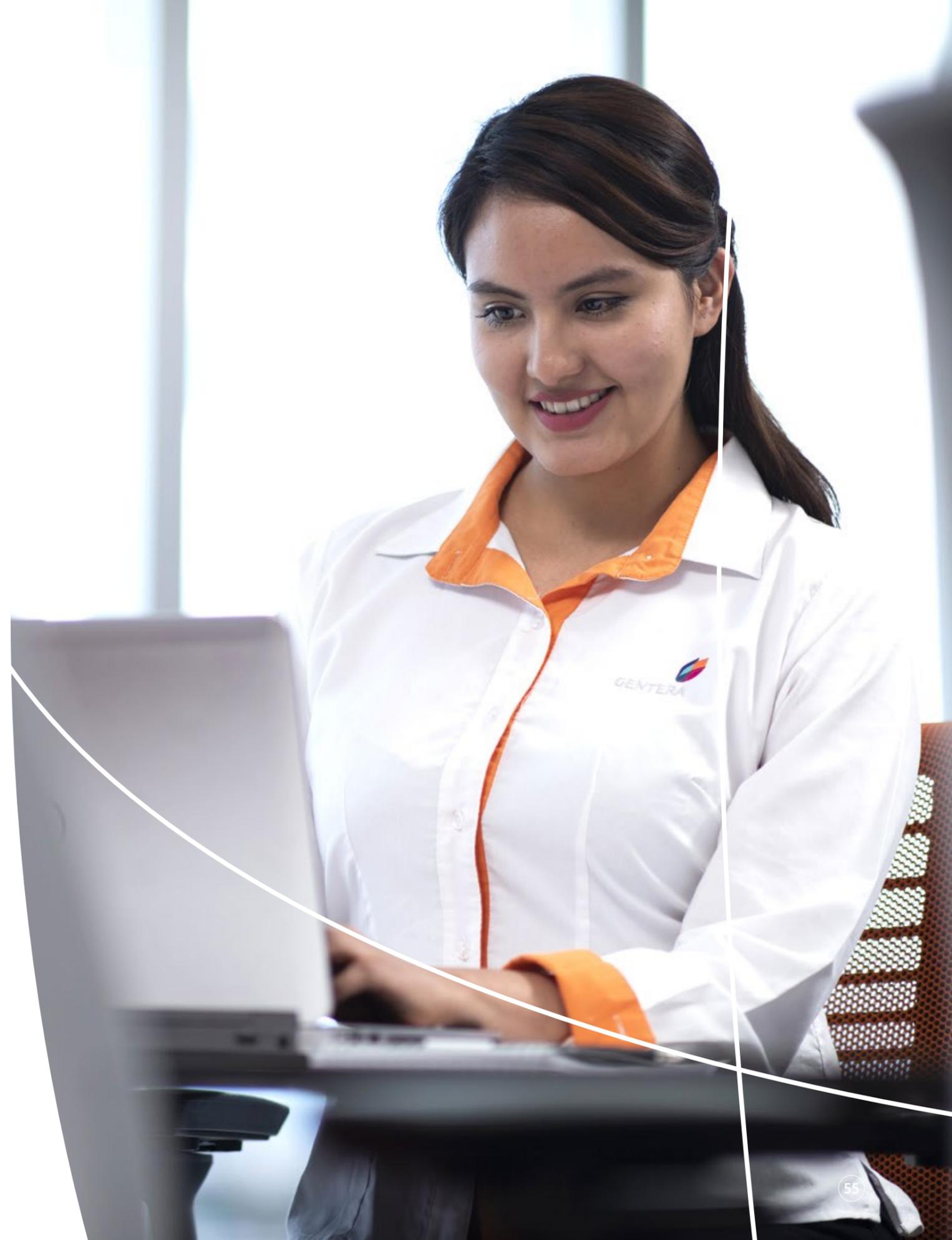
We also have a retirement pension plan that is a fair recognition of the valuable years of service rendered by our employees who, after a lifetime of work and responsibilities at Genera, are at retirement age. This plan also encourages dedication and perseverance in the work of the new generations, since it provides them with greater security and peace of mind, knowing that when they reach retirement age from actively serving in the institution, they will have savings with which to meet their new needs.

This plan was established so that the retiring employee will receive a pension that will give them the opportunity to provide financial security for their beneficiaries.

Contributions to pension plans (millions of pesos)

	2018	2019	2020
For employees	\$ 31,254,444.21	\$ 36,043,984.75	\$ 42,673,395.96
For Genera and its companies	\$ 24,634,290.23	\$ 27,876,852.74	\$ 32,409,983.58
Annual contribution DB	\$ 0	\$ 59,826,995.00	\$ 186,097,368.00
Recognition bonus amortization	\$ 1,737,782.21	\$ 1,792,027.25	\$ 1,528,118.01

Note. Genera offers a hybrid pension plan, the highest benefit is granted between defined contribution (company contribution + employee contribution + recognition bonus) and defined benefit (DB)..



At Genera, we want to be an ally so that while our employees help our clients achieve their dreams, they also drive their own. That is why we promote workspaces where they feel heard and taken into account, so that Genera's purpose is their purpose and together we can continue to bring better opportunities to our clients.

Our sales force is in charge of serving our clients, providing them with warm and personal treatment, while the support areas facilitate the work of employees in the field.

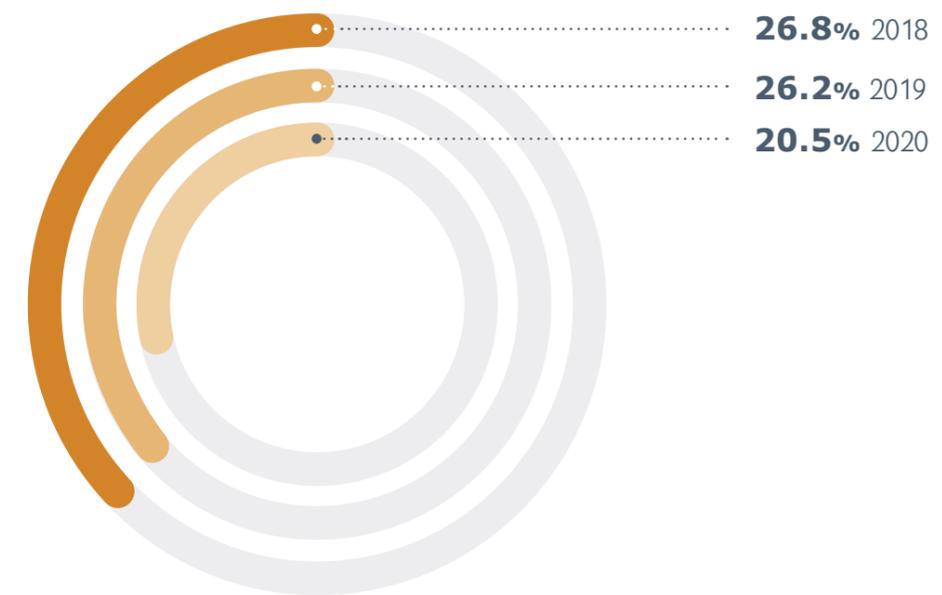
Average length of service of the sales force by country

*PCM Promoter.
N/I: no information.

Country	2018	2019	2020
Mexico (years)	3.4	3.8	4.5
Peru (years)	2.4	1.9	3
Guatemala* (years)	1.8	1.6	2.1

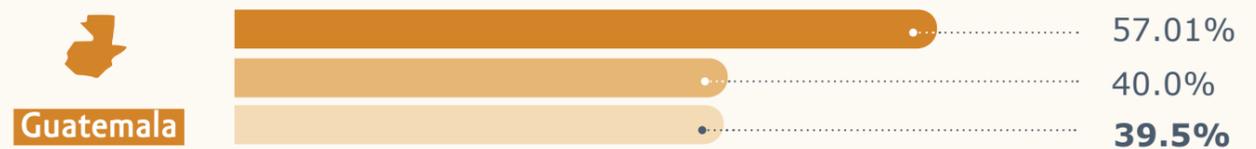
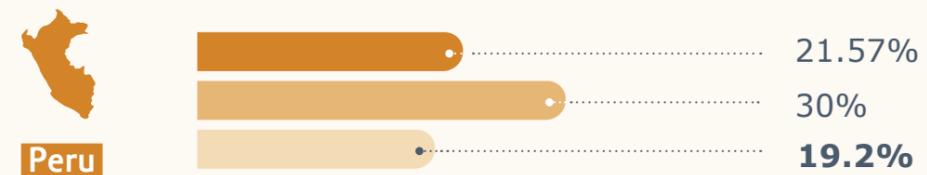
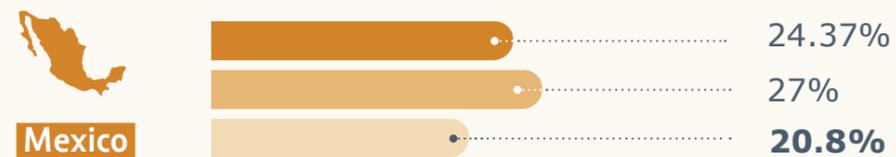
Despite the challenging economic environment that was 2020, we registered an across-the-board decrease in turnover as compared to 2019.

General Genera turnover rate



Turnover rate of the sales force by country

*CM Promoter. ● 2018 ● 2019 ● 2020





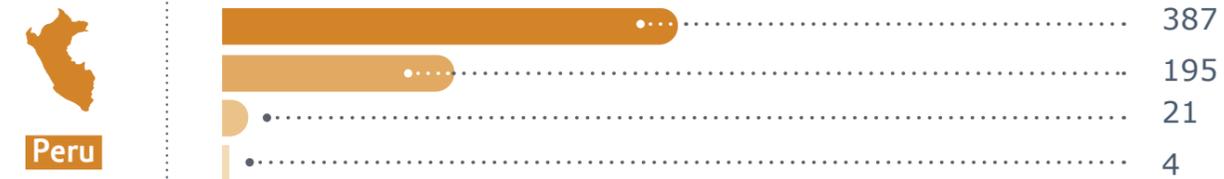
During the year, 4,523 employees left Gentera or its companies for various reasons, 49% of whom left voluntarily.

Voluntary resignations by age, gender and country

● 18 to 28 years old ● 29 to 38 years old ● 39 to 48 years old ● 49 to 58 years old



1,531
Total



607
Total

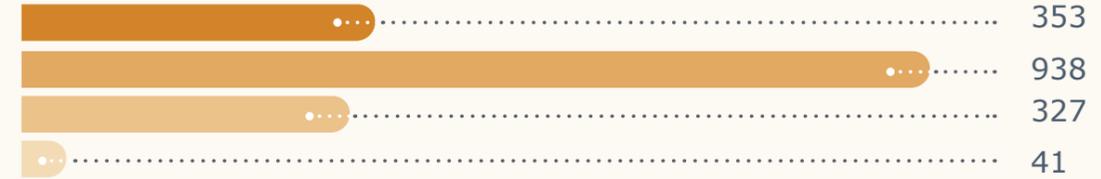


97
Total

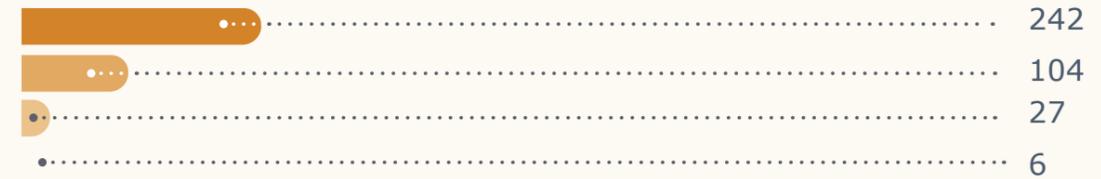
	W	M	W	M	W	M	W	M
Mexico	222	372	359	369	89	98	9	13
Peru	218	169	93	102	10	11	0	4
Guatemala	11	41	11	28	0	6	0	0

Involuntary terminations by age, gender and country

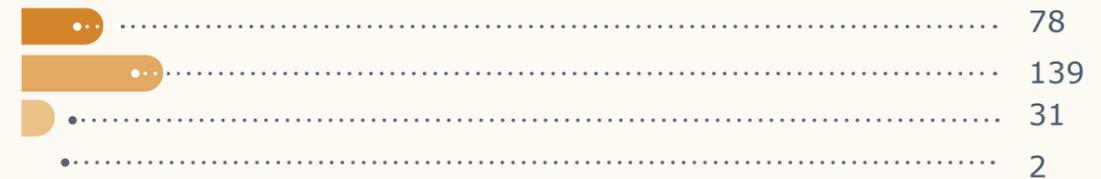
● 18 to 28 years old ● 29 to 38 years old ● 39 to 48 years old ● 49 to 58 years old



1,659
Total



379
Total



250
Total

	W	M	W	M	W	M	W	M
Mexico	119	234	409	529	165	162	21	20
Peru	131	111	31	73	7	20	2	4
Guatemala	17	61	58	81	13	18	2	0

Training and performance

103-1, 103-2, 103-3, 404-1, 404-2, 404-3

We know that in order to have a committed, solid and efficient team, it is necessary to invest in their professional development.

That is why we have several options available to our employees to improve their professional skills and abilities. We currently offer three types of training:

Career acceleration.

Formal academic schemes that contribute to education to obtain an academic degree.

Specialization.

Courses, workshops or specializations that help to improve the employee's profile in order to improve their daily duties.

Regulatory standards.

Courses or certifications where attendance is essential, as there is a risk of punishment, or those that current regulations define as indispensable to perform certain strategic duties.

In addition, each year our employees are certified in Code of Ethics and Conduct, Financial Education, Anti-Money Laundering and Terrorist Financing (AML and TF), as well as Client Protection, in order to provide the best service to our clients.

21,479

employees recertified in the Code of Ethics and Conduct

14,514

employees certified in Anti-Money Laundering and Terrorist Financing

20,405

employees certified in Client Protection

1,477

new employees certified in Financial Education "Healthy Finances"



Average training hours by job category, gender and country

Job category	Total training hours		Average training hours		Total training hours		Average training hours		Total training hours		Average training hours	
	Mexico				Peru				Guatemala			
	W	M	W	M	W	M	W	M	W	M	W	M
Directors	894	1,159	17.19	11.83	136	446	22.58	22.28	6	15	6.00	5.05
Managers	4,132	5,942	28.11	37.61	653	1,014	21.75	19.88	20	23	6.83	7.72
Administration	190,998	94,609	82.43	91.50	29,029	11,196	32.40	24.39	161	439	5.73	13.29
Sales force	414,557	706,228	89.06	114.96	70,873	85,382	40.52	39.88	928	3,799	29.00	29.00
Total	610,581	807,938	85.21	108.76	100,690	98,037	37.56	36.70	1,115	4,276	17.42	25.15

Note. Training hours are in reference to active employees as of 12/31/2020.



Evaluation

Each year, the support areas establish **objectives matching the strategy**, which are constantly supervised in order to measure the team's progress and performance.

Evaluation model

- 1. Planning:** we establish the goals to be achieved throughout the year.
- 2. Mentoring:** we look back mid-year to identify the progress of the agreed objectives.
- 3. Evaluation:** we assess compliance with annual objectives.
- 4. Recognition:** we celebrate achievements during the year.

The results of these evaluations are highly relevant because they allow us to identify those employees who have the right profile to be promoted to a position with greater responsibility and at the same time boost their professional career.

2,128 employees were evaluated in 2020

Performance evaluation by job category, gender and country

Job category	Mexico		Peru		Guatemala	
	W	M	W	M	W	M
Directors	79	156	1	5	1	4
Managers	116	102	18	44	4	9
Administration	479	456	216	233	79	53
Sales force	-	-	10	10	8	45
Total	674	714	245	292	92	111



Health and safety

103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

At Genera, we recognize that putting people at the center of what we do means promoting their health and safety, as well as their physical, emotional, and spiritual integrity. That is why we **implemented various initiatives focused on risk prevention and emergency assistance.**

We have a health management system applicable to all our employees in Mexico, Peru and Guatemala, which is comprised of several programs to improve their quality of life, in addition to health weeks, safety measures and vaccination campaigns that, as a result of the COVID-19 pandemic, we had to adjust according to government regulations.

Genera's employees in Mexico are represented in accordance with the provisions of the Federal Labor Act for Health and Safety Committees.

Regarding the physical safety of our employees, we know that prevention is the main method to mitigate any risk. In this regard, we have a dedicated site on our Intranet where we share safety alerts and current information on how to prevent and respond to risky situations such as assaults, extortion, kidnappings, violent events, social movements and protests, among others.





In 2020, we spread **91 prevention bulletins and carried out 59 accompaniment plans for employees** who went on business trips to high-crime areas.

In addition, in order to evaluate the risks to which our employees or clients may be exposed, the Civil Protection area and the corresponding brigades conduct on-site tours and mapping to validate the effectiveness of the processes and, if necessary, establish the corresponding mitigation measures.

To guarantee the safety of Compartamos Banco's field employees, we made the Alarm Monitoring and Intelligence Center (CIMA, by its acronym in Spanish), available to them 24/7 in any state, municipality or locality in Mexico, to provide timely assistance in cases of emergency, risky situations or legal or safety advice.

In 2020, CIMA handled 922 reports from employees requiring assistance

We also develop training plans focused on the prevention and self-protection of physical security risks for different groups, geographic areas and business models of Gentera and its companies.

This year **we trained 3,398 employees in Mexico** on crime prevention, safe business travel and safety protocols.

Due to the nature of our business, the main work-related injuries or accidents to which our employees are exposed involve their transportation to work sites or to clients, as well as office activities, among others.

Health and safety indicators

651

Recordable occupational injuries

Motorcycle accidents, automobile accidents, transportation accidents and falls.

11

Occupational injuries with major consequences

Contusions, sprains, fractures and wounds.

1

Recordable occupational pain and illness

Work stress, visual fatigue, back pain, carpal tunnel syndrome, gastritis and obesity.



Employee Initiatives in response to COVID-19

Given that COVID-19 was declared a pandemic, at Genera we made it a priority to protect the health of our clients and employees, and as a result of this decision, we applied various initiatives.

We have permanently activated a team made up of leaders from various areas to be up-to-date on the requirements of health authorities in order to prepare our employees and our facilities to be safe. In our service offices, branches and corporate offices, we incorporated all the prevention and hygiene measures required by authorities.

We adapted our in-person business model to a digital format. Corporate employees were provided with equipment and tools to work from home, such as VPNs, laptops, monitors and ergonomic chairs. Meanwhile, the sales force currently visits our clients only for disbursements, and follow-up is done remotely.

Throughout the year, our more than 22,000 employees received the same salary, benefits and perks they received before the pandemic began. In addition, we implemented various economic incentives:

COVID-19 bonus: in order to protect the monthly incentive of the sales force, we gave this bonus despite the circumstances that affected the business, in accordance with the rules of the three countries where we operate.

Operating bonus and complementary operating bonus: as support to our employees, we kept this incentive by paying it on a regular basis in accordance with the policies and scales in force.

Dynamic duo bonus: to reward the teamwork of employees who support their colleagues belonging to vulnerable groups in the field.

Health Fence Support Bonus: insured bonus for employees whose variable payment is affected by the current health fence.

In Mexico we hired a policy insurance for all employees in case of being affected by the COVID-19

On the other hand, since April, in order to find out whether our employees were healthy, we launched **Pulso FISSEP**, a monthly survey⁶ with specific questions by company and by country. The results obtained helped us to identify their needs and concerns, and to be close to them to resolve them. At the end of 2020, 27,802 FISSEP Pulse surveys were completed.

We take advantage of this portal to share information on preventive measures and health care in the event of possible infection of COVID-19, tips for proper hand washing, the use of face masks, as well as the care and precautions we should take inside and outside our homes.

In addition, we created the Prevacuna [Prevaccine] site on our Intranet, where we inform our employees about protocols they must follow to perform their work safely until a vaccine is available.

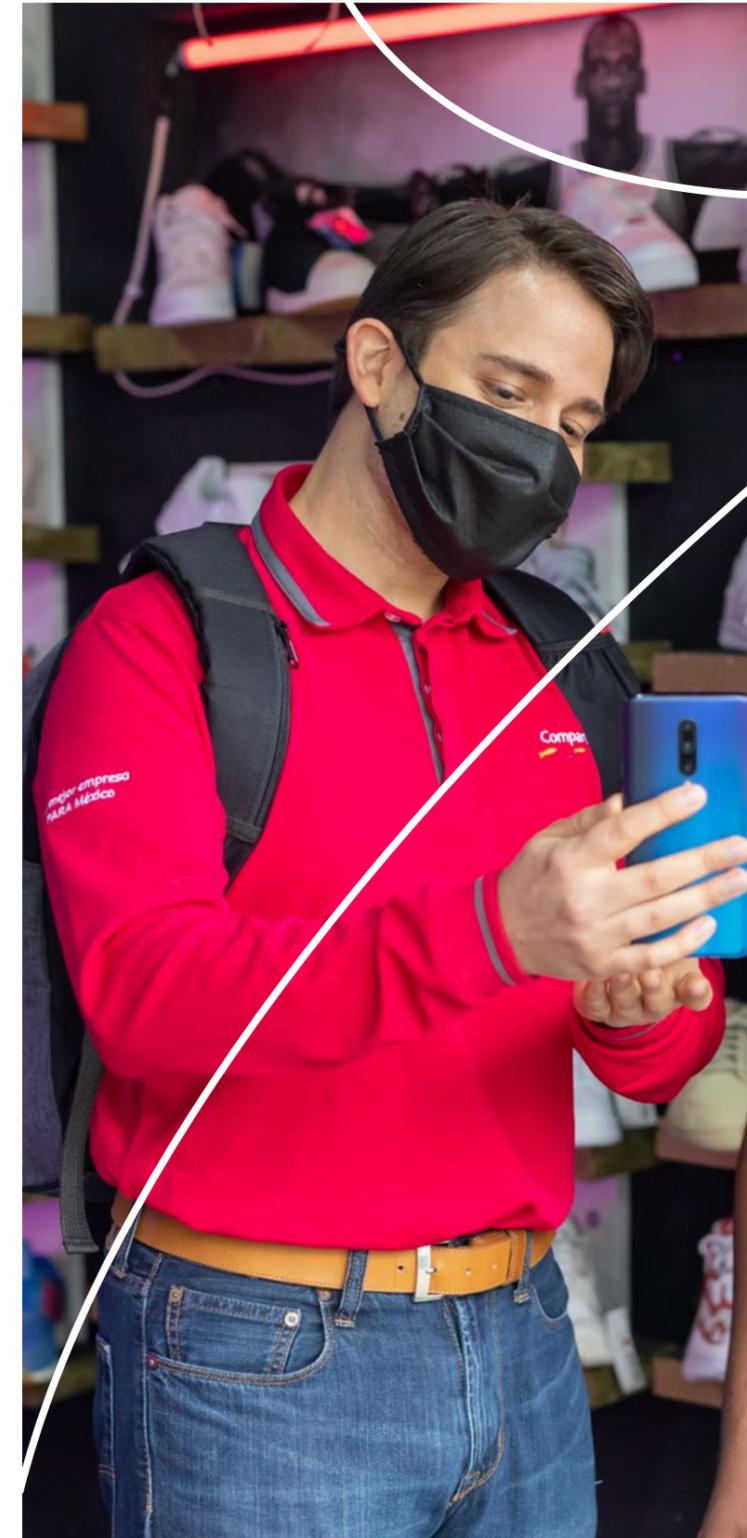
⁶ In April, the survey was implemented on a weekly basis, later, as the pandemic normalized, it was implemented on a monthly basis.

We also accelerated the digitalization of training processes that were previously done in-person, making this new way of promoting knowledge among our employees a permanent thing.

With the goal to make the most of the benefits of technology to be more productive, we provide live and on-demand virtual courses on topics on remote work. We also implemented the use of Office 365 tools, the use of email together with Teams to schedule meetings and the application of surveys during meetings.

To meet the challenge of staying *together* across distances, we strengthened our internal communication media, such as the Genera Newsletter, Magenta Connection, Gentérate App, EnCorto (WhatsApp), Intranet and institutional accounts. In addition, we migrated in-person events to a virtual format, highlighting monthly integration meetings, the National Sales Meeting and the Business Leaders Meetings.

At Genera, family has always played a fundamental role in supporting our employees. Promoting work-family balance and a healthy family life, we carry out virtual activities such as Family Week, Health Week and different webinars with relevant content and useful tools to face the situation we are currently going through.



30 YEARS TOGETHER



Our social commitment drives us to have a positive impact on people by acting as an agent of change that supports their growth and the development of their communities. ***Together, we work to improve their environment.***

SOCIAL COMMITMENT

04



FOR THE DEVELOPMENT OF OUR COMMUNITIES

For 30 years, we have taken a proactive role concerning the needs of the communities we serve, a fundamental part of which are the initiatives we carry out each year through the Social Responsibility Fund, which was created in 2009 and has a portion of the group's net profits from the previous year.

Social Responsibility Fund

	2018	2019	2020
Fund in pesos	\$89,120,943	\$98,383,358	\$69,034,650
Number of beneficiaries	190,578	147,874	313,290



Our Foundation

203-1, 203-2, 413-1, FS16, FN-CB-240a.4

One of the best examples of consistency with our social commitment is *Fundación Compartamos*, which has allowed us to work with thousands of people so that together we can find opportunity in adversity and reinvent and become better versions of ourselves.

This year, in order to improve our relationship with the people benefiting from these initiatives, we decided to name our Foundation after the group's best-known brand: *Compartamos*, keeping the original vision to be a Foundation that offers development opportunities, promoting the common good for segments in need.

Through Fundación Compartamos and following its founding principles, we seek the common good by supporting two causes: education and early childhood



Altruism:

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



Inclusión:

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



Transcendence:

when we bring development opportunities, we can transform lives, have an impact on each person and unleash their dreams.



Our founding principles

Education

We promote personal development through education. We work with projects focused on enhancing the skills of children, teenagers and adults to bring about social change.

Formal education

We help people grow through school-based education for children, teenagers and adults; we seek to reduce the educational disadvantage of adults and we provide continuous training for teachers.

Financial health

- We encourage the development of financial literacy skills for business management as well as personal and family wellbeing.

Entrepreneurial culture

- We help young people learn skills and trades as a complement to their formal education; in adults, through job training, trades and productive projects.

Educational partnerships

- Through education and in partnership with other organizations, we are convinced that we can help reduce gender, social and economic inequalities.

Partnership with INEA

We work with the National Institute for Adult Education (INEA, by its acronym in Spanish) with the aim of helping people who, for economic reasons or family circumstances, have discontinued their studies, so that they may continue with their primary or secondary education. This year, 1,091 adults obtained their primary or secondary school certificates. We also celebrated the first virtual graduation in Querétaro. During the six years that we have been part of this initiative, more than 8,000 people have obtained their INEA certificate, increasing their opportunities to develop.



Business training partnerships

Together with ENKO, Fundación ProEmpleo, the network of incubators of the Universidad del Valle de México and the Center for Women's Studies and Comprehensive Training, we have trained more than 2,000 people in entrepreneurship to strengthen their businesses and improve their well-being. For the first time, training was provided digitally.



Formal education alliances

In order to prevent children and teenagers from dropping out of school so that they may continue their basic and high school education, we formed alliances with Federación Mano Amiga, Fundación Nemi, Red Social UP - Mapfre, and the Monterrey Institute of Technology and Higher Education (ITESM, by its acronym in Spanish), providing scholarships to children and teenagers from different states in Mexico.



Early childhood

In order to help building a better future, we support the integral development of children from 0 to 6 years old, as this is the most important stage of childhood because it is when they develop their physical, intellectual and emotional capacities.

**We promote
positive parenting**



Early Childhood contents

Accompanied by experts, we raise awareness among different audiences on the importance of sensitive care and an educational style that fosters the skills, abilities and attitudes necessary for life, always with unconditional love and respect for children.

Early Childhood Pact

We participate in this public initiative aimed at making early childhood a national priority. Together with 440 member organizations, we seek to influence public policy.

Early Childhood Collective

Along with FEMSA Foundation, Cinépolis Foundation, Lego Foundation, Televisa Foundation and CMR Foundation, for the second year in a row, we are working so that children in Mexico will have full integral development, making early childhood a priority for Mexico's growth.



Action Lines

In addition to our causes and faithful to our commitment to serve and work towards building social value, we encourage our employee's participation in volunteering, donation and emergency activities.



Volunteering



Donation



Contingencies

Volunteering

Our employees contribute their time and skills to serve others.

© **Let's give hugs by doing good deeds! [¡Demos abrazos haciendo buenas acciones!] campaign**

With our experience in volunteering activities and the satisfaction that we know comes from giving to others, we provided our employees with "hugs": various actions ranging from offering a meal to a homeless person, reading a story to a child or feeding an animal in the street.

Our employees performed 27,213 good deeds that impacted 153,318 beneficiaries. 90% of our employees in Mexico, Peru and Guatemala participated in this campaign.

© **"Love in action" [Amor en acción]**

In order to help people in vulnerable situations in Mexico, we launched the Love in Action collection. More than 400 employees made generous contributions that allowed us to benefit 1,652 people through Cáritas Mexicana, I.A.P.

In 2020, more than 18,000 Gentera volunteers provided more than 21,000 hours to benefit 157,121 people



Volunteering by country and company

Country	Company	Volunteer hours	Number of volunteers	Number of beneficiaries	Percentage of workforce participation
Mexico	Gentera		704		
	Compartamos Banco	8,153	12,901	73,611	94%
	Yastás		87		
	Aterna		24		
Peru	Compartamos Financiera	6,098	4,205	80,907	80%
Guatemala	Compartamos S.A.	6,808	719	2,603	86%
Total		21,058	18,640	157,121	90%

Excellence plus Certification

Thanks to the excellence of our corporate volunteer management model in Mexico, Peru and Guatemala, our Foundation was awarded with the Excellence Plus certificate by Voluntare

The Certification is organized into and recognizes eight sections:



Volunteer strategy



Management structure



Communication



Leadership



Training and education

We are one of the three Excellence Plus certified companies in Latin America



Recognition



Relationship with associations



Measurement of results and impact

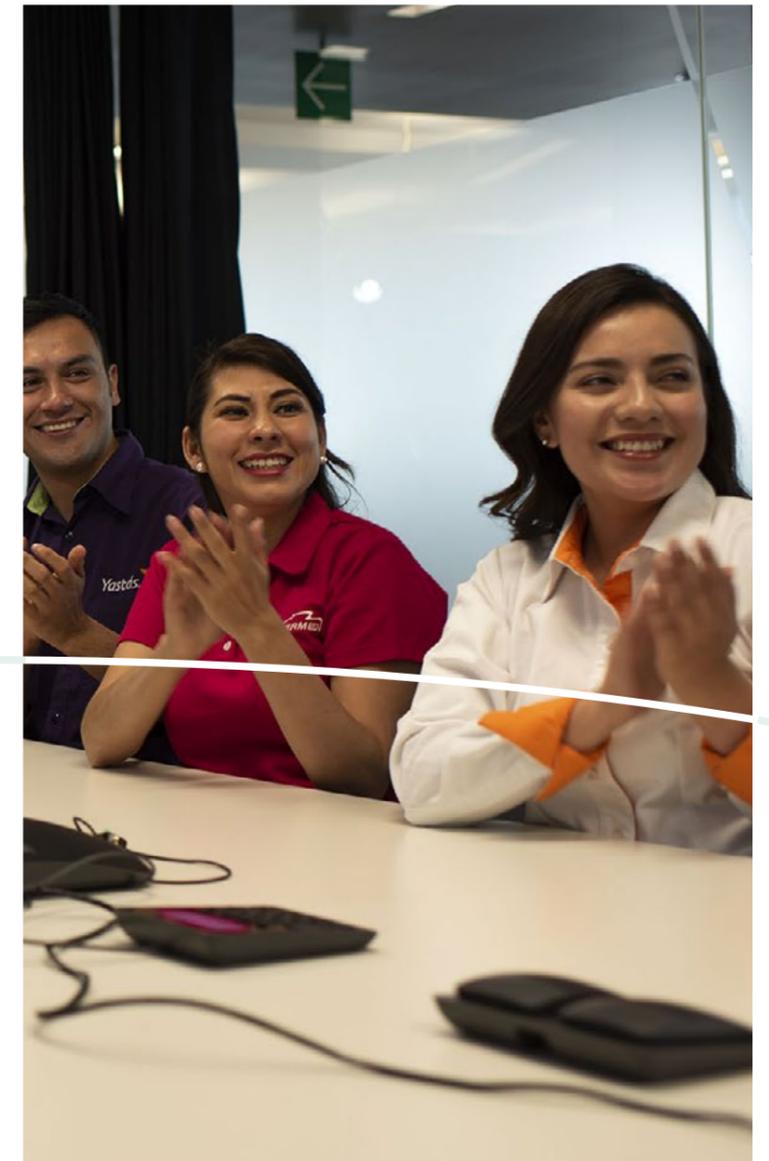
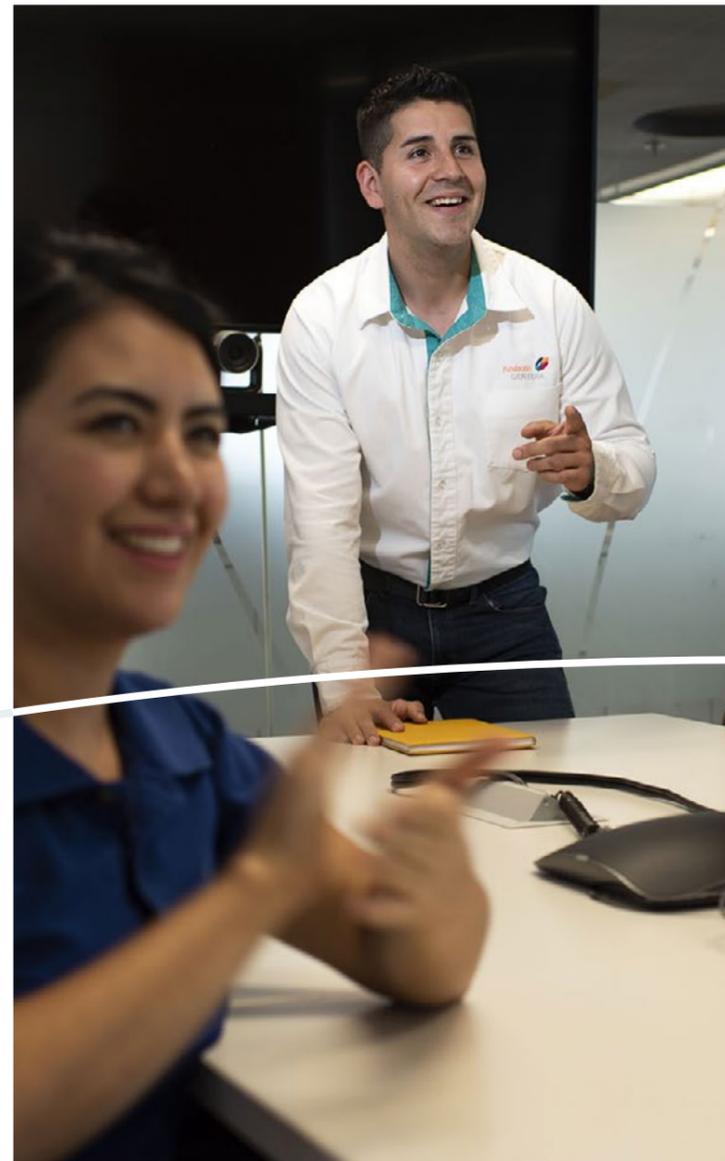
Donation

We support education and early childhood thanks to the generosity of our employees in Mexico, whom we asked to make voluntary contributions to *Fundación Compartamos*. The funds donated are used to support projects through the Call for Education and Early Childhood.

By the end of 2020, more than 8,000 employees, or 61% of our workforce, became donors

● **11th Call for Education and Early Childhood**

Thanks to the generosity of our more than 10,000 employees who donated to this cause - whose contributions were matched by *Fundación Compartamos* and *Promotora Social México* - we were able to raise \$16 million pesos so that 151 organizations working in education and early childhood could continue their projects, benefiting 26,517 people.





Contingencies

In emergency situations, such as those caused by COVID-19, the emergency response area proved its resilience by responding promptly to needs caused by the pandemic.

During the first quarter of 2020 we had to redefine priorities. 90% of the funds in the Social Responsibility Fund that were intended for social programs were used to address the health emergency and natural disasters.

With people at the center of our actions, an insurance policy was taken out to protect employees and high-risk individuals from the effects of the pandemic. This benefit covers the insured in the event of a COVID-19 infection and related expenses.

Policy coverage was as follows:

Genera Mexico COVID Insurance

13,739 beneficiaries

Yastás Mexico COVID Insurance

3,015 beneficiaries

Compartamos S.A. Guatemala COVID Insurance

7,229 beneficiaries

We also benefited 5,783 people through the delivery of nutritional packages to children and personal protection equipment (PPE) to health staff in hospitals, as well as economic support for refugees and emotional support actions. All this in partnership with third-sector organizations.

We also activated the Worth 3 Times **[Vale x 3]** campaign in which our employees in Mexico made donations that were tripled by *Fundación Compartamos*, INTERprotección Foundation and other partners. More than 3,900 employees participated generously, and their multiplied donations reached a total of \$4.3 million pesos, which was used to donate food and PPE for health staff to benefit 24,132 people in vulnerable communities in different states of the country.

With empathy and based on our social commitment to serve, Compartamos Banco, in partnership with Televisa Foundation, BBVA Foundation and Alianza Médica para la Salud (AMSA), donated 339,307 items of personal protective equipment, 10 bi-level respiratory devices and 17 invasive respirators to equip four COVID hospitals.

As a result of the pandemic, we adapted and redesigned the scope of volunteering initiatives, focusing on the well-being of volunteers and the beneficiary, so we migrated the in-person charitable focus to a digital format. Due to the health emergency and social distancing, employees were encouraged to participate in the "Digital Volunteering"

campaign, showing that there are no barriers to taking action and serving others, through 52 classes taught by volunteer employees, as a way of sharing talent and disseminating knowledge.

Moreover, in alliance with various civil society organizations, we organized the **Strategic Philanthropy Forum and ENSAMBLE**, aimed at directors of organizations to identify best innovative practices in education at the primary and secondary levels.

With a focus on integral development and part of our FISSEP model, we launched **Compartamos con tu familia** platform, aimed at the general public, with topics on caring for children, emotional health and family, which in 2020 had 15,778 views. We also set up an emotional support line for our clients and their families, in order to provide emotional support in the face of the various family and social difficulties that were exacerbated by the pandemic.

We provided 6,000 digital wallets that benefited more than 24,000 people, to contribute to the well-being of families affected by the health emergency, with the allocated funds they were able to purchase market basket products.

On the Fundación Compartamos Facebook and Instagram pages, we published content on all the initiatives we carry out, which had more than 300,000 views

Although the pandemic was in the spotlight throughout 2020, several natural disasters occurred in the countries that we serve.

In Mexico, heavy rains in November affected vulnerable communities in the states of Tabasco and Chiapas. To support those most affected individuals, we implemented **Tabasco nos necesita** campaign, asking our employees to donate to this cause. Through the collection, we were able to raise \$202,009 pesos to help 100 families in Chiapas and 225 in Tabasco. The money was given as digital wallets for the purchase of household goods.



In 2020 we reaffirmed our commitment to the community by allocating more than 69 million pesos to social initiatives, impacting more than 313,000 people in Mexico, Peru and Guatemala

30 YEARS TOGETHER



With 30 years of experience and a wealth of learning and experience, **our focus on the future is to continue to encourage the dreams of thousands of people based on a sustainable strategy**, a concept with which we are familiar and which we have decided to strengthen in 2020.

SUSTAINABILITY

05



**ACTING TODAY
WITH THE
FUTURE IN MIND**

Our social commitment background has allowed us to **evolve with favorable actions for individuals, for their prosperity and for the planet.** We recognize the impact of our activities among our stakeholders and in our environments, thus, we are committed to strengthen our management aligned with the Sustainable Development Goals (SDGs), an initiative promoted by the United Nations, which is a sustainable development frame of reference for the world to which we aspire.

By prioritizing good practice, we have decided to focus on three main SDGs:

The image features three circular photographs arranged horizontally, each connected to a corresponding SDG icon below it. The first circle shows two young professionals, a man and a woman, smiling and working together at a desk with a laptop. The second circle shows a man in a red polo shirt showing a tablet to a woman in a black top, with a colorful background of hanging items. The third circle shows an elderly woman in a white floral blouse and a young girl in a pink shirt looking at something together. Below each circle is a circular icon with the SDG number, name, and symbol.

- 5 GENDER EQUALITY** (Icon: Gender Equality symbol)
- 8 DECENT WORK AND ECONOMIC GROWTH** (Icon: Bar chart with upward arrow)
- 10 REDUCED INEQUALITIES** (Icon: Balance scale)



Materiality

102-43, 102-44, 102-46, 102-47

The first step to strengthen a sustainable strategy that will enable us to continue balancing Genera's economic, financial, social, labor, environmental and corporate governance resources is to define the most relevant issues for our stakeholders and the business.

In the three countries where we operate, there are important issues that have an impact on our operations; we know that we must address them and allocate resources in a strategic, focused and effective manner.

To this end, in 2020 we updated our materiality exercise following the methodology recommended by the Global Reporting Initiative (GRI), with the purpose of having a well-founded basis that allows us to establish the foundations to build our sustainability strategy, as well as an exercise to approach SASB.

In 2020, we updated our materiality analysis to identify the most relevant issues for Genera and our stakeholders in the current context

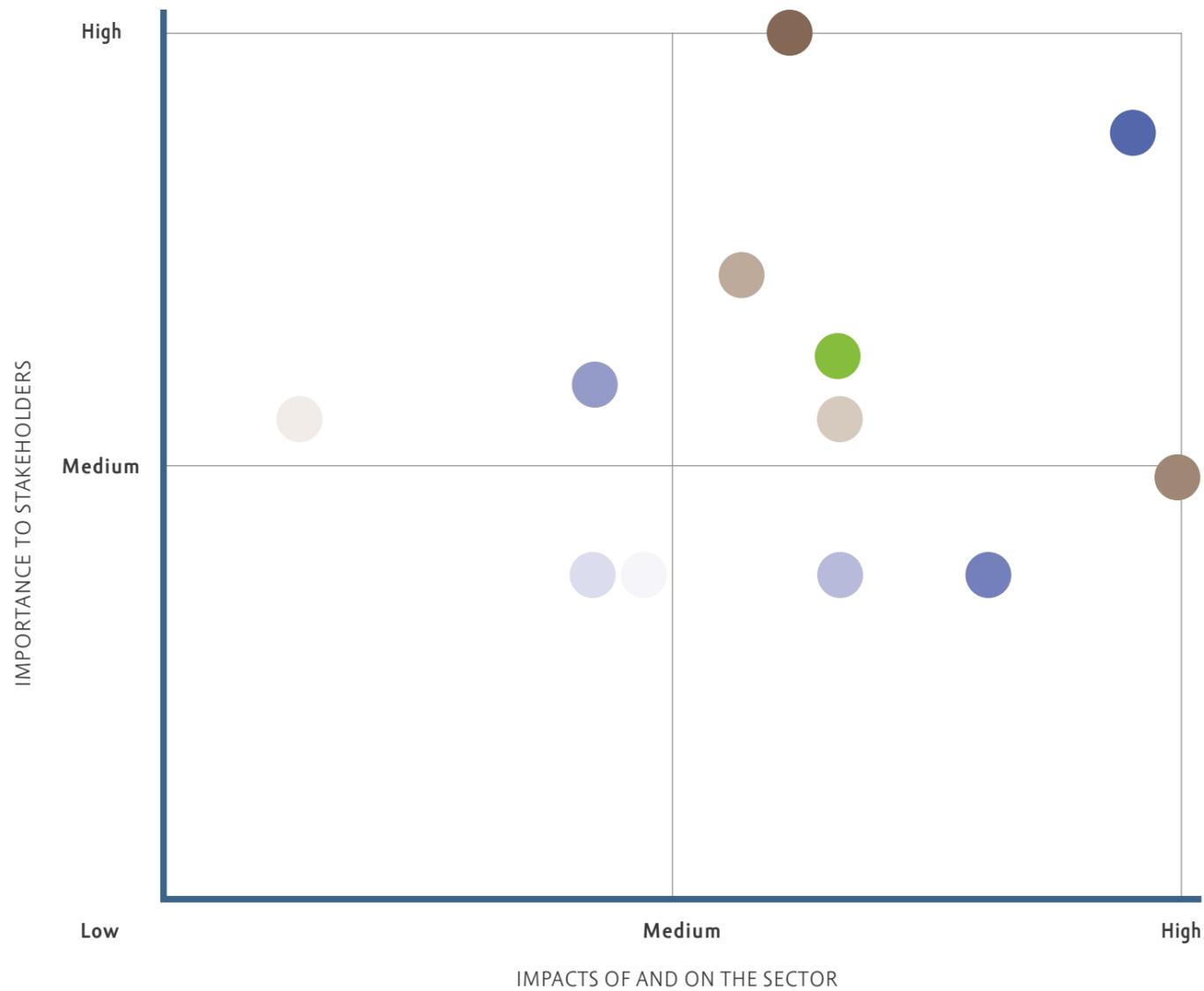
As part of this exercise, based on the analysis of information resulting from different interactions with stakeholders and various secondary sources, we identified:

- Issues that substantially influence stakeholders' assessments and decisions.
- Matters reflecting significant economic, environmental and social impacts of and for Genera.
- The most important initiatives and standards in the financial and microfinance sector at the local and international levels.
- Global environmental, social and governance (ESG) trends that must be considered for sustainable business development.

Then the topics were prioritized according to their impact on our stakeholders or on the business.

We have identified 12 material issues, the management of which we present throughout this report, and which also **form the basis of our sustainability strategy.**

Genera materiality matrix



- Ethics, code of conduct and internal regulatory framework
- Client satisfaction
- Equal opportunities and gender equality
- Financial inclusion
- Measurement of greenhouse gas (GHG) emissions
- Employee training and development
- Transparency, accountability, anti-corruption and bribery
- Economic, environmental and social risk management
- Corporate governance structure
- Client and employee privacy
- Data security
- Occupational health and safety

ENVIRONMENTAL

SOCIAL

GOVERNANCE

Sustainability strategy

102-12

Based on our materiality analysis, during 2021 we will work on defining our sustainability strategy.

Through this strategy we seek to manage our operations from an integral perspective that considers the creation of economic, social and environmental value, mitigating risks and impacts, but above all pursuing a greater goal, which is the common good.

We believe that we should aim to inspire and transform, despite it being a great challenge

In this regard, we have started a process to develop our ESG policies in accordance with the material issues we have recently identified, as well as the sustainable trends that have emerged in recent years. These policies address issues such as climate change, energy, water and human rights, among others.

As part of our efforts to improve our sustainable management, a department was created to manage this issue. We have also become signatories of the United Nations Global Compact, so we are committed to comply with its 10 Principles and to report in our Communication on Progress (CoP)⁷ the actions we are taking for each one.

⁷ 7 Genera 2020 Annual and Sustainability Report is our Communication on Progress.





Principio del Pacto Mundial

In 2020 we joined the United Nations Global Compact

- 1. Businesses should support and respect the protection of internationally proclaimed human rights.
- 2. Make sure that they are not complicit in human rights abuses.



- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4. The elimination of all forms of forced and compulsory labor.
- 5. The effective abolition of child labor.
- 6. The elimination of discrimination in respect of employment and occupation.

- 10. Businesses should work against corruption in all its forms, including extortion and bribery.

- 7. Businesses should support a precautionary approach to environmental challenges.
- 8. Undertake initiatives to promote greater environmental responsibility.
- 9. Encourage the development and diffusion of environmentally friendly technologies.

In addition, we are proud to announce that this year Compartamos Banco signed the Principles of Responsible Banking of the United Nations Environment Programme - Finance Initiative (UNEP FI), **becoming the first microfinance institution to be part of this initiative.**

The Principles of Responsible Banking aim to determine the role and responsibilities of the banking industry in creating a sustainable future based on six commitments:



1. Alignment. We will align our business strategy to the goals expressed in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.



2. Impact. We will continuously increase our positive impacts while reducing the negative ones.



3. Clients & customers. We will work responsibly with our clients and our customers to develop sustainable practices and create shared prosperity.



4. Stakeholders. We will proactively consult, engage and partner with our major stakeholders to achieve our goals.



5. Governance and Targets. We will Implement our commitment through effective governance and we will set targets for our most significant impacts.



6. Transparency and accountability. We are committed to transparency, assuming full responsibility for our positive and negative impacts.



Compartamos Banco is the first microfinance institution to be part of UNEPFI's Principles for Responsible Banking



PRINCIPLES FOR RESPONSIBLE BANKING

Environment

302-1, 302-2, 103-1, 103-2, 103-3, 305-1, 305-2, 306-3, 306-4, 306-5

Today, we recognize that to achieve Genera's purpose, we need to work in harmony with the environment and minimize the negative impact from our operations, processes, products or financial services.

In addition, in order to address the potential risks of hydro-meteorological phenomena, we conducted an analysis of the risks and opportunities related to climate change to which Genera and its companies are exposed.

As part of this analysis, we have a map of the most vulnerable locations where we operate, financial provisions and an emergency plan that allow us to provide timely attention to our employees, clients and communities in the event of natural disasters.



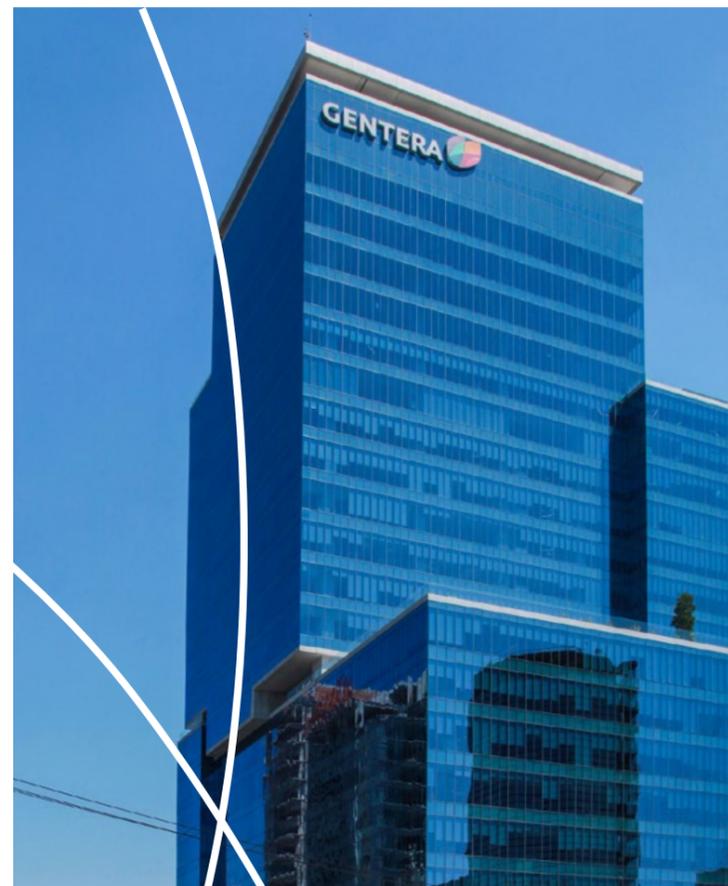
We believe in sustainable development and care for the environment

In accordance with the laws and regulations for the financial sector in Mexico, Peru and Guatemala, we have defined environmental performance guidelines applicable to Genera and its companies.

The building where our corporate offices are located is LEED⁸ Silver certified in the interior design category, so in addition to the initiatives that apply to all Genera companies, we carry out the following in these facilities:

- Waste separation and awareness campaigns.
- Proper management of electronic waste, cartridges and toners.
- Optimization of water use through water-saving systems in sinks and toilets.

⁸ LEED: Leadership in Energy and Environmental Design. LEED is a globally recognized initiative to certify sustainable buildings that during their construction and operation consider elements such as accessible location, saving water, energy efficiency, use of materials and resources with low impact on the environment, and indoor environmental quality, among others.



The building where our corporate offices are located is LEED Silver certified

Genera's proper management of ESG issues has led Standard & Poor's to invite us to participate in the Corporate Sustainability Assessment (CSA) for the second year in a row

Energy and Greenhouse Gas (GHG) Emissions

Note. The data presented below on Genera's energy consumption and emissions reporting are for the period from January 1 to December 31, 2019.

Due to the nature of our business, the energy we consume is mainly used to transport our employees and clients in our vehicles, as well as for lighting and powering our workspaces.

The main fuel we use in our vehicle fleet is gasoline.

Moreover, our electricity consumption corresponds to the operational and administrative activities that we carry out in our facilities. In most of our offices, electricity comes from the municipal grid.

For the past eight years, we have been calculating the Greenhouse Gas (GHG) emissions of our operations in order to evaluate gasoline and electricity consumption in order to define actions to improve our performance.

Energy consumption by country



Total gasoline consumption 2019

3,081,241 liters

Total electricity consumption 2019

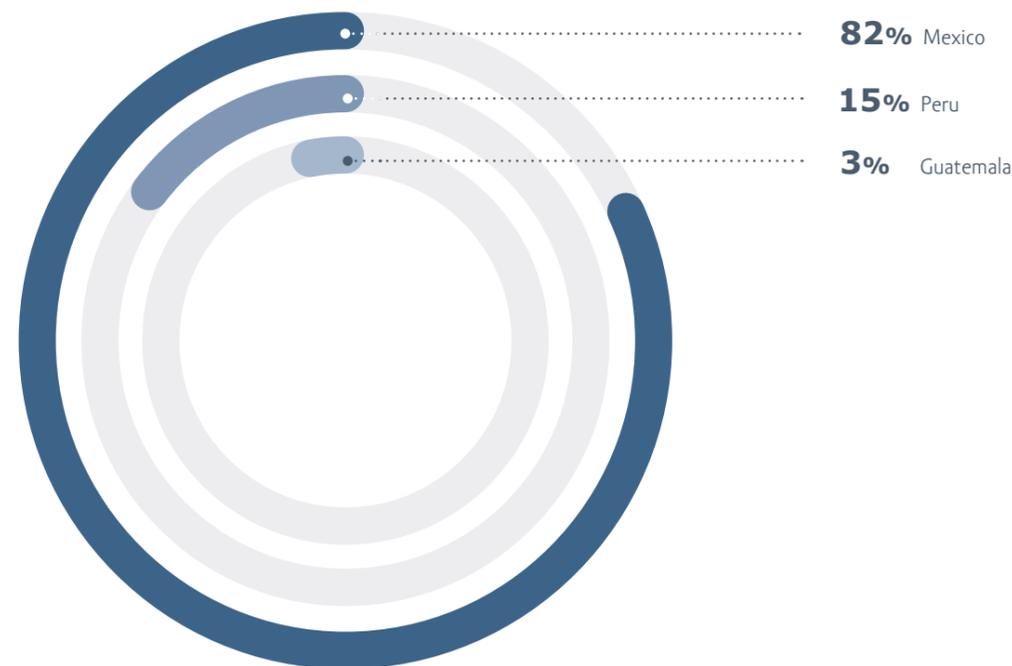
19,829 MWh

⁹ See our 2019 GHG emissions inventory at: <https://www.genera.com.mx/genera/quienes-somos/sostenibilidad>

In 2020, we prepared the GHG emissions inventory for the period from January 1 to December 31, 2019, under an operational control approach. For this exercise, we considered gasoline consumption for our vehicle fleet and electricity used in our facilities in Mexico, Peru and Guatemala.

As a result of this consumption, our total GHG emissions for the period were 16,626 tons of carbon dioxide equivalent (tCO₂e), of which 46% corresponded to Scope 1 (fuels) and 54% to Scope 2 (electricity).

Contribution of emissions by country (%) 2019



GHG emissions (tCO₂e) by country Scope 1

Country	2018	2019	Change
Mexico	5,865	5,978	+ 2%
Peru	861	1,365	+ 58%
Guatemala	383	348	- 9%
Total	7,109	7,691	8%

GHG emissions (tCO₂e) by country Scope 2

Country	2018	2019	Change
Mexico	8,064	7,641	- 5 %
Peru	720	1,060	+ 47%
Guatemala	224	235	+ 5%
Total	9,008	8,936	- 1%

82% of our GHG emissions are concentrated in Mexico, which is the country where most of our operations are located



Water management

The nature of our operations has a minor impact on water management; however, we are aware that water is an essential resource for life, and we encourage its responsible consumption and use.

The water we consume comes mainly from public water supply networks and we use it for personal hygiene and cleaning in our offices.



Waste management

When comparing to other sectors, we have a low consumption of materials and the waste generated is low as well. However, we are committed to minimizing our environmental impact in all areas where we operate.

In 2020, we generated 14,868 kilograms of waste at the corporate level.

Waste generated in the corporate office

Classification	Type of waste	Kilograms
Recyclable	Paper, cardboard, aluminum and others	7,113
Non-recyclable	Organic and inorganic	7,654
Special handling	Face masks, gloves, feminine waste, batteries	101
Total		14,868



Ethics

102-16, 102-17, FN-CB-510a.2, 102-33, 102-34, 103-1, 103-2, 103-3, 205-3

To fulfill our purpose of fostering dreams, it is essential that we guide all our actions, behaviors and decisions based on the highest standards of ethics and integrity.

At Genera, we believe in doing things right, and our **Code of Ethics and Conduct**¹⁰ is the document that supports this way of working and is available at

- The Genera website.
- Intranet of all our companies.
- Gentérate App, which has a section just for the Code of Ethics and Conduct, as well as means of reporting.
- Our training channels, specifically where they cover ethics issues.

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

Our **Code of Ethics and Conduct** contains the conduct that is expected from our employees towards their coworkers, clients, suppliers, society, competitors, Genera and its companies regarding issues such as work environment, violence, harassment, mobbing, sexual harassment, fraud, conflict of interest, corruption, security and privacy of information, client protection and use of information, among others.

We constantly update its content in accordance with the social context and regulatory standards in the countries where we operate. Before publication, the Board of Directors and the Audit Committee review and approve the modifications made. This year we used language that is more accessible and understandable to all our employees.

As a complement to the Code of Ethics and Conduct, this year we developed three infographics: one to guide employees on how to act properly, another on the institutional means for reporting complaints, and another on the support areas that safeguard Genera's ethical integrity.

New employees must be certified in the **Code of Ethics and Conduct**, which provides them with information in order to *do as much good as possible* every time they make an important decision in their performance. In addition, they must sign a letter of commitment in which they agree to follow and respect our code of conduct.

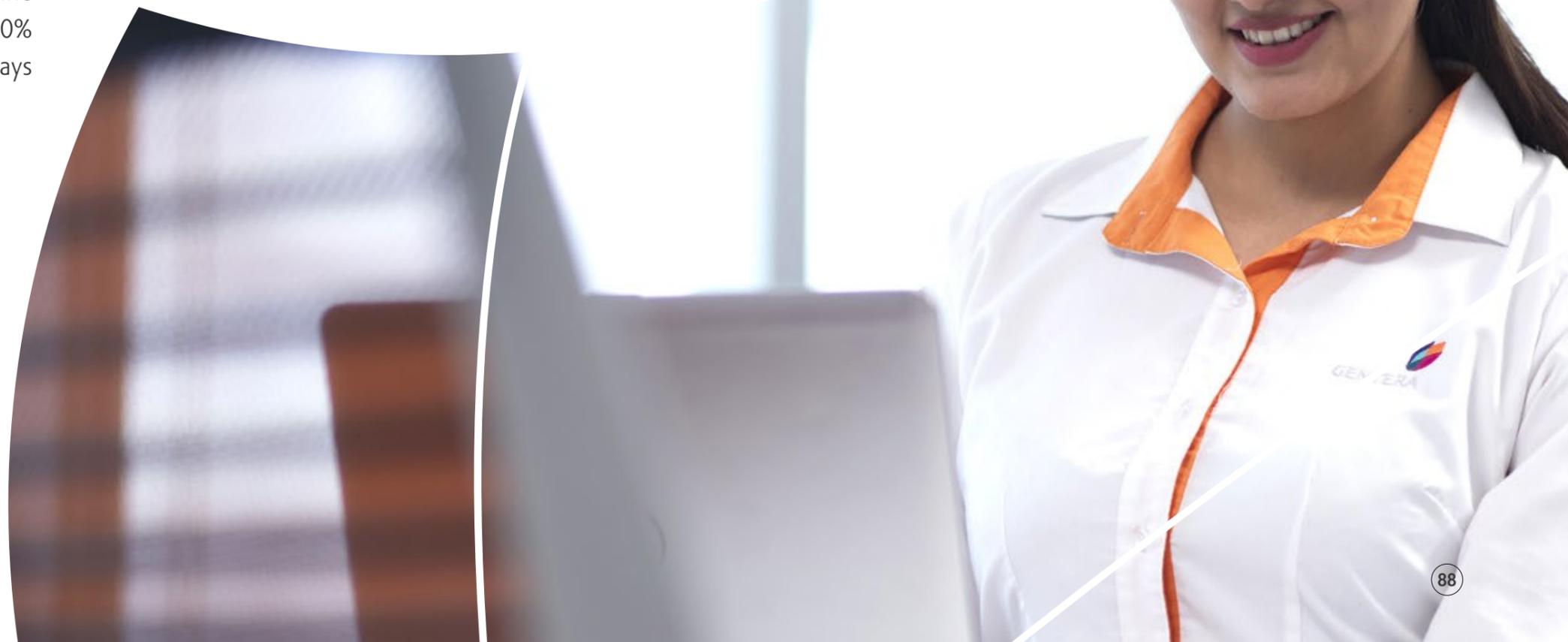
¹⁰ See Genera Code of Ethics and Conduct at: <https://bit.ly/2OpFqMy>

New employee certification in the Code of Ethics and Conduct by country

Participating employees



As a result of the new normal, this year we provided online certification in the Code of Ethics and Conduct, with 100% of new employees taking the course within the first 30 days of their data of hire.



We also offer new employees the **Ethical criteria workshop** to reinforce Genera's ethical culture. From January to March, we conducted 20 workshops, benefiting 291 new employees in Mexico, Peru and Guatemala. We held the workshop online, starting in April, and were able to provide it to 100% of our new employees (1,197 people) during that period, with the support of our 74 regional trainers who provide the workshop online.

We also conducted a session on ethical integrity for 94 employees in charge of recruitment processes in sales, operations and branches of Compartamos Banco and Yastás in Mexico. The objective was to recognize reportable and non-reportable conduct from the different areas of ethical integrity and to reinforce their role as allies of the Code of Ethics and Conduct.

With the clear instruction that all our employees and members of Genera's Board of Directors should keep their knowledge of the Code of Ethics and Conduct up to date and be familiar with the new structure of the document, we ask them to get recertified every year.

This year the recertification was carried out online through the DNA platform for employees and the FORMS application for board members. In both versions there was an analysis of cases related to the current ethical dilemmas arising from the pandemic in the operation, as well as the top complaints of the year: self-care, work environment and workplace violence.



21,479 employees and our 11 board members were recertified in the Code of Ethics and Conduct in 2020

Recertification in Code of Ethics and Conduct by country

Country	Recertified employees
Mexico	15,184
Peru	5,314
Guatemala	981
Total	21,479

In order to encourage our employees to embrace our ethical culture and use our reporting procedures, we disseminated a variety of messages throughout 2020



A message to build trust in the means and process of reporting during the onboarding meeting.



Two postcards via mailing with the complaint mechanisms.



Two institutional bulletins explaining the functions, activities and means of contact of the team comprising Ethical Integrity at Genera and the Organizational Ethics Sub-Directorate.



Two postcards via mailing to the sales department with a message from the directors, reinforcing the importance of ethics in our daily lives and the use of complaint mechanisms.



Two postcards via mailing to ask our employees to recertify their Code of Ethics and Conduct, two through our Gentérate app and a banner on our intranet page in October.



An institutional banner and a mailing reinforcing the complaint mechanisms on Genera's intranet.

Moreover, we have a Code of Ethics and Conduct for Suppliers¹¹ that considers the guidelines for conduct between the Genera employees and their companies, as well as any of our suppliers, on issues such as conflict of interest, handling of information, relationships, corruption and occupational violence, among others.

In the event of non-compliance with the Codes of Ethics and Conduct, we provide our employees and other stakeholders with complaint mechanisms designed to allow any person to confidentially report an incident.



Mail:

denuncia@genera.com.mx



Telephone numbers (Toll free, 365 days a year, 24 hours a day):

- Mexico: 800 5061 264 (option 3)
- Peru: 08000 0903
- Guatemala: 1 800 8350 388 (option 1)



Transparency mailbox through Genera's website:

www.genera.com.mx > About Genera > Code of Ethics > Transparency mailbox

¹¹ See the Code of Ethics and Conduct for Suppliers at: <https://bit.ly/3eb0y3S>

Our Code of Ethics and Conduct is based on Human Rights principles

The Complaint Monitoring team is in charge of receiving, handling and channeling the queries and complaints received through the different means and, if necessary, is in charge of carrying out the corresponding investigations to present the case to Genera's Honor Committee in order to provide a solution.

In turn, Genera's Honor Committee is comprised of executives who analyze the investigations of each case and deliberate to issue resolutions that maintain Genera's ethical integrity and the highest good for all parties involved.

At Genera we are committed to absolute respect for human rights in all our operations, procedures, relationships and interactions; therefore, we reject any act of discrimination, child exploitation, forced labor, violation of the rights of indigenous people, abuse or coercion.



2020 Queries

Country	
Mexico	277
Peru	59
Guatemala	54
Total	390

2020 Complaints

Country	
Mexico	431
Peru	85
Guatemala	102
Total	618

In 2020, more than 1,000 cases were handled, none of which were related to corruption

Corporate Governance

102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28, 102-31, 102-35, 102-36

Throughout our history, we have distinguished ourselves as leaders in the implementation and execution of the best national and international Corporate Governance practices.

This is because we adhere to Genera's Bylaws, the Code of Good Corporate Governance and the Regulations of the Board of Directors, documents that promote our commitment to our Philosophy. We also adhere to industry standards and best practices such as the Corporate Best Practices Code of the Business Coordinating Council (CCE, by its acronym in Spanish), the Code of Professional Ethics of the Stock Market Community and the Internal Regulations of the Mexican Stock Exchange.

Genera's Board of Directors has 11 directors, seven of whom are independent and two of whom are women. Our female board members play important roles such as chairing the Audit Committee and the Corporate Practices Committee.

The appointment, ratification and removal of board members is carried out by the General Shareholders' Meeting with the support of the Nomination and Evaluation Committee, composed of members of the Board of Directors to select and evaluate the candidates. All members are selected in accordance with the **legal requirements and the professional profile, background and personal integrity** required by the Code of Good Corporate Governance and related to Genera's purpose.

The term of office is one year, and board members may be reelected for equal periods based on the performance results obtained in their annual evaluation.

In order to evaluate the quality and performance of their operations, the Board of Directors and the Audit Committee carry out an annual exercise that includes collegiate evaluation and self-evaluation sections. The results are reported at the next session to discuss areas of opportunity, receive feedback, establish plans with corresponding corrective measures and, if appropriate, the topics on which training will be focused.

As part of our culture of continuous improvement, we encourage ongoing training for our Board of Directors members through conferences, courses and refresher forums, in which financial and economic analysts present on topics relevant to the organization and the political and economic context that could influence the business.

In addition to the annual recertification of the Code of Ethics and Conduct, each year the Board members reaffirm their adherence to the Policy for regulating transactions with securities of Genera and other issuers for which they have access to confidential or privileged information.



This year, the Board of Directors intensified its work and that of its committees to supervise and strengthen Genera's Emergency Plan to handle the COVID-19 pandemic. In all three countries, they monitored the actions taken by the companies and support areas to meet the needs as the crisis evolved, in addition to ensuring the protection of clients and employees at all times, with the individual at the center of every decision.

In addition, the Board closely monitored financial performance, updates to the financial model, funding, liquidity and capitalization of the companies, efficiency in expenses, cybersecurity and risk management, among others, with the following as priorities: client service, promoting business continuity and strength, in addition to a return to profitability, as well as the regulatory compliance with the measures issued by the different authorities.

It is important to note that Genera's companies have their own corporate governance structure in accordance with the legal nature and applicable legislation in each case. They operate in accordance with best practices and the Code of Good Corporate Governance, reporting directly to Genera's governing bodies, which oversee compliance with their functions and issue guidelines to preserve alignment with the strategic focus and general policies.

Composition of Genera's Board of Directors

Member	Type	Seniority on the board	Age
Antonio Rallo Verdugo	Independent	5 years	59 years old
Carlos Antonio Danel Cendoya	Related	20 years	51 years old
Carlos Labarthe Costas	Related	20 years	52 years old
Francisco Javier Arrigunaga Gómez del Campo	Independent	5 years	57 years old
John Anthony Santa Maria Otazua	Independent	12 years	63 years old
José Ignacio Ávalos Hernández	Related	20 years	61 years old
José Manuel Canal Hernando	Independent	17 years	81 years old
Juan Ignacio Casanueva Pérez	Related	10 years	52 years old
Luis Alfonso Nicolau Gutiérrez	Independent	1 year 8 months	59 years old
Martha Elena González Caballero	Independent	14 years	66 years old
Rose Nicole Dominique Reich Sapire	Independent	7 years	55 years old

Chairman	Secretary	Alternate Secretary
Carlos Antonio Danel Cendoya	Manuel de la Fuente Morales	Zurihe Sylvia Manzur García



To fulfill its functions, the Board of Directors is supported by four committees.

75% of Gentera's committees are chaired by independent board members

Main functions

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

Audit Committee

Member	Position	Type	Seniority on the committee
Martha Elena González Caballero	Chairman	Independent	10 years, 11 months
José Manuel Canal Hernando	Member	Independent	6 years, 10 months
Luis Alfonso Nicolau Gutiérrez	Member	Independent	1 years, 8 months
Jerónimo Luis Patricio Curto de la Calle	Guest*	Independent Specialist Advisor	6 years, 10 months
Oscar Luis Ibarra Burgos	Guest*	Internal Audit Director	10 years, 11 months

*With voice but without vote.

The Audit Committee held nine ordinary sessions in 2020

Executive Committee

Member	Position	Type	Seniority on the committee
Carlos Antonio Danel Cendoya	Chairman	Related	7 years, 9 months
Carlos Labarthe Costas	Member	Related	9 years, 9 months
José Ignacio Ávalos Hernández	Member	Independent	9 years, 9 months
Francisco Javier Arrigunaga Gómez del Campo	Member	Independent	4 years, 9 months
Enrique Majós Ramírez	Member	Related / CEO	3 years, 3 months
Patricio Diez de Bonilla García Vallejo	Member	Related CEO of Banco Compartamos, S.A. Institución de Banca Múltiple.	2 years, 8 months
Manuel de la Fuente Morales	Member	Related Corporate CEO	2 years, 8 months
Juan José Gutiérrez Chapa	Guest*	Independent Specialist Advisor	2 years, 8 months
Álvaro Rodríguez Arregui	Guest*	Independent Specialist Advisor	5 years, 9 months

*With voice but without vote.

The Executive Committee held five ordinary sessions in 2020

Main functions

- Follow up on the strategy approved by the Board of Directors.
- Support the management team by analyzing and discussing strategic or highly relevant matters, mainly during periods when the Board of Directors are not in session.
- Evaluate new business options and follow up on the negotiation.
- Serve as a liaison and foster greater communication between the Board of Directors and the management team.



Corporate Practices Committee

Members	Position	Type	Seniority on the committee
Rose Nicole Dominique Reich Sapire	Chairman	Independent	5 years, 9 months
Francisco Javier Arrigunaga Gómez del Campo	Member	Independent	2 years, 8 months
John Anthony Santa María Otazua	Member	Independent	4 years, 9 months
Martha Elena González Caballero	Member	Independent	9 years, 6 months
Manuel de la Fuente Morales	Guest*	Corporate CEO	2 years, 8 months

* With voice, but without vote.

The Corporate Practices Committee held four ordinary and one extraordinary session in 2020

Main functions

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

Risk Committee

Members	Position	Type	Seniority on the committee
José Manuel Canal Hernando	Chairman	Independent	5 years, 9 months
Rose Nicole Dominique Reich Sapire	Member	Independent	5 years, 9 months
José Ignacio Avalos Hernández	Member	Related	2 years, 8 months
Carlos Antonio Danel Cendoya	Member	Related	4 years, 9 months
Patricio Diez de Bonilla García Vallejo	Member	Compartamos Banco CEO	2 years, 3 months
Marcela Morandeira Santamaría	Member	Head of the Unit for Integral Risk Management	2 years, 8 months
Oscar Luis Ibarra Burgos	Guest*	Internal General Auditor	5 years, 9 months

* With voice, but without vote.

The Risk Committee held five ordinary sessions in 2020

Main functions

- Identify, supervise and develop mechanisms to mitigate the risks to which Genera or its companies are exposed.
- In conjunction with the management team, define the risk map, mitigation strategies, adequate monitoring and follow-up controls.
- Define and propose risk exposure limits and approve those that correspond to its powers, and ensure that the organization's risk profile is in accordance with the guidelines approved by the Board of Directors and applicable legislation.
- Monitor the performance of the indicators, as well as any alerts that may be detected in order to define the appropriate mitigation and y control measures for each case.

Board of Directors

	Antonio Rallo Verdugo	Carlos Antonio Danel Cendoya	Carlos Labarthe Costas	Francisco Javier Arrigunaga Gómez del Campo
Year of appointment	2015	2000	2000	2015
Studies	Marine Biologist graduate from the University of California, San Diego, California, with a postgraduate degree in Aquaculture from Aix Marseille III, France. Current activities: CEO of ID345-Start UP, company focused on building technology companies and scalable platforms.	Architect graduated from Universidad Iberoamericana, with a Master's degree in Business Administration from Instituto Panamericano de Alta Dirección de Empresa (IPADE). He has studied microfinance programs at The Economic Institute in Boulder and taught at Harvard Business School.	Industrial Engineer graduated from Universidad Anáhuac del Norte, with studies in Business Administration from the Instituto Panamericano de Alta Dirección de Empresas (IPADE).	He holds a law degree from Universidad Iberoamericana, a Master's Degree in Law from Columbia University and a specialization in Corporate Law and Finance.
Current activities	-----	Chairman of the Board of Genera, S.A.B. de C.V., and member of the Board of Banco Compartamos, S.A., Institución de Banca Múltiple.	Chairman of the Board of Banco Compartamos, S.A., Institución de Banca Múltiple, and Member of the Board of Genera, S.A.B. de C.V.	Chairman of the Board of Directors of Grupo Aeroméxico, S.A.B. de C.V., and Chief Executive Officer of Xokan, a financial consulting firm.
Experience	Former Vice President of Strategy and Technology at Grupo Televisa, Co-Founder and Chairman of the Board of NCubo Holdings, incubation company of technology companies, such as: KIO Networks; Founder and Executive Chairman of iWeb; Founder and Executive Chairman of Digital Media Studio; Regional Director of Multimedia Technologies for Apple's European division.	Three decades in microfinance, at Genera, S.A.B. de C.V., a financial institution with the purpose of fostering the dreams of our clients by attending to their financial needs with a personal touch in Mexico, Peru and Guatemala.	Three decades in microfinance, in Genera, S.A.B. de C.V., a financial institution with the purpose of fostering the dreams of our clients by attending to their financial needs with a personal touch in Mexico, Peru and Guatemala. In 2015, he was recognized by the Great Place to Work Institute and Wobi magazine as The Most Trusted CEO in Mexico.	Chief Executive Officer of Grupo Financiero Banamex (subsidiary of Citigroup), Mexican Ambassador to the OECD, various positions at Banco de México; Chief Executive Officer of Fondo Bancario de Protección al Ahorro; Chairman of the Mexican Banking Association; board member of several companies and institutions, including the Mexican Stock Exchange, Grupo Financiero Banamex, National Banking and Securities Commission and Grupo Financiero Inverlat.
Participation in other boards	KIO Networks; Banco Compartamos, S.A. Institución de Banca Múltiple; KarmaPulse; OpenPay; YaloChat and Reverscore.	Banco Compartamos, S.A., Institución de Banca Múltiple; and Fundación Genera, A.C.	Banco Compartamos, S.A., Institución de Banca Múltiple; Controladora AT, S.A.P.I de C.V.; Aterna, Agente de Seguros y Fianzas, S.A. de C.V.; Pagos Intermex, S.A. de C.V., Advenio; Worldfund; Kipling Group; Promotora Ignia, S.C.; and Instituto Tecnológico y de Estudios Superiores de Monterrey.	Banco Compartamos, S.A., Institución de Banca Múltiple; Grupo Dine, Grupo Kuo; El Puerto de Liverpool, Paralelo 19; and associate of the General Assembly of Universidad Iberoamericana.
Field of expertise	Systems and technology	Microfinance and business	Microfinance and business	Finance and financial services



	John Anthony Santa María Otazúa	José Ignacio Ávalos Hernández	José Manuel Canal Hernando	Juan Ignacio Casanueva Pérez
Year of appointment	2008	2000	2003	2010
Studies	Degree in Business Administration and Master's degree in Finance, graduated from Southern Methodist in University Dallas, Texas.	Degree in Business Administration graduated from Universidad Anáhuac del Norte.	Public Accountant graduated from the Universidad Autónoma de México (UNAM).	Public Accountant from Universidad Iberoamericana, with studies in Business Administration from Instituto Panamericano de Alta Dirección de Empresas (IPADE), Corporate Governance: Effectiveness and Accountability in the Boardroom, Kellogg Northwest University.
Current activities	Director of Coca-Cola FEMSA's Mexico Division.	Chairman of the Board of Promotora Social México, A.C., Founder and President of Un Kilo de Ayuda, A.C.	Director, Commissioner and Advisor to the Board of Directors of several financial, industrial and consumer products groups.	Chairman of the Board of Grupo Casanueva Pérez S.A.P.I. de C.V., and Chairman of the Board of Interprotección Agente de Seguros y de Fianzas.
Experience	Worked at McKinsey & Company and PepsiCo, he joined Coca-Cola FEMSA in 1995, where he was COO for Mexico, Strategic Planning and Mergers and Acquisitions Officer, Strategic Planning and Business Development Officer and COO of Coca-Cola FEMSA's South American division.	More than 33 years of experience in his field of philanthropy and finance. Other boards in which he participates: Banco Compartamos, S.A., Institución de Banca Múltiple; COFAS, I.A.P.; Cooperación y Desarrollo, A.C.; Desarrollo, Ayuda y Alimentos, S.A.; Alimentos en Zonas Rurales, A.C.; Impulsora Social, S.A.; Mexicanos Primero, A.C.	Independent auditor, Director, Commissioner and Advisor to companies in various financial and industrial groups.	More than 25 years in the insurance, brokerage, reinsurance and surety sector with global presence and recognition.
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple.		Banco Compartamos, S.A., Institución de Banca Múltiple; FEMSA, Coca-Cola FEMSA; Grupo Financiero BBVA Bancomer; Seguros Monterrey, New York Life; Grupo Alsea; Grupo KUO; Grupo Industrial Saltillo; Consorcio Comex and Estafeta Mexicana.	Grupo AXO, S.A. de C.V.; Kionetworks; Banco Compartamos, S.A., Institución de Banca Múltiple; Aterna, Agente de Seguros y Fianzas, S.A. de C.V.; Controladora AT, S.A.P.I. de C.V.; Financiera Compartamos S.A. (Peru); BIVA Casa de Bolsa, S.A. de C.V.; UNIFIN Agente de Seguros, S.A. de C.V.; Hombre Naturaleza A.C.; Endeavor México; Consejo Empresarial de América Latina; President of the Carlos Casanueva Pérez Foundation and President of the Pro Bosque de Chapultepec Trust.
Field of expertise	Strategic planning, business administration and finance	Philanthropy and microfinance	Accounting, auditing, internal control and corporate governance	Insurance and business



	Luis Alfonso Nicolau Gutiérrez	Martha Elena González Caballero	Rose Nicole Dominique Reich Sapire
Year of appointment	2019	2006	2013
Studies	Law degree from Escuela Libre de Derecho, with a Master's degree in Law from Columbia University.	Certified Public Accountant, graduated from Universidad Iberoamericana.	Bachelor's degree in Computer Science from the Instituto Tecnológico de Estudios Superiores de Monterrey, with a Master's degree in Business Administration from the Instituto Tecnológico Autónomo de México (ITAM); Corporate Leadership program from the Harvard Business School, Boston, Massachusetts, and an executive program from the Kellogg School of Management, Northwestern University.
Current activities	Independent practice and member of the Board of Directors of several companies.	Independent practice, Commissioner and Board Member of several companies in the public and private sector, among them, Chairwoman of the Audit Committee of Active Leasing.	CEO of BNP Paribas Cardif Mexico and independent director of several companies in Mexico and abroad.
Experience	Over 30 years in mergers and acquisitions, capital markets, debt and equity transactions, and in the financial and banking sector, including regulatory aspects. Worked as a foreign associate at Johnson & Gibbs, Dallas, and Shearman & Sterling, New York.	More than 30 years as an independent auditor, from 1976 to August 2005, she worked at Ruiz Urquiza y Cía., S.C.-Arthur Andersen, now Galaz, Yamazaki, Ruiz Urquiza, S.C., representatives of Deloitte, and was named partner in 1991. She is also a member of the Mexican Institute of Public Accountants and of the Mexican Association of Public Accountants; partner in the project for the harmonization of financial reporting standards with the standards issued by the National Banking and Securities Commission, and advisor to such Commission in the issuance of accounting standards for financial institutions.	From 2007 to 2012, Executive Vice President and CEO of Grupo Financiero Scotiabank Mexico; CEO of Scotiabank in the Dominican Republic. At Citigroup, she held senior management positions, including General Manager and CEO for Peru, Chile and Dominican Republic.
Participation in other boards	Banco Compartamos, S.A., Institución de Banca Múltiple; Grupo Posadas; Grupo Cementos Chihuahua; Grupo Coppel; KIO Networks; Morgan Stanley México, UBS Asesores, among others.	Banco Compartamos, S.A., Institución de Banca Múltiple, and Infonavit.	Banco Compartamos, S.A., Institución de Banca Múltiple; Diesco Internacional (Dominican Republic and Puerto Rico); Cobiscorp, Amexcid's High-Level Technical Council, among others.
Field of expertise	Legal, investment and financial services	Auditing and consulting in the financial sector	Finance, insurance and banking



Risk management

102-29, 102-30

Through different strategies we seek to identify, prevent, address and mitigate in a timely and appropriate manner the economic, financial, political, reputational, environmental, social and governance risks that we are exposed in any of the countries where we operate.

The Board of Directors is responsible for approving Genera's desired risk profile, **establishing global limits and tolerance levels** in accordance with the risk assumed. The Comprehensive Risk Management Department and the Risk Committee are responsible for ensuring that risk exposure is consistent with the risk levels established by the authority and that it does not exceed the internal limits established through the policies approved by the Board of Directors.

Genera's Risk Management Department is the Comprehensive Risk Management Unit (UAIR, by its acronym in Spanish), which is responsible for monitoring risk management, defining the methodologies to correctly identify, measure and follow-up by each company. In line with these methodologies, each business unit is responsible for the risks it assumes and the UAIR ensures that all of them are reported monthly to the Risk Committee, while the Audit Committee is in charge of following up on the risk observations of the supervisory entities and its own reviews of each of the companies.

In addition, our business model considers continuous risk management, which is why we incorporate periodic analyses throughout the operation.

Data security

103-1, 103-2, 103-3, 418-1

Our Information Security Governance model, Genera's Information Security Policy and the Regulatory Framework define the guidelines to be followed for receiving, storing and managing data and information from our employees and clients.

Additionally, we have an Organizational and Operational Information Security Governance Model that interacts with several areas of the institution, which is supported by the same regulatory framework, its respective definition of roles and responsibilities.

The Risk Governance and Compliance Executive Management is responsible for overseeing information security in all processes and activities carried out at Genera and its companies.

In order to handle information loss incidents of that may occur, we have response procedures that are tested at least every six months to ensure their correct operation and to analyze their vulnerability.

To ensure that our employees manage information in accordance with our guidelines, we developed an annual information security and privacy awareness and training program.

This year we were awarded the Personal Data Protection Certification from Banco Compartamos and Compartamos Servicios, which certifies compliance with the requirements established in the Federal Act on the Protection of Personal Data Held by Private Parties (LFPDPPP, by its acronym in Spanish), its regulations and the Self-Regulation parameters for the Protection of Personal Data and applicable regulations.



30 YEARS TOGETHER



For three decades we have **guided our actions with honesty and transparency, delivering genuine value** to our clients, employees, their families and society.

FINANCIAL PERFORMANCE

06



WORKING WITH HONESTY AND TRANSPARENCY



Information for investors

102-7, 102-45, 201-1, 203-2

Despite global adversities, and specifically those that occurred in the countries where we operate, this year we were able to close with a unique financial strength thanks to the trust of our clients, the commitment of our employees and the disciplined implementation of strategies.

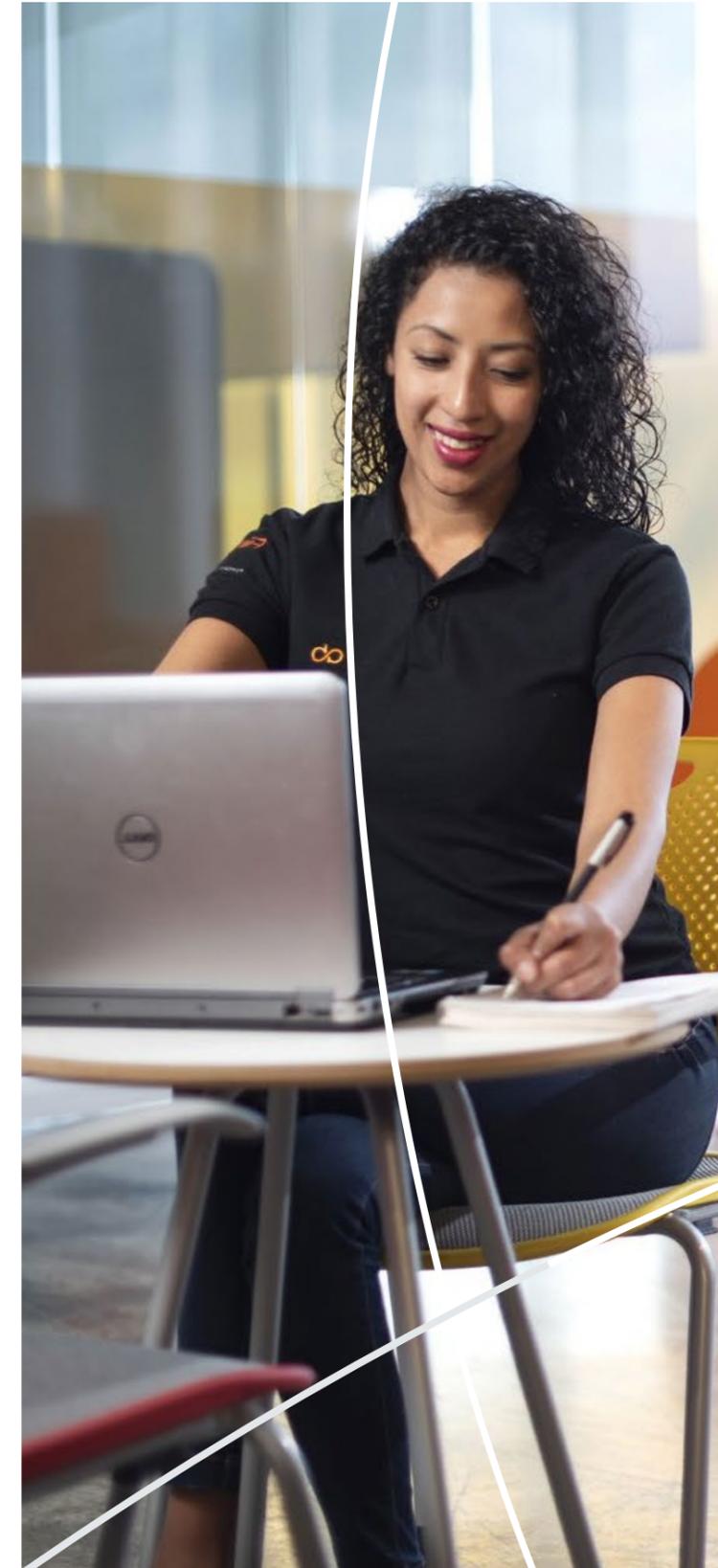
We generated economic value by responsibly and timely serving 3,001,092 clients with a loan portfolio of MXN \$40.689 billion.

After safeguarding the health of our clients and employees, we knew we had to focus on staying in business and keeping a solid financial position to support our clients in reactivating their businesses, because

we understand what our clients represent in terms of the economy of their communities and their countries.

As a result, we worked on our subsidiaries' cash and cash equivalents, which, together with other investments, increased by 139.7% to MXN 18.481 billion. We also focused on improving our capital position to increase its already strong position, closing with a 32% capitalization index.

In addition, we manage our maturity profile, providing us with a healthy distribution over the next four years.



Financial and operating results

Item	2018	2019	2020
Loan clients	3,196,675	3,486,699	3,001,092
Employees	22,060	22,726	22,366
Service offices	739	747	788
Branches	231	201	163
Portfolio (millions of pesos)	35,725	41,692	40,689
Average balance per client	11,176	11,957	13,558
Delinquency rate	2.73%	2.79%	5.43%
Interest earned on credit portfolio	20,700	22,380	18,745
Income from financial investments	287	429	607
Proceeds from sale of assets	(27)	(43)	(10)
Interest income	20,987	22,809	19,352
Interest expense	1,711	2,076	2,302
Financial margin	19,276	20,733	17,050
Risk-adjusted Financial margin	16,564	17,569	10,070
Operating expenses	13,768	13,808	13,417
Salaries and benefits	8,775	8,751	8,716
Taxes	1,070	1,407	(709)
Result of the operation	3,992	4,571	(2,482)
Net income	2,990	3,309	(1,635)
Capitalization (broken down in terms of debt)	30,024	31,892	42,793
Capitalization (in terms of equity)	18,083	20,463	22,282
Average portfolio	33,203	37,841	41,686
Average productive assets	39,289	45,418	57,493
Operating income / average portfolio	12.0%	12.1%	-6.0%
Net income / average portfolio	9.0%	8.7%	-3.9%
Operating income / average productive assets	10.2%	10.1%	-4.3%
Net income / average productive assets	7.6%	7.3%	-2.8%

Balance sheet	2018	2019	2020
Assets			
Availability + Investments in securities + Debtors under repurchase agreements	8,727	7,710	18,481
Total Assets	51,588	56,640	68,951
Liquidity (availability + investments in securities) / total assets	16.9%	13.6%	26.8%
Total portfolio	35,725	41,692	40,689
Default rate	975	1,163	2,209
Fixed assets	1,144	1,032	870
Liabilities			
Total liabilities	33,505	36,119	46,669
Liabilities with cost	30,024	31,892	42,793
Equity			
Net income per share (in Mexican pesos)	1.84	2.08	(1.02)
Average assets	47,280	53,849	66,740
Average equity	17,444	19,318	21,726
ROA (net income / average assets)	6.3%	6.1%	-2.4%
ROE (net income / average equity)	17.1%	17.1%	-7.5%
Book value per share (in Mexican pesos)	11.30	12.86	14.04

Based on our **Audited Financial Statements**, certain 2019 figures were modified from what was reported in the previous report.



Share value	2018	2019	2020
Share value as of the last business day of the year	14.48	19.47	9.73
Published exchange rate for 2020	19.6512	18.8642	19.9087
Number of shares	1,624,551,415	1,590,893,876	1,587,593,876
Market capitalization*	23,523.50	31,396.81	15,447.29

The number of effective shareholders is no longer integrated, since 100% of Gentera's shares are floating.

*Number of shares outstanding multiplied by the last closing price of the year.

Loan portfolio by country (millions of pesos)	2018	2019	2020
Mexico*	23,127	26,268	22,093
Peru	11,928	14,754	15,624
Guatemala	670	670	724
ConCrédito	-	-	2,248
Total	35,725	41,692	40,689

*Includes only consumer loan portfolio, i.e., excludes \$1.06 billion pesos of commercial portfolio.

Amount disbursed per country (millions of pesos)	2018	2019	2020
Mexico	92,698	105,198	78,330
Peru	22,730	28,938	19,650
Guatemala	2,854	2,954	2,174
Total	118,282	137,090	100,155





Interest income by country	2018		2019		2020	
	Millions of pesos	%	Millions of pesos	%	Millions of pesos	%
Mexico	16,781	80.0%	17,721	77.7%	14,630	75.6%
Peru	3,632	17.3%	4,497	19.7%	4,274	22.1%
Guatemala	574	2.7%	591	2.6%	448	2.3%
Total	20,987	100%	22,809	100%	19,352	100%

Percentage of portfolio broken down by business unit							
Year	Compartamos Banco	ConCrédito	Yastás	Aterna	Gentera	Compartamos Financiera	Compartamos S.A.
	Mexico	Mexico	Mexico	Mexico	Mexico	Peru	Guatemala
2018	64.7%	0.0%	0.0%	0.0%	0.0%	33.4%	1.9%
2019	63.0%	0.0%	0.0%	0.0%	0.0%	35.4%	1.6%
2020	54.3%	5.5%	0.0%	0.0%	0.0%	38.4%	1.8%

Net income by country (millions of pesos)	2018	2019	2020
Mexico (Compartamos Banco)	2,051	2,342	(1,344)
Peru	469	554	(277)
Guatemala	47	56	(233)
Gentera, S.A.B. and subsidiaries	2,990	3,309	(1,635)

Main indicators	Mexico		Peru		Guatemala	
	2018	Δ vs 2017	2018	Δ vs 2017	2018	Δ vs 2017
Default rate / total portfolio	2.59%	-0.69 pp	2.94%	-0.15 pp	3.66%	-1.72 pp
Coverage rate	225.2%	13.7 pp	237.9%	5.5 pp	164.4%	29.1 pp
ROA	7.1%	-1.4 pp	3.8%	1.6 pp	6.3%	-0.4 pp
ROE	18.8%	-1.5 pp	20.2%	9.8 pp	7.0%	-0.3 pp



Main indicators	Mexico		Peru		Guatemala	
	2019	Δ vs 2018	2019	Δ vs 2018	2019	Δ vs 2018
Default rate / total portfolio	3.19%	0.60 pp	2.01%	-0.93 pp	4.24%	0.58 pp
Coverage rate	203.6%	-21.6 pp	295.6%	57.7 pp	156.8%	-7.60 pp
ROA	7.5%	0.4 pp	3.6%	-0.2 pp	6.9%	0.60 pp
ROE	20.5%	1.7 pp	19.2%	-0.9 pp	7.7%	0.70 pp

Main indicators	Mexico*		Peru		Guatemala	
	2020	Δ vs 2019	2020	Δ vs 2019	2020	Δ vs 2019
Past-due portfolio / total portfolio	5.6%	2.45 pp	4.6%	2.57 pp	12.6%	8.35 pp
Coverage rate	174.9%	-28.7 pp	223.6%	-72.0 pp	199.8%	43.0 pp
ROA	-3.8%	-11.3 pp	-1.3%	-4.9 pp	-26.6%	-33.5 pp
ROE	-11.8%	-32.3 pp	-7.2%	-26.4 pp	-32.1%	-39.8 pp

*Only Banco Compartamos is being considered.



Economic value created, distributed and retained Item (millions of pesos)	2018	2019	2020
Direct economic value created (1)	22,605	24,035	20,820
Distributed economic value (2)	16,206	16,847	14,848
Retained economic value (3)	6,399	7,188	5,972
Net income	2,990	3,309	(1,635)
Number of clients	3,196,675	3,486,699	3,001,092
Financial margin (millions of pesos)	19,276	20,733	17,050
Operating income (millions of pesos)	3,992	4,571	(2,482)
Net income (millions of pesos)	2,990	3,309	(1,635)
Operational efficiency	29.1%	25.6%	20.1%

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

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

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



We have lines of credit in Mexico, Peru and Guatemala that ensure the liquidity of our operations and the confidence of the market. We are in constant communication with our funders in the Development and Commercial Banking and in the Local Debt Market.

Our operations in Mexico and Peru completed successful debt issuances. This shows the support of the market and investors.



Mexico

In June, Banco Compartamos S.A. I.B.M. issued \$1.86 billion pesos in the Mexican market for a five-year term.

Peru

In August, Compartamos Financiera successfully placed 80 million soles through the public issuance of Negotiable Certificates of Deposit in the Peruvian debt market. The placement of this issue was for a term of one year, with a rate of 2.63%, and had a demand of 3.24 times, equivalent to 259.25 million soles.

In November, Compartamos Financiera issued short-term debt for 100 million soles at a rate of 1.66% through BBVA. This issuance was considered very successful due to the amount demanded and the rate obtained.

All of the above is the result of the fact that at Genera we have a clear purpose and a team that is committed and responsible with the institution's capabilities to face any challenge that may arise. We reiterate the similarity we have with our clients in finding opportunities in adversity; we have learnt from them and we will continue to work for and with them.

Compartamos Banco Data	Capital	Commercial Banking	Development Banking	Multilateral	Cebures (local bonds)	Funds raised	Total
dec-18	36.4%	0.0%	27.9%	0.0%	27.1%	8.6%	100%
dec-19	39.6%	0.0%	22.9%	0.0%	28.5%	9.0%	100%
dec-20	30.3%	1.0%	36.8%	0.0%	24.0%	7.9%	100%

Compartamos Financiera Data	Capital	Commercial Banking	Development Banking	Multilateral	Funds of	Funds raised	Payables under repurchase agreements	Total
dec-18	17.4%	20.70%	4.0%	0.0%	7.9%	50.0%	0.0%	100%
dec-19	19.1%	11.9%	7.3%	0.0%	1.6%	60.1%	0.0%	100%
dec-20	17.5%	6.9%	11.3%	0.0%	0.0%	63.0%	1.3%	100%

Genera and Mexico Data	2018		2019		2020	
	Bank	Genera	Bank	Genera	Bank	Genera
Cumulative efficiency index	80.2%	77.5%	77.0%	75.1%	126.0%	122.7%
Equity / Total Assets	35.1%	35.1%	37.7%	36.2%	29.5%	32.3%
ICAP	31.0%		32.6%		31.4%	



Consolidated financial statements

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

Consolidated financial statements
December 31, 2020 and 2019
(With Independent Auditors' Report Thereon)
(Translation from Spanish Language Original)



The Board of Directors and Stockholders

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

Millions of pesos)

Opinion	Basis for opinion	Emphasis of matter
<p>We have audited the consolidated financial statements of Genera, S. A. B. de C. V. and subsidiaries (Genera), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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.</p> <p>In our opinion, the accompanying consolidated financial statements of Genera, S. A. B. de C. V. and subsidiaries, have been prepared, in all material respects, in accordance with the Accounting Criteria for Credit Institutions in Mexico (the Accounting Criteria), set forth by the National Banking and Securities Commission (the Commission).</p>	<p>We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of Genera in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.</p>	<p>We draw attention to note 11 to the consolidated financial statements, which describes that on August 10, 2020, Genera formalized the investment process to achieve a majority shareholding in the companies Fin Útil, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, Comfu, S. A. de C. V. and Talento Crédito, S. A. de C.V., increasing its participation to 51% in all cases, allowing Genera to direct its relevant activities, assuming control of strategic business decisions, as well as its financial and operating policies. As a result of the foregoing, as of August 2020, the investment in these subsidiaries is presented through the consolidation of the financial statements of such entities. Our opinion has not been modified in relation to this matter.</p>



Key audit matters

The key audit matters are those that, according to our professional judgment, have been of the major relevance in our audit of the consolidated financial statements of the current period. These matters have been addressed in the context of our audit of the consolidated financial statements as a whole and in forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Allowance for loan losses for \$4,178 in the consolidated balance sheet

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

Key audit matter

The consumer loan portfolio's allowance for loan losses involves the evaluation of different factors established in the methodologies set forth by the Commission, which include, among others, past-due billings, payments, balances reported in credit bureau, as well as the reliability in the documentation and update of information, which serves as an input for the determination of the allowance for loan losses.

Therefore, we have determined the allowance for loan losses as a key audit matter.

How the key Audit matter was treated in our audit

The audit procedures applied to the determination by Management of the allowance for loan losses and the effect on income for the year included the assessment, through selective tests, of both the inputs used and the calculation method for the consumer loan portfolio, based on the methodology in force established by the Commission.

Calculation of labor obligations related to retirement and termination for \$869 (liability)

See notes 3(q) and 16 to the consolidated financial statements

Key audit matter

Genera has established defined benefit plans for its employees. The determination of the liability for labor obligations related to defined benefit was made through actuarial calculations that requires significant judgment in the selection of the assumptions used to determine the net liabilities for defined benefits of labor obligations related to retirement and termination.

Therefore, we have determined the labor obligations related to defined benefits as a key audit matter.

How the key Audit matter was treated in our audit

Our audit procedures to address this key matter included, among others, the following:

Through the involvement of our actuaries, both the reasonableness of the assumptions used by management to determine the net liability for defined benefits of the labor obligations related to retirement and termination, as well as the method of calculation used.

In addition, selective items were tested to corroborate the suitable incorporation of the personnel data that were included as a base for the actuarial calculation.

Goodwill impairment test assessment for \$5,052 (asset)

See notes 3(m), 11 and 12 to the consolidated financial statements

Key audit matter

During 2020, Genera recognized goodwill arising from the acquisition of subsidiaries for \$4,183. Such goodwill is subject to impairment testing which is performed through the use of valuation techniques that involve a significant judgment for the determination of the future cash flows estimated by Management.

Most of the goodwill has been assigned to the cash flow generating units (CGUs) of the acquired businesses.

The annual impairment test for goodwill is considered a key audit matter due to the complexity of the calculations and the significant judgments necessary in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs is derived from the predicted discounted cash flow models. These models use several key assumptions, including future sales prices, growth percentages of the terminal values and the weighted average cost of capital (discount rate).

How the key Audit matter was treated in our audit

Our audit procedures for this key matter included, among others, the following:

- We involved our specialists to assist us in evaluating the appropriateness of the discount rates used, which included comparing the weighted-average cost of capital to the average of the sectors of the relevant markets in which the CGUs operate.
- We assessed the appropriateness of the assumptions applied to key data such as volumes, operating costs, inflation and long-term growth rates, which included comparing such data to external sources as well as our evaluation based on our knowledge of the client and of the industry.
- We carried out our own sensitivity analysis, which included assessments of the effects of possible reasonable reductions in growth rates and projected cash flows to evaluate the impact on the current difference between the goodwill originated and the value of the CGUs.
- We also evaluated the appropriateness of the disclosures in the notes to the consolidated financial statements.

Current income taxes for \$313 in the consolidated statement of income and deferred income tax asset for \$2,570 and liability for \$221, in the consolidated balance sheet

See notes 3(k) and 17 to the consolidated financial statements

Key audit matter

The determination of current and deferred income taxes is complex, because of the interpretation of the in-force legislation in the matter and judgment application is required mainly on the valuation of deferred income tax assets to assess factors, both current and future, that allow estimating the realization of such assets.

Therefore, we have determined the current and deferred income taxes as a key audit matter.

How the key Audit matter was treated in our audit

The audit procedures applied in assessing the reasonableness of the calculations determined by Management for the recognition of current and deferred income taxes, included, among others, selective tests of the inputs used, as well as an assessment on the nature of the items that were part of the calculation, considering the in force legislation in tax matters.

With involvement of our tax specialists, we assessed the reasonableness of important tax assumptions and the reverse period of temporary differences. In addition, we assessed the reasonableness of the taxable income projections determined by Management of Genera that support the probability of materialization of deferred income tax assets.



Other information

Management is responsible for the other information. The other information includes the information included in the Annual Report of Genera corresponding to the year ended December 31, 2020, to be presented to the National Banking and Securities Commission and the Mexican Stock Exchange (the Annual Report), but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is estimated to be available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any kind of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when available and, in doing so, consider if the other information is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or if it appears to be materially misstated.

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

Responsibilities of Management and those charged with governance in relation to the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the Accounting Criteria set forth by the Commission, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Genera's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or with conditions that may cast significant doubt on Genera's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Genera to cease to continue as a going concern.



– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Genera to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide to those charged with governance of the entity a statement that we have fulfilled the applicable requirements of ethics in relation with the independence and that we have communicated to them all the relationships and other matters from which it is possible to hope reasonably that they can affect our independence and, where appropriate, the actions taken to eliminate threats or applicable safeguards.

Among the matters that have been an object of communication with those charged with governance, we determine those which have been of the major relevance in the audit of the consolidated financial statements of the current period and that are, in consequence, the key audit matters. We describe these matters in our auditor's report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report as it could be reasonably expected that the adverse consequences thereof would exceed its public interest benefits.

KPMG Cárdenas Dosal S. C.
C.P.C. Carlos Fernández Galguera
Mexico City, February 26, 2021.

Genera, S. A. B. de C. V. and subsidiaries
 Insurgentes Sur 1458, Colonia Actipan, C. P. 03230, Mexico City

Consolidated balance sheets

December 31, 2020 and 2019

(Millions of pesos)

Assets	2020	2019	Liabilities and stockholders' equity	2020	2019
Cash and cash equivalents (note 6)	\$ 17,194	6,875	Liabilities:		
			Deposit funding (note 13):		
Investment securities (note 7):			Demand deposits	\$ 2,939	2,138
Trading			Time deposits:		
Available-for-sale securities	-	200	General public	10,784	9,093
	1,287	635	Money market	972	920
	1,287	835	Debt securities issued	8,794	9,114
			Global account of deposits with no movements	39	8
Current loan portfolio (note 8):					
Commercial loans:				23,528	21,273
Business and commercial	141	164			
Consumer loans	38,338	40,363	Banking and other borrowings (note 14):		
Residential mortgages	1	2	Short-term	3,199	3,577
			Long-term	14,591	7,042
Total current loan portfolio	38,480	40,529		17,790	10,619
Past-due loan portfolio (note 8):					
Commercial loans:			Creditors on repurchase/resell agreements	258	-
Business and commercial	4	4	Obligations in securitization operations (note 15)	1,217	-
Consumer loans	2,205	1,159			
			Other accounts payable:		
Total past-due loan portfolio	2,209	1,163	Income tax payable	39	553
			Employee statutory profit sharing payable (note 17)	72	124
Total loan portfolio	40,689	41,692	Sundry creditors and other accounts payable (note 18)	3,544	3,550
Less:				3,655	4,227
Allowance for loan losses (note 8)	4,178	2,625	Deferred income tax (note 17)	221	-
Loan portfolio, net	36,511	39,067			



Other accounts receivable, net (note 9)	2,980	2,086			
			Total liabilities	46,669	36,119
Property, furniture and equipment, net (note 10)	870	1,032	Stockholders' equity (note 20):		
			Paid-in capital:		
			Capital stock	4,764	4,764
Investment in associated companies (note 11)	94	2,428	Additional paid-in capital	558	558
Long-lived assets available for sale, net (note 11)	-	241		5,322	5,322
			Earned capital:		
Deferred income tax and employee statutory profit sharing, net (note 17)	2,570	1,505	Statutory reserves	1,845	1,888
			Prior years' results	13,335	10,060
Other assets, deferred charges and intangibles, net (note 12)	7,445	2,571	Valuation of available-for-sale securities	3	(1)
			Cumulative translation adjustment	358	531
			Remeasurements for employees' defined benefits	(388)	(612)
			Net (loss) income	(1,592)	3,275
				13,561	15,141
			Non-controlling interest	3,399	58
			Total stockholders' equity	22,282	20,521
			Commitments and contingent liabilities (note 21)		
Total assets	\$ 68,951	56,640	Total liabilities and stockholders' equity	\$ 68,951	56,640

Memorandum accounts	2020	2019
Contingent assets (note 6)	\$ 6,759	808
Uncollected interest accrued on past-due loans (note 8)	207	107
Other memorandum accounts (note 14)	7,482	12,038

The historical capital stock as of December 31, 2020 and 2019, amounts to \$4,764, in both years.

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 the "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Institution through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

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

RÚBRICA

Ing. Enrique Majós Ramírez
Chief Executive Officer

RÚBRICA

Lic. Mario Ignacio Langarica Ávila
Chief Financial Officer

RÚBRICA

C.P.C. Marco Antonio Guadarrama Villalobos
Controller

RÚBRICA

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

Genera, S. A. B. de C. V. and subsidiaries
Insurgentes Sur 1458, Colonia Actipan, C. P. 03230, Mexico City

Consolidated statements of income

Years ended December 31, 2020 and 2019

(Millions of pesos)

	2020	2019
Interest income (note 23)	\$ 19,352	22,809
Interest expense (note 23)	(2,302)	(2,076)
Financial margin	17,050	20,733
Allowance for loan losses (note 8)	(6,980)	(3,164)
Financial margin after allowance for loan losses	10,070	17,569
Commissions and fee income (note 23)	1,083	1,269
Commissions and fee expense (note 23)	(603)	(416)
Financial intermediation result	9	(9)
Other operating income (expenses), net (note 23)	376	(34)
Administrative and promotional expenses	(13,417)	(13,808)
Operating (loss) income	(2,482)	4,571
Equity method of associated companies (note 11)	79	199
Operating (loss) income before income tax	(2,403)	4,770
Current income tax (note 17)	(313)	(1,616)
Deferred income tax (note 17)	1,022	209
Net (loss) income before discontinued operations	(1,694)	3,363
Discontinued operations (note 11)	59	(54)
Net (loss) income	(1,635)	3,309
Non-controlling interest	43	(34)
Controlling interest net (loss) income	\$ (1,592)	3,275
(Loss) earning per share (in pesos, see note 3(y))	\$ (1.02)	2.08

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 the "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect the revenues and disbursements relating to the transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

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

RÚBRICA

Ing. Enrique Majós Ramírez
Chief Executive Officer

RÚBRICA

Lic. Mario Ignacio Langarica Ávila
Chief Financial Officer

RÚBRICA

C.P.C. Marco Antonio Guadarrama Villalobos
Controller

RÚBRICA

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

Genera, S. A. B. de C. V. and subsidiaries
Insurgentes Sur 1458, Colonia Actipan, C. P. 03230, Mexico City

Consolidated statements of changes in stockholders' equity

Years ended December 31, 2020 and 2019

(Millions of pesos)

	Paid-in capital		Earned capital					Non-controlling interest	Total stockholders' equity	
	Capital stock	Additional paid-in capital	Statutory reserves	Prior years' results	Valuation of available-for-sale securities	Cumulative translation adjustment	Remeasurements for employees' defined benefits			Net (loss) income
Balances as of December 31, 2018	\$ 4,764	558	1,948	7,699	(54)	642	(489)	2,965	50	18,083
Changes resulting from stockholders' decisions:										
Resolutions agreed on April 20, 2019:										
Constitution of statutory reserve (note 20)	-	-	11	-	-	-	-	(11)	-	-
Appropriation of prior year's net income	-	-	-	2,954	-	-	-	(2,954)	-	-
Dividend payment (note 20)	-	-	-	(593)	-	-	-	-	(26)	(619)
Repurchase of shares	-	-	(71)	-	-	-	-	-	-	(71)
Total	-	-	(60)	2,361	-	-	-	(2,965)	(26)	(690)
Changes related to the recognition of comprehensive income:										
Net income	-	-	-	-	-	-	-	3,275	34	3,309
Valuation of available-for-sale securities, net of deferred taxes	-	-	-	-	53	-	-	-	-	53
Cumulative translation adjustment of subsidiaries, net	-	-	-	-	-	-	-	-	-	(111)
Remeasurements for employees' defined benefits, net of deferred taxes	-	-	-	-	-	(111)	(123)	-	-	(123)
Total	-	-	-	-	53	(111)	(123)	3,275	34	3,128
Balances as of December 31, 2019	4,764	558	1,888	10,060	(1)	531	(612)	3,275	58	20,521
Changes resulting from stockholders' decisions:										
Resolutions agreed on April 17, 2020:										
Appropriation of prior year's net income	-	-	-	3,275	-	-	-	(3,275)	-	-
Repurchase of shares	-	-	(43)	-	-	-	-	-	-	(43)
Total	-	-	(43)	3,275	-	-	-	(3,275)	-	(43)
Changes related to the recognition of										
Net loss	-	-	-	-	-	-	-	(1,592)	(43)	(1,635)
Valuation of available-for-sale securities, net of deferred taxes	-	-	-	-	4	-	-	-	-	4
Cumulative translation adjustment of subsidiaries, net	-	-	-	-	-	(173)	-	-	-	(173)
Remeasurements for employees' defined benefits, net of deferred taxes	-	-	-	-	-	-	224	-	-	224
Total	-	-	-	-	4	(173)	224	(1,592)	(43)	(1,580)
Non-controlling interest	-	-	-	-	-	-	-	-	3,384	3,384
Balances as of December 31, 2020	\$ 4,764	558	1,845	13,335	3	358	(388)	(1,592)	3,399	22,282

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 the "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect all the stockholders' equity account entries relating to the transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."

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

RÚBRICA

Ing. Enrique Majós Ramírez
Chief Executive Officer

RÚBRICA

Lic. Mario Ignacio Langarica Ávila
Chief Financial Officer

RÚBRICA

C.P.C. Marco Antonio Guadarrama Villalobos
Controller

RÚBRICA

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

Genera, S. A. B. de C. V. and subsidiaries
Insurgentes Sur 1458, Colonia Actipan, C. P. 03230, Mexico City

Consolidated statements of cash flows

Years ended December 31, 2020 and 2019

(Millions of pesos)

	2020	2019
Net (loss) income	\$ (1,592)	3,275
Adjustment for items not requiring cash flows:		
Losses of impairment associated with investment	29	132
Depreciation and amortization	687	661
Loss on sale of furniture and equipment	10	30
Provisions	920	959
Current and deferred income tax	(709)	1,407
Discontinued operations	(59)	17
Equity investment in associated companies	(79)	(199)
	799	3,007
Operating activities:		
Change in investment securities	(449)	172
Change in loan portfolio (net)	5,013	(5,577)
Change in other operating assets (net)	(1,109)	(675)
Change in deposit funding	2,255	3,321
Change in banking and other borrowings	6,591	(1,453)
Change in creditors on repurchase/resell	258	-
Change in obligations in securitization operations	(83)	-
Change in other operating liabilities	(710)	(711)
Payments of income tax	(1,247)	(1,172)
	10,519	(6,095)
Net cash flows from operating activities	9,726	187
Investment activities:		
Proceeds from the disposal of furniture and	8	25
Payments in the acquisition of furniture and equipment	(140)	(305)
Cash flow received (paid) for acquisition of subsidiary companies	588	(48)
Dividends received from associated companies	67	99
Increase in intangibles assets	(111)	(154)
Collections of disposal of long-lived assets available for sale	265	-

Net cash flows from (used in) investment activities	677	(383)
Financing activities:		
Payments associated to repurchase of own shares	(43)	(71)
Dividends payments in cash	-	(593)
Change in non-controlling interest	32	8
Net cash flows used in financing activities	(11)	(656)
Net increase (decrease) in cash and cash	10,392	(852)
Effects on changes in cash and cash equivalents	(73)	(68)
Cash and cash equivalents at the beginning of the year	6,875	7,795
Cash and cash equivalents at the end of the year	\$ 17,194	6,875

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 the "General Provisions Applicable to Issuers of Securities and Other Securities Markets Participants" applied on a consistent basis. Accordingly, they reflect the cash inflows and outflows arising from transactions carried out by the Institution during the years noted above. Furthermore, these transactions were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions."
"These consolidated statements of cash flows were approved by the Board of Directors under the responsibility of the following officers."

RÚBRICA	RÚBRICA
Ing. Enrique Majós Ramírez Chief Executive Officer	Lic. Mario Ignacio Langarica Ávila Chief Financial Officer
RÚBRICA	RÚBRICA
C.P.C. Marco Antonio Guadarrama Villalobos Controller	C.P.C. Oscar Luis Ibarra Burgos General Internal Auditor

<https://www.genera.com.mx>

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

Notes to the consolidated financial statements

For the years ended December 31, 2020 and 2019
Millions of pesos, except otherwise noted)

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

(1) Description of business -

Description of business -

Genera, S. A. B. de C. V. (Genera) is a Mexican corporation located in Insurgentes Sur 1458, Colonia Actipan, 03230, Mexico City, 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, 2020 and 2019, except otherwise noted, Genera and its consolidated subsidiaries are comprised of:

- i. Banco Compartamos, S. A., Institución de Banca Múltiple (the Bank) which in accordance with the Law for Credit Institutions, is authorized to carry out multiple banking activities which comprise, among others, granting loans, receipt of deposits, acceptance of borrowings, operation with securities and other financial instruments in Mexico.
- ii. Compartamos, S. A. (Compartamos Guatemala) is an entity incorporated in Guatemala, which main activity is, among others, granting any type of loans and financing to individuals or entities with own funds in Guatemala, as well as granting or obtaining loans or financing of any nature.
- iii. Compartamos Financiera, S. A. (Compartamos Financiera) is an entity incorporated under the regulations of the Republic of Peru, which purpose is to operate as a financial services entity, and is allowed to carry out all transactions and provide all services, by any means that result applicable and correspond, in accordance with established legal provisions that regulate entities of this nature in conformity with Peruvian legislation. On April 8, 2020, Compartamos Financiera increased its shareholding in Pagos Digitales Peruanos, S.A. with an increase in capital stock of 11,835,075 Peruvian soles for the subscription of 62,237,237 shares, for which it acquired control of such entity and increased its shareholding to 55.56%, therefore as of that date this entity is consolidated.
- iv. Red Yastás, S. A. de C. V. (Red Yastás), is an entity incorporated in Mexico, which purpose is: a) to enter into agreements to provide services, either mandates or commercial commission with credit institutions to engage with other people on behalf of the aforementioned credit institutions, the commissions or services mandated, complying with applicable regulation on each transaction or banking service, b) to service credit institutions as manager of commission agents with the purpose of organizing service providers' networks or banking commission agents to carry out certain activities and c) to receive, process and distribute all types of funds or economic resources through electronic, manual or telephonic transfers or directly online through any other means of communication, among others.
- v. Compartamos Servicios S. A. de C. V. (Compartamos Servicios), is an entity incorporated in Mexico, which purpose is to provide human resources services and personnel to the entities of the group, as well as to provide advisory in planning, organization and management of companies, among other activities.
- vi. Controladora AT, S. A. P. I. de C. V. (Controladora AT), is an entity incorporated in Mexico, which consolidates Aterna, Agente de Seguros y Fianzas, S. A. de C. V. (Aterna). Controladora AT has as a purpose the purchase, sale, transfer, assessment, and in general the marketing in any way with shares, stocks, rights and interests in commercial corporations, and any other entities, domestic and foreign, either as a founder or by acquiring shares in companies that were previously constituted. Aterna is an entity incorporated in Mexico, which purpose is to act as insurance and bonding agent under the terms of the General Law for Insurance and Mutual Insurance Companies, Federal Bonding Institutions Act and Regulation of Insurance Agents and Bonding.
- vii. Fin Útil, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Fin Útil), a consolidated subsidiary beginning August 10, 2020 (see note 11), is a financial institution established in Mexico, which main activity is granting commercial and personal loans to individuals. For such purpose, Fin Útil obtains financing from Mexican financial institutions and from issuances of stock certificates through public trust Fideicomisos Irrevocables de Emisión de Certificados Bursátiles Fiduciarios, Administración y Pago numbers F/00925 and F/01064 (Issuer Trusts), backed by Fin Útil's loans. These trusts, which are detailed below, are consolidated by Fin Útil considering that it acts as portfolio manager and second trustee, and therefore has the power over them to direct their relevant activities, and is exposed and entitled to variable yields from the remaining portfolio of the trust when settling the totality of the trust certificates to the investing public.
 - Fideicomiso Irrevocable de Emisión de Certificados Bursátiles Fiduciarios, Administración y Pago number F/00925, which main purpose is to issue stock certificates and manage the



Trust's assets, which are contributed by Fin Útil.

- Fideicomiso Irrevocable de Emisión de Certificados Bursátiles Fiduciarios, Administración y Pago number F/01064, which main purpose is to issue stock certificates and manage the Trust's assets contributed by Fin Útil.
 - Fideicomiso Irrevocable de Administración CIB/591, which main purpose is to establish a mechanism to facilitate the administration of the collection in compliance with the obligations of Fin Útil with respect to the Trustees, derived from the loan agreement and other financing documents.
- viii. Comfu, S. A. de C. V. (Comfu), a subsidiary consolidated beginning August 10, 2020 (see note 11), is a company established in Mexico which main activity is the sale, distribution, purchase, import, export, sale or acquisition of all kinds of articles, merchandise and consumer products such as household appliances, kitchen and dining appliances, electronics, cell phones, among other services that are provided to Fin Útil's customers.
- ix. Talento Concrédito, S. A. de C. V. (Talento Concrédito), consolidated subsidiary beginning August 10, 2020 (see note 11), is a company established in Mexico which main activity is providing personnel supply, recruitment, training and management services for the companies Fin Útil and Comfu.

(2) Authorization and basis of presentation-

Authorization

On February 26, 2021, the Board of Directors and the following officers approved the issuance of the accompanying consolidated financial statements and their related notes:

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

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

Basis of preparation

a) Statement of compliance

The "General regulations applicable to securities issuers and other securities market participants" which establishes that securities issuers which, through its subsidiaries, carry out mainly financial activities subject to the supervision of Mexican authorities, are required to prepare and audit its financial statements under the same basis applicable to such subsidiaries, with the purpose of ensuring that the financial information of both entities is comparable.

The aforementioned is determined when such activities represent more than 70% of consolidated assets, liabilities or total revenues at the prior year-end, it is deemed required to have three fiscal years in which the activity represents less than 50% of the total consolidated assets, liabilities or revenues of an issuer, or, in the fiscal year immediately preceding the fiscal year in question, represents less than 20% of such activity. Consequently, since the Bank comprises 52% and 73% of the consolidated assets and revenues, respectively, as of and for the year ended December 31, 2020 (56% and 77% respectively, in 2019), the accompanying consolidated financial statements have been prepared in conformity with the Accounting Criteria for Credit Institutions in Mexico (Accounting Criteria) established in Article 33 of the General Provisions applicable to Credit Institutions issued by the Commission.

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

Likewise, the Accounting Criteria points out that in the absence of specific accounting criteria from the Commission and in a broader context the MFRS, supplementary use of Mexican MFRS A-8 will be followed and only in the event that the International Financial Reporting Standards (IFRS), referred to by Mexican MFRS A-8 do not provide guidance to the accounting treatment, another set of established accounting standards may be used in the following order: generally accepted accounting principles in the United States of America ("US GAAP") or any accounting standard that is part of a formal and recognized set of standards, provided that it meets the requirements of the Commission's criteria A-4 "Supplementary application to accounting criteria".



b) Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

Judgments and assumptions and estimation uncertainties

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Notes 3(f), 3(g), 8 and 9 – Determination of the allowance for loan losses and recoverability of other accounts receivable: assumptions and inputs for its determination.
- Notes 3 (m), 10, 11 and 12 – Impairment assessment of book value of properties, furniture and equipment, intangibles, permanent investments and goodwill: key assumptions for the recoverable amount, including recoverability of development costs, measurement of impairment of investment in associated companies.
- Notes 3 (k) and 17 – Recognition of deferred tax assets: availability of future taxable profits and materialize of deferred tax asset.
- Notes 3 (q) and 16 – Measurement of defined benefit obligations: key actuarial assumptions.
- Notes 3 (i) and 11 – Investment in associated companies: whether Genera has significant influence.
- Note 3 (b) – Consolidation: whether the Company has factual control over an investee.

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

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

The financial statements of the foreign subsidiaries have been translated into Mexican pesos (reporting currency) considering that their recording and functional currency are the same, resulting in the use of

the following exchange rates: a) year-end for monetary and non-monetary assets and liabilities (\$5.4981 Mexican pesos per Peruvian sol and \$2.5544 Mexican pesos per Guatemalan quetzal as of December 31, 2020, b) historical for stockholder's equity and c) weighted average of the period (\$6.8315 Mexican pesos per Peruvian sol and \$2.8693 Mexican pesos per Guatemalan quetzal) for revenues, costs and expenses, translation effects are presented as part of stockholders' equity.

The exchange rates used in 2019 were: a) year-end for monetary and non-monetary assets and liabilities (\$5.6923 Mexican pesos per Peruvian sol and \$2.4501 Mexican pesos per Guatemalan quetzal, b) historical for stockholder's equity and c) weighted average of the period (\$5.77410 Mexican pesos per Peruvian sol and \$2.49880 Mexican pesos per Guatemala quetzal) for revenues, costs and expenses, translation effects are presented as part of stockholders' equity.

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

d) Transactions at the trade date

The consolidated financial statements of Genera recognize assets and liabilities arising from investment securities on the trade date, regardless of the settlement date.

(3) Summary of significant accounting policies-

The following summarizes the most important accounting criteria followed during the preparation of the consolidated financial statements, which have been applied consistently during 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 MFRS B-10 "Effects of Inflation", Genera and subsidiaries operate on a non-inflationary economic environment (accumulated inflation in the prior three-year period less than 26%).

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



December 31U	Inflation		
	UDI	Yearly	Cumulative
2020	\$ 6.605597	3.23%	11.31%
2019	6.399018	2.77%	15.03%
2018	6.226631	4.92%	15.71%

(b) Basis of consolidation-

The accompanying consolidated financial statements as of and for the years ended December 31, 2020 and 2019, include the balances of Genera and its subsidiaries mentioned below. The financial statements of the subsidiaries have been converted, prior to consolidation, to Accounting Criteria set-forth by the Commission. All significant balances and transactions between Genera and the subsidiaries have been eliminated upon consolidation:

Entity	Participation	Functional currency
Banco	99.98%	Mexican pesos
Compartamos Guatemala	99.99%	Guatemalan quetzal
Compartamos Financiera ⁽¹⁾	99.99%	Peruvian soles
Red Yastás	99.99%	Mexican pesos
Compartamos Servicios	99.99%	Mexican pesos
Controladora AT ⁽²⁾	50.00%	Mexican pesos
Fin Útil ⁽³⁾	51.00%	Mexican pesos
Comfu ⁽⁴⁾	51.00%	Mexican pesos
Talento ⁽⁴⁾	51.00%	Mexican pesos

- ⁽¹⁾ Compartamos Financiera consolidates its financial statements with Pagos Digitales Peruanos, S.A.
⁽²⁾ Controladora AT is consolidated because Genera has control on the financial policies and operating decisions of the subsidiary.
⁽³⁾ Consolidated subsidiaries beginning August 10, 2020 (see note 11), which in turn consolidates the Issuer Trusts.
⁽⁴⁾ Consolidated subsidiaries beginning August 10, 2020 (see note 11).

(c) Cash and cash equivalents-

This caption comprises, bank accounts in local and foreign banks and restricted cash 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 is recognized in the consolidated income statement on an accrual basis (note 6).

The restricted cash and cash equivalents include documented bank loans with original maturities of up to three days ("Call Money"), deposit auctions and the deposit of monetary regulation, both 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. Also, this caption includes the saving fund of Genera's employees and guarantee deposits with financial institutions in Peru.

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

(d) Investment securities-

Investment securities consist of equity instruments, government and banking securities, listed and unlisted, which are classified in accordance with the intention of use that Genera assigns at the date of their acquisition as follows:

Trading securities-

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

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

Available-for-sale securities-

Available-for-sale securities are comprised of equity instruments, whose intention is not to obtain profits derived from the differences in prices resulting from trading transactions, and therefore represent a residual category, that is, they are acquired with a different intention from trading or held-to-maturity securities.



At the moment of acquisition, these securities are recorded at fair value plus acquisition costs for the transaction, which represents the cost of acquisition for Genera and are subsequently valued in the same way as trading securities; the valuation effect is recognized in stockholders' equity under "Unrealized gain or loss from valuation of available-for-sale securities", net of deferred taxes, which is cancelled to recognize in income the difference between the net value of realization and acquisition cost at the time of the sale.

The yield on debt securities is recorded in accordance with the effective interest method as appropriate according with the nature of the instrument; such income is recognized as realized in the consolidated income statement under "Interest income".

The cash dividends of the stock securities are recognized in the consolidated income of the year in the same period in which the right to receive the payment is generated.

Securities impairment-

When there is objective evidence that an available-for-sale security is impaired, the book value of the security is modified and the amount of the loss is recognized in the consolidated results for the year.

Reclassifications between categories-

Reclassifications of securities from trading to available-for-sale could be only permissible with the express authorization of the Commission.

(e) Loan portfolio-

Represents the outstanding balances of the amounts granted to borrowers, plus uncollected interest and commissions earned in accordance with the payment scheme. Outstanding loan and interest balances are classified as past-due according to the following criteria:

Commercial loans with principal and interest periodic partial payments – 90 or more days after due date.

Commercial loans with a single payment of principal and interest at maturity - 30 or more calendar past-due days.

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

Other revolving loans – Unpaid for two monthly normal billing periods, or 90 or more past-due calendar days.

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

Loans are granted based on an analysis of the customer's application and the consultations made at the credit information bureaus. In some cases, as required, an analysis is conducted of the borrower's financial position and other general characteristics established in the applicable laws, Genera's manuals and internal policies.

Loans, mainly non-revolving consumer portfolio, are controlled by periodic visits to the clients by Genera personnel, and by daily monitoring of the payments through the system, where the relevant personnel can follow-up on late payments.

Loans are collected weekly, biweekly or monthly. According with the contracted credit, clients make loan payments through deposits in banking accounts contracted by Genera with other multiple banking institutions solely for that purpose, as well as its correspondents to conduct this type of operations and through its branch offices.

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

Genera's policy for avoiding risk concentration is based mainly on setting maximum amount limits on loans by the borrower.

Interests are recognized in income as accrued. However, the accumulation of interests is suspended when a loan is transferred to past due loan portfolio recording interest in memorandum accounts. When such interest is 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 or that existed evidence of sustained payments.

It is considered that there is sustained payment when the borrower shows compliance of the payment without delay for the total amount of principal and interest, for at least three consecutive installment payment of the loan payment scheme.

In the case of sale, cession or derecognition of financial assets, where substantially all the risks and rewards of the financial assets are transferred, Genera derecognizes such financial assets from its consolidated financial statements, recognizes the amount received in the transaction and recognizes the gain or loss on the transaction in consolidated income for the year.

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

As of December 31, 2020 and 2019, Genera had mainly a short-term consumer loan portfolio (note 8).

In the event of sale of loan portfolio previously written-off, Genera's internal policy corresponding to such process, provides that participants be unrelated parties having as purpose obtaining the best possible market price. In addition, economic and reputational assessment of each participant is performed to make the best decision.

Restructurings

Loans with periodic payments of principal and interest, which are subject to restructuring, may be considered as in force at the time that such act is carried out, regardless the following requirements be applicable to them:

- Current loans that are restructured, without at least 80% of the original loan term of the loan having elapsed, shall be deemed to be current, only when they meet the criteria mentioned below:
 - i. The borrower has covered all the interest accrued as of the date of the restructuring, and
 - ii. The borrower would have covered the principal of the original loan amount, which at the date of the restructuring should have been covered.
 - iii. If all the conditions described in the previous paragraph are not met, they will be considered as due from the time they are restructured and until there is no evidence of sustained payment.
- In the case of current loans that restructure during the course of the final 20% of the original term of the loan, these will be considered valid only when the borrower has:
 - a) Liquidated all the interest accrued as of the date of the restructuring
 - b) Covered the principal of the original loan amount, which at the date of the restructuring should have been covered, and
 - c) Covered 60% of the original loan amount

If all the conditions described in the previous paragraph are not met, they will be considered as due from the time they are restructured and until there is no evidence of sustained payment.

(f) Allowance for loan losses -

An allowance for loan losses is booked which, in Management's opinion, is sufficient to cover for credit

risks associated with the loan portfolio, as well as other credit risks.

Allowances for loan losses are based on analytical studies of the portfolio in accordance with the "General dispositions applicable to credit institutions" (the Dispositions) issued by the Commission, which include the following:

Commercial loan portfolio-

Allowances for loan losses for commercial loan portfolio are based on the individual assessment of the credit risk and classification of the costumers in accordance with the Dispositions issued by the Commission.

The loan portfolio with companies and individuals with business activity, with annual income or net sales less than 14 million UDIS is rated by the methodology described in Annex 20 and 21 of the Dispositions. Such methodology is based on the expected loss, which considers the probability of default, loss given default and exposure at default.

Allowances for loan losses booked at December 31, 2020 and 2019 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 a 0.9
"A-2"	0.901 a 1.5
"B-1"	1.501 a 2.0
"B-2"	2.001 a 2.5
"B-3"	2.501 a 5.0
"C-1"	5.001 a 10.0
"C-2"	10.001 a 15.5
"D"	15.501 a 45.0
"E"	Mayor a 45.0

Troubled loans – Commercial loans with a high probability of not being totally collected

Consumer loan portfolio-

The consumer loan portfolio is divided into two groups for the calculation of the allowance for loan losses: (a) non-revolving portfolio and (b) other revolving portfolio. The calculation 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 allowance the figures at the last day of each month.

For the non-revolving portfolio, the inputs considered in such model to determine the probability of default are comprised of: i) number of billings past due, ii) maximum number of billings past due, iii) payment made, iv) balance reported in the credit information companies, v) amount demandable reported in the credit information companies, vi) seniority of the borrower at Genera, vii) months elapsed since the last late payment in the last thirteen months reported in the credit information companies, viii) number of members of the group, ix) group cycles of the borrower, and x) original loan amount.

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

In the case of the other revolving portfolio, the allowance for loan losses is calculated using the figures of the latest known payment period of each other revolving loan and considering the following factors: i) balance due, ii) payment made, iii) credit line, iv) minimum payment requirement, v) payment default, vi) amount payable, vii) amount due reported to credit information institutions as well as, viii) borrower's seniority in the entity.

The allowance for loans losses for consumer loan portfolio as of December 31, 2020 and 2019, is determined by the degree of risk assigned to the loan, as shown below:

Degree of risk	Percentage ranges of allowance	
	Non-revolving	Other revolving loans
"A-1"	0 a 2.0	0 a 3.0
"A-2"	2.01 a 3.0	3.01 a 5.0
"B-1"	3.01 a 4.0	5.01 a 6.5
"B-2"	4.01 a 5.0	6.51 a 8.0
"B-3"	5.01 a 6.0	8.01 a 10.0
"C-1"	6.01 a 8.0	10.01 a 15.0
"C-2"	8.01 a 15.0	15.01 a 35.0
"D"	15.01 a 35.0	35.01 a 75.0
"E"	35.01 a 100.0	Mayor a 75.01

Mortgage loan portfolio-

The allowance for loan losses for residential mortgages is determined using the corresponding balances at the last day of each month. Furthermore, factors such as: i) outstanding amount, ii) payment made, iii) value of property, iv) loan balance, v) past-due days, vi) loan denomination and vii) completeness of

the file are considered. The total amount of allowance for each loan assessed is the result of multiplying the probability of default by the loss given default and exposure at default.

Degree of risk and percentages of allowance for loan losses at December 31, 2020 and 2019 are as shown below:

Degree of risk	Percentage ranges of allowance
"A-1"	0 a 0.50
"A-2"	0.501 a 0.75
"B-1"	0.751 a 1.00
"B-2"	1.001 a 1.50
"B-3"	1.501 a 2.00
"C-1"	2.001 a 5.00
"C-2"	5.001 a 10.00
"D"	10.001 a 40.00
"E"	40.001 a 100.00

Write-offs - Genera has the policy to write-off the non-revolving consumer loans and other revolving consumer loans portfolio that has 180 days and 120 days, respectively, after being considered past-due, except for those loans in process of judicial collection, given that during that period and once carried out all recovery efforts, its practical impossibility of recovery is determined, except in cases where management determines that a loan or group of loans must be written-off prior to this number of days. Such write off is carried out during the first days of each month, considering the loans that comply with the aforementioned term until the last day of the immediate previous month, canceling the unpaid balance of the loan against the allowance for loan losses. In the event that the loan balance to be write-off exceeds its corresponding allowance, prior to the write-off, such allowance 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 from the consolidated balance sheet are recognized in the consolidated statement of income of the year under the caption of "Allowance for loan losses".

Write-downs, cancellations and discounts, i.e., the amount written-down on partial or total loan payments, are charged to income under the allowance for loan losses; in the event that the amount of these exceeds the balance of the allowance associated with the loan, allowances are previously recorded up to the amount of the difference.

(g) Other accounts receivable-

This caption represents, among others, receivables from employees, accounts receivable from correspondents, recoverable income taxes and items directly related to the loan portfolio, which an allowance for doubtful receivables is determined based on the same percentage of risk assigned to the associated loan.

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

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

(h) Property, furniture and equipment-

Property, furniture and equipment, including acquisitions from capitalized leases, are stated as follows:

- i) Acquisitions conducted from January 1, 2008 at their historical cost, and
- ii) Acquisitions made up to December 31, 2007 at their restated values, determined applying factors derived from the UDI, to their acquisition costs up to December 31, 2007.

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

The related liability with the lessor is included in the consolidated balance sheet as an obligation for capitalized lease. The financial costs of the financing granted by the lessor to acquire the leased assets are recognized in the consolidated income statement as accrued. 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.

(i) Permanent investment-

Permanent investments in associated companies, in which Genera has no significant influence or control, are valued using the equity method, through which the participation in the results and in the stockholders' equity of these companies is recognized using the financial statements of the Company. Same date and for the same Genera period.

The other permanent investments made by the Group are recorded at cost

(j) Long-lived assets available for sale-

Long-lived assets are classified as intended to be sold if they meet all the following requirements:

- i) Genera's governance that approves this activity has committed to a sales plan.
- ii) The assets are available for immediate sale, in their current conditions, subject exclusively to the usual and customary terms for the sale of those assets and their sale is highly probable.
- iii) Actions to locate the buyer and other activities to complete the plan are underway. If the buyer is not located, at least the potential market has been identified.
- iv) It is expected that the sales plan will be completed in less than a year. This requirement is not met in the cases in which the entity enters into sales agreements that are essentially purchase options and sale contracts with a return lease. An extension of the one-year period to complete the sale does not prevent the asset from being classified as held for sale, if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed with a plan to sell the asset.
- v) There is an adequate estimate of the prices to be received in exchange for the asset or group of assets.
- vi) It is not probable that there will be significant changes to the sale plan or it will be canceled. Assets for sale that meet the requirements of the preceding paragraph, must be evaluated on the date of approval of the sale plan at their net book value or the net sale price, the lower. If applicable, the impairment loss should be applied to the results of the year.



(k) Income tax (IT) and employee statutory profit sharing (ESPS)-

The current IT and ESPS are determined according to current tax legislation (note 17).

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

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

The current and deferred IT and ESPS are presented and classified to the consolidated results of the period, except for those originated from a transaction that was recognized directly in stockholders' equity.

(l) Other assets, deferred charges and intangibles-

This caption is mainly comprised of guarantee deposits, insurance and expenses paid in advance, intangibles, goodwill and expenses for debt issuance. Amortization is accounted for using the straight-line method during the life of each transaction.

The expenses paid in advance as of December 31, 2020 and 2019, do not present impairment losses nor reversals of impairment losses, since these still have the capacity to generate economic future benefits.

Intangible assets with defined useful life are recorded at acquisition or development cost, and are amortized using the straight-line method, based on the estimated intangible's useful life determined by Management.

(m) Impairment of long-lived assets-

Genera periodically assesses the net carrying amount of property, furniture and equipment, intangibles assets, investment in associated companies and goodwill, to determine whether there is an indication that the carrying amount exceeds the recoverable amount. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future net revenues reasonably expected to be generated by the asset. If the net carrying amount of the asset exceeds the recoverable amount, Genera records the necessary provisions. When Genera has the intention to sell such assets,

these are reported in the consolidated balance sheet at the lower of net carrying amount or realizable value.

Long-lived assets, both tangible and intangible, are subject to impairment testing, in the case of assets with an indefinite life and goodwill, 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, debt securities issued and global account of deposits with no movements are recorded at placement cost, plus interest expense, determined using the straight-line method as accrued.

Those securities issued at a price different from 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 maturity of the security.

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

(o) Banking and other borrowings-

Banking and other borrowings comprise borrowings from banks and financing provided by development banking institutions and development funds specialized in financing economic, productive or development activities. The banking and other borrowings are recorded at the value of the contractual obligation; interest is recognized on an accrual basis in the income statement. The balance of unused credit lines received is recorded in memorandum accounts.

(p) Provisions-

Liability provisions represent present obligations as a consequence of past events in which the outflows are probable in the short-term. These provisions have been recorded under the best estimate carried out by Management.

(q) Employee benefits-

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



Short-term direct benefits-

Short-term direct benefits are recognized in income of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if Genera has a legal or assumed obligation to pay this amount as a result of the past services provided and the obligation can be reasonably estimated.

Long-term direct benefits-

Genera's net obligation in relation to the direct long-term benefits and which is expected to pay at least twelve months after the date of the most recent consolidated balance sheet presented, is the amount of future benefits that the employees have obtained in exchange for their service in the current and previous periods. This benefit is discounted to its present value. Remeasurements are recognized in income in the period in which they are accrued.

Termination benefits -

A liability is recognized for termination benefits along with a cost or expense when Genera has no realistic alternative other than to make the corresponding payments or when the offer of these benefits cannot be withdrawn or when conditions that require the recognition of restructuring costs are met, whichever occurs first. If benefits are not expected to be settled within twelve after the date of the most recent consolidated balance sheet presented, then they are discounted.

Post-employment benefits-

Genera has implemented a pension plan, which consists of a mixed scheme in which the benefit is derived from two components that are a defined benefit plan and a defined contribution plan.

The defined benefit plan is funded entirely by Genera, and the defined contribution plan is funded with the contributions from both Genera and the employees.

The cost of defined benefit plan is determined in accordance with provisions of the MFRS D-3 "Employee benefits" and the cost of the defined contribution plan is equivalent to the amount of the contributions that Genera makes to the individual employees' bank account.

Genera records a provision to meet obligations for severance and seniority premiums. The recording of the provision is recognized in the results of each year based on actuarial calculations under the projected unit credit method using nominal interest rates and considering projected salaries

Remeasurements (known before as actuarial gains and losses), resulting from differences between projected and actual actuarial assumptions at the end of the period, are recognized in the period when incurred under the caption "Remeasurements for employee defined benefits" within stockholders' equity.

(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-

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

(u) Comprehensive (loss) income-

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

(v) Revenue recognition-

Interest earned from cash and cash equivalents, investments in securities are recognized in the consolidated income statement as accrued, as per the effective interest method; while equity instruments are recognized at the time the right to receive payment is generated, against the consolidated results for the year.

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

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

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

(w) Interest expense-

This caption comprises interest accrued on financing received to fund the operations of Genera and the interest accrued from the demand and time deposits and the global account of deposits without movements, debt securities issued and banking and other borrowings, as well as the effects on changes in cash and cash equivalents

(x) Other operating income (expense)-

This caption includes income and expenses such as financing cost of capital lease, charges for doubtful accounts, write-offs, donations, impairment losses of long-lived assets and result in the sale of furniture and equipment.

(y) (Loss) or earning per share-

This caption represents the result of dividing the net result for the period by the weighted average of current shares during the period. For the years ended on December 31, 2020 and 2019, the (loss) and earning per share is (\$1.02) Mexican pesos and \$2.08 pesos, respectively.

(z) Contributions to the Banks Savings Protection Institute (IPAB for its acronym in Spanish)-

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

Contributions made for this concept for the years ended December 31, 2020 and 2019, amounted to \$89 and \$65, respectively, which were charged directly to consolidated results of the year.

(aa) Foreign currency transactions-

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

(bb) Financial intermediation result-

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

(cc) Contingencies-

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

(dd) Segment information-

The accounting criteria prescribed by the Commission establishes that multiple banking institutions must segregate their activities in order to identify the different operating segments, which as minimum include:

i) loan operations; ii) treasury and investment banking operations, and iii) operations conducted on behalf of third parties. In addition, due to materiality, additional operating segments and sub-segments can be identified (note 23).

(4) Accounting changes and reclassification-

2020 accounting changes-

(a) Special accounting criteria issued by the Commission derived from the pandemic by COVID-19

As a result of the sanitary contingency caused by COVID-19 and the negative impact on the economy, on March 27, 2020, the Commission temporarily issued special accounting criteria for credit institutions in Mexico with respect to the consumer and commercial loan portfolio, for customers that have been

affected and that were classified as current as of February 28, 2020 (except for those granted to related parties as provided in Articles 73, 73 Bis and 73 Bis 1 of the Law of Credit Institutions).

In accordance with such special accounting criteria, there were no considered as restructured loans or as past-due loans in accordance to the accounting criteria B-6, the loans that at February 28, 2020 were classified as current for accounting purposes and that were subsequently restructured or renewed, for which the procedures were concluded within 120 calendar days following the aforementioned date, and for which the new maturity date was not greater than 6 months from the date on which the loans would have matured of the following loans:

- 1. Loans with periodic payments of principal and interest consisting of:
 - i. No having elapsed at least 80% of the original term of the loan, when the borrower has covered:
 - a) all accrued interest, and,
 - b) the principal of the original amount of the loan, which at the date of the renewal of restructuring should have been paid.
 - ii. During the course of the final 20% of the original term of the loan, when the borrower has:
 - a) settled all accrued interest,
 - b) paid a lof the original amount of the loan that at the date of renewal or restructuring should have been paid, and
 - c) covered 60% of the original amount of the loan.cubierto el 60% del monto original del crédito.

For the application of the special accounting criteria described above, the Institution granted a freeze on the amounts due to its clients for a period of up to ten weeks, considering the following:

- i) Without affecting the days in arrears to its borrowers.
- ii) No calculation of additional interest computed to the customer during those periods.
- iii) No contractual modifications on interest capitalization.
- iv) No commissions charged

The benefits granted by the Institution in relation to the aforementioned special accounting criteria were recognized during 2020, benefiting 2,731,021 clients with payment deferrals, which represented a loan portfolio balance of \$23,704. As of December 31, 2020, there is no current loan portfolio with benefits from the special accounting criteria.

Additionally, 377,297 borrowers were granted loans under the payment plan benefit, which represented

a loan portfolio balance of \$5,616 during 2020. The payment plan consists of a restructuring in terms of the special accounting criteria; however, it does not meet the criteria of accounting criteria B-6 "Loan portfolio".

(b) 2020 MFRS and 2020 MFRS improvements-

On January 1, 2020, MFRS B-11 "Disposal of long-lived assets and discontinued operations" became effective. Management considers that the entry into force of this MFRS did not generate significant effects on the financial position of the Institution.

On December 2019, the CINIF issued the document called "Improvements to MFRS 2020", which contains specific amendments to MFRS D-3 "Employee Benefits" and MFRS D-4 "Income Taxes". The Improvements to the applicable MFRS, which became effective on January 1, 2020, did not have a material effect on the financial statements.

(c) Reclassification-

The consolidated balance sheet as of December 31, 2019 was reclassified to conform to the presentation used in the consolidated balance sheet as of December 31, 2020. The reclassification was made from the caption "Commercial loans - Business or commercial activity" current to the caption "Consumer loans" current, and from the caption "Commercial loans - Business or commercial activity" past-due to the caption "Consumer loans" past-due.

	Previously Reported figures	Reclassification	Reclassified figures
Current loan portfolio	\$ 5,009	(4,845)	164
Commercial loans	35,518	4,845	40,363
Consumer loans	2	-	2
Residential mortgages	40,529	-	40,529
Past-due loan portfolio			
Commercial loans	138	(134)	4
Consumer loans	1,025	134	1,159
	1,163	-	1,163
Total loan portfolio	\$ 41,692	-	41,692

(5) Foreign currency position-

In the case of the Bank, the Central Bank regulations establish the standards and limits for operations in foreign currencies carried out by the credit institutions as follows:

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

At December 31, 2020 and 2019, the Bank complies with the limits and standards established by Central Bank.

Foreign currency position (figures in millions) of Genera and subsidiaries as of December 31, 2020 and 2019 is analyzed as follows:

	2020		2019	
	Dollars	Pesos	Dollars	Pesos
Assets				
National Banks	5	\$ 100	1	\$ 11
Foreign Banks	6	119	10	187
Accounts receivable	284	5,654	1	13
Long position – net	295	\$ 5,873	12	\$ 211

	2020		2019	
	Guatemalan Quetzals	Pesos	Guatemalan Quetzals	Pesos
Assets	282	\$ 720	337	\$ 827
Liabilities	(64)	(163)	(39)	(95)
Long position – net	218	\$ 557	298	\$ 732

	2020		2019	
	Soles Peruanos	Pesos	Soles Peruanos	Pesos
Assets	3,785	\$ 20,805	3,156	\$ 17,967
Liabilities	(3,042)	(16,725)	(2,476)	(14,096)
Long position – net	743	\$ 4,080	680	\$ 3,871

As of December 31, 2020, the exchange rate determined by Central Bank and used by Genera to value foreign currency assets was \$19.9087 pesos per dollar (\$18.8642 pesos per dollar in 2019). As of February 25, 2021, the exchange rate is \$20.8523 pesos per dollar.

(6) Cash and cash equivalents-

At December 31, 2020 and 2019, cash and cash equivalents consist of the following:

	2020	2019
Cash on hand	\$ 1,690	1,937
Mexican banks	3,884	1,776
Foreign banks	501	589
Restricted funds:		
Monetary regulation deposit with the Central Bank*	2	308
Bank loans with original maturity up to three days *	-	500
Deposit with the Central Bank (Actions)*	6,758	-
Other restricted funds	4,359	1,765
	\$ 17,194	6,875

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

For the years ended on December 31, 2020 and 2019, interest earned from cash and cash equivalents, amounted to \$592 and \$378, respectively, recorded under the caption "Interest income" in the consolidated statement of income (see note 23) and are comprised as follows:

The interest earned from Mexican and foreign banks amounted to \$180 and \$132 for the years ended on December 31, 2020 and 2019, respectively.

At December 31, 2020 and 2019, the monetary regulation deposit with Central Bank has no established term and bears interest at the rate of bank deposit funding. For the years ended December 31, 2020 and 2019, the interest income earned from monetary regulatory deposit amounted to \$14 and \$25, respectively.

At December 31, 2020, the average annual rate of interbank loans with maturity up to 3 days was 5.84% (8.05% in 2019). For the years ended on December 31, 2020 and 2019, the interest income earned from Call Money transactions amounted to \$44 and \$143, respectively.

At December 31, 2020, the average annual rate of trusts administrated was 2.85%. For the period from August 10 to December 31, 2020, the interest income earned from trusts administrated amount to \$2.

At December 31, 2020, and 2019, the average annual rate of the deposit auction with the Central Bank with an average term of 1 and 91 days was 4.53% and 7.52%, respectively. For the years ended on December 31, 2020 and 2019, the interest income amounted to \$352 and \$78, respectively.



As of December 31, 2020, the other restricted funds correspond to Genera's employees savings fund for \$7, Mexican pesos time deposits of Genera for \$14, Compartamos Financiera for \$2,649, Compartamos Servicios for \$349, Red Yastás for \$109, Aterna for \$87, Finútil for \$551, Comfu for \$231 and Talento for \$40, with an average term of 5 days, and an average rate of 4.06%. As well as for the balances of Fin útil in the Trusts for \$ 322 used to cover the debt recognition agreements of 3 months of interest and expenses with Trusts. As of December 31, 2019, the other restricted funds correspond to Genera's employees savings fund for \$7 and Mexican pesos time deposits of Genera for \$37, Compartamos Financiera for \$1,141, Compartamos Servicios for \$415, Red Yastás for \$55 and Aterna for \$110, with an average term of 5 days, and an average rate of 6.78%.

At December 31, 2020 and 2019, Genera has no coined precious metals.

(7) Investment securities-

Cash surpluses resulting from Genera operations are invested in debt and equity 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 credit and market liquidity inherent risks.

Risk management policies, as well as the analysis of the risks which Genera is exposed to are described in note 24.

As of December 31, 2019, investment securities classified as trading are comprised of a Certificate of Deposit (CEDE) with a fair value of \$200, at a rate of 8.01% with a term of 168 days.

As of December 31, 2020 and 2019, this caption is comprised of certificates of deposit of the Central Bank of the Republic of Peru for \$1,239 and \$620, respectively and by Peruvian Treasury Bills for \$48 and \$4, respectively. At December 31, 2019, available-for-sale securities are comprised of 550,318 shares corresponding to net equity instruments, with a market value of \$11.

For the years ended December 31, 2020 and 2019, the caption of investment securities classified as available-for-sale securities recognized a net income in stockholders' equity net of deferred taxes, for \$4 and \$53, respectively.

At December 31, 2020 and 2019, the average annual rates of investments were 0.74% and 2.52%, respectively. For the years ended on December 31, 2020 and 2019, interest income from investments were to \$15 and \$50, respectively, recorded under the caption "Interest income" in the consolidated statement of income.

At December 31, 2020 and 2019, there were no transfer in securities between categories and there are no indicators of impairment over the value of the securities.

(8) Loan portfolio-

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

As of December 31, 2020 and 2019, total loan portfolio (current and past-due loans) are comprised as follows:

2020	Principal	Accrued interest	Total loan portfolio
<u>Current loans:</u>			
Commercial loans:			
Business and commercial	\$ 137	4	141
Consumer loans	37,387	951	38,338
Residential mortgages	1	-	1
	37,525	955	38,480
<u>Past-due loans:</u>			
Commercial loans:			
Business and commercial	4	--	4
Consumer loans	1,924	281	2,205
	1,928	281	2,209
Total loan portfolio	39,453	1,236	40,689

2019	Principal	Accrued interest	Total loan portfolio
<u>Current loans:</u>			
Commercial loans:			
Business and commercial	\$ 163	1	164
Consumer loans	39,624	739	40,363
Residential mortgages	2	-	2
	39,789	740	40,529
<u>Past-due loans:</u>			
Commercial loans:			
Business and commercial	4	-	4
Consumer loans	1,043	116	1,159
	1,047	116	1,163
Total loan portfolio	\$ 40,836	856	41,692

At December 31, 2020 and 2019, the loans (current and past-due loans), broken-down by economic sector, are as follows:

Economic activity	2020		2019	
	Amount	%	Amount	%
Farming	\$ 307	0.8	337	0.8
Agriculture	1,017	2.5	1,119	2.7
Food and drinks	9,386	23.1	10,527	25.2
Rentals	131	0.3	831	2.0
Leather or fur items	80	0.2	95	0.2
Construction	441	1.1	462	1.1
Electronics, machinery and equipment	126	0.3	155	0.4
Exploitation and extraction	29	0.1	26	0.1
Hardware	189	0.4	222	0.5
Financial	9	-	5	-
Manufacturing industry	1,164	2.9	1,062	2.5
Jewelry	464	1.1	570	1.4
Wood	30	0.1	77	0.2
Metals	47	0.1	56	0.1
Furniture and decoration items	230	0.6	283	0.7
Other commerce	11,920	29.3	9,266	22.2
Other services	4,471	11.0	3,843	9.2
Stationery, books and printing	289	0.7	356	0.9
Plastic and rubber	101	0.2	119	0.3
Chemicals	1,235	3.0	1,469	3.5
Textiles, clothing, footwear and fabrics	8,673	21.3	10,403	25.0
Transport	350	0.9	409	1.0
Total	\$ 40,689	100	41,692	100

The distribution of the consumer loan portfolio at December 31, 2020 and 2019, by geographical region is shown as follows:

In Mexico	2020		2019	
	Current	Past-due	Current	Past-due
Aguascalientes	\$ 105	4	132	3
Baja California	721	45	888	26
Baja California Sur	346	70	373	16
Campeche	168	7	195	5
Chiapas	1,030	41	1,150	41
Chihuahua	536	31	395	12
Coahuila	827	45	826	24
Colima	101	5	102	4
Ciudad de México	1,078	99	1,390	46
Durango	413	28	415	15
Estado de México	2,954	178	3,624	114
Guanajuato	582	28	684	20
Guerrero	787	52	973	25
Hidalgo	686	33	801	28
Jalisco	466	34	593	23
Michoacán	879	27	865	31
Morelos	345	15	413	15
Nayarit	208	11	185	5
Nuevo León	591	36	721	28
Oaxaca	792	28	933	24
Puebla	1,343	55	1,661	45
Querétaro	267	6	259	9
Quintana Roo	187	46	346	9
San Luis Potosí	343	9	375	9
Sinaloa	668	35	432	18
Sonora	710	45	592	18
Tabasco	764	31	689	15
Tamaulipas	995	49	1,087	20
Tlaxcala	531	21	645	15
Veracruz	2,581	92	2,632	75
Yucatán	220	17	303	6
Zacatecas	319	15	247	5
	22,543	1,238	24,926	749
Accrued interest	397	164	504	89
Total Mexico, to the next page	\$ 22,940	1,402	25,430	838

	2020		2019	
	Current	Past-due	Current	Past-due
Total Mexico, from previous page	\$ 22,940	1,402	25,430	838
Abroad:				
Guatemala	607	80	623	26
Perú	14,375	610	14,240	272
	14,982	690	14,863	298
Accrued interest	558	117	236	27
Total abroad	15,540	807	15,099	325
Total loan portfolio	\$ 38,480	2,209	40,529	1,163

As of December 31, 2020 and 2019, aging of the past-due loan portfolio is as follows:

	Aging				
	Days		Years		Total
2020	1 a 180	181 a 365	1 a 2	More than 2	
Commercial loans:					
Business and commercial	\$ 2	-	-	1	3
Consumer loans	2,088	59	24	35	2,206
	\$ 2,090	59	24	36	2,209

	Aging				
	Days		Years		Total
2019	1 a 180	181 a 365	1 a 2	More than 2	
Commercial loans:					
Business and commercial	\$ 1	1	1	1	4
Consumer loans	817	259	44	39	1,159
	\$ 818	260	45	40	1,163

Following is an analysis of the movements of the past-due loans, for the years ended December 31, 2020 and 2019:

	2020	2019
Past-due loans at the beginning of the year	\$ 1,163	975
Plus:		
Transfer from current loans	5,836	3,076
Past-due loans acquired (Fin Útil)	154	-
Less:		
Write-offs	4,405	2,685
Collections	516	94
Transfer to current loan portfolio	19	53
Sale of loan portfolio	-	47
Exchange rate fluctuation	4	9
Past-due loans at year-end	\$ 2,209	1,163

As of December 31, 2020 and 2019, Genera had troubled loan portfolio of \$427 thousand pesos and \$24, respectively, from Compartamos Financiera, which is 100% reserved.

Due to the low probability of collection of the portfolio affected by COVID-19, as of December 31, 2020, Genera anticipated the write-off of the past-due consumer loan portfolio for an amount of \$498, which had an aging between 91 and 179 days.

Interest and commission income for the years ended December 31, 2020 and 2019, according to the type of loan is comprised as follows:

	Interest	2020		Interest	2019	
		Commissions	Total		Commissions	Total
Current loans:						
Commercial loans	\$ 948	17	965	869	24	893
Consumer loans	17,791	102	17,893	21,499	275	21,774
Residential mortgages	-	-	-	1	-	1
Subtotal	18,739	119	18,858	22,369	299	22,668
Past-due loans:						
Commercial loans	-	-	-	8	-	8
Consumer loans	6	-	6	4	-	4
Subtotal	6	-	6	12	-	12
	\$ 18,745	119	18,864	22,381	299	22,680

As of December 31, 2020, there is \$1,607 of the loan portfolio transferred to guarantee the obligations in securitization operations (note 15).

Interest accrued not collected on past-due loans, which by accounting criteria is recorded in



memorandum accounts and applied to income until collected, at December 31, 2020 and 2019, amounts to \$207 and \$107, respectively.

For the year ended December 31, 2020, the amount of recoveries from the previously written-off loan portfolio, represented a profit of \$56 (\$64 in 2019), which were recorded in the caption Allowance for loan losses in the consolidated statement of income.

The Compartamos Financiera's loan portfolio at December 31, 2020 and 2019, pledged as collateral for funding received for its operation, amounts to \$2,114 and \$1,225, respectively.

Loan management

The authorization of loans as responsibility of the Board of Directors is centralized in committees and empowered officers, whom 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.

For the year ended December 31, 2020, and 2019, Compartamos Financiera and Fin Útil (for the period from August 10 to December 31, 2020) made restructurings; these restructurings did not include capitalization of interest.

Restructuring loans:

As of December 31, 2020 and 2019, the restructuring loans consist of the following:

	2020	2019
Commercial loans	\$ 2	53
Consumer loans	477	49
	\$ 479	102

During the year 2020, restructuring of past-due loans were carried out, which remained in the past-due loan portfolio for \$63.

Allowance for loan losses

As of December 31, 2020 and 2019, the rating of the overall loan portfolio and the allowance created based on the actual risk for each year, are as follows:

2020 Risk grade	Rated loan portfolio				Required allowance			
	Commercial	Consumer	Residential	Total	Commercial	Consumer	Residential	Total
"A-1"	\$ 13	20,191	1	20,205	-	269	-	269
"A-2"	5	1,126	-	1,131	-	40	-	40
"B-1"	41	273	-	314	1	15	-	16
"B-2"	26	12,451	-	12,477	1	514	-	515
"B-3"	8	547	-	555	-	33	-	33
"C-1"	24	1,363	-	1,387	2	100	-	102
"C-2"	3	779	-	782	-	94	-	94
"D"	25	962	-	987	6	283	-	289
"E"	-	2,851	-	2,851	-	2,054	-	2,054
Subtotal	145	40,543	1	40,689	10	3,402	-	3,412
For accrued past-due einterest					-	84	-	84
For operational risks					-	2	-	2
Additional allowance for loans losses					-	680	-	680
Total	\$ 145	40,543	1	40,689	10	4,168	-	4,178

2019 Risk grade	Rated loan portfolio				Required allowance			
	Commercial	Consumer	Residential	Total	Commercial	Consumer	Residential	Total
"A-1"	\$ 15	21,049	2	21,066	-	242	-	242
"A-2"	8	1,199	-	1,207	-	37	-	37
"B-1"	28	257	-	285	1	39	-	40
"B-2"	54	12,258	-	12,312	1	353	-	354
"B-3"	13	459	-	472	-	27	-	27
"C-1"	19	2,175	-	2,194	1	187	-	188
"C-2"	5	1,234	-	1,239	1	149	-	150
"D"	25	921	-	946	6	340	-	346
"E"	1	1,970	-	1,971	1	1,206	-	1,207
Subtotal	\$ 168	41,522	2	41,692	11	2,580	-	2,591
For accrued past-due interest					-	32	-	32
For operational risks					-	2	-	2
Total	\$ 168	41,522	2	41,692	11	2,614	-	2,625

The movements in the allowance for loan losses during the years ended December 31, 2020 and 2019, are as follows:

	2020	2019
Allowance for loan losses at the beginning of the year	\$ 2,625	2,224
Plus::		
Increase in the provision for loan losses para riesgos crediticios	6,834	3,218
Beginning balance of estimate for acquisition of Fin Útil	122	-
Less application of reserves due to write-offs:		
From current loans (by death)	138	66
From past-due loans	4,405	2,685
Sale of loan portfolio	-	46
Cancellation and refunds of interest	664	-
Exchange rate fluctuation	196	20
Allowance for loan losses at year-end	\$ 4,178	2,625

During 2020, Genera created additional allowances for loan losses for \$2,538 (Bank for \$2,295, Compartamos Financiera for \$206 and Compartamos Guatemala for \$37, respectively) which were

charged to income for the year. The purpose of these provisions is to cover risks that are not foreseen in the different rating methodologies of the loan portfolio and that specifically address the portfolio affected by the COVID-19 pandemic during 2020. As of December 31, 2020, the balance of the allowance for loan losses includes \$680 (Bank for \$461, Compartamos Financiera for \$206 and Compartamos Guatemala for \$13, respectively) of such additional reserves.

Sales of loan portfolio-

As of December 31, 2019, Compartamos Financiera made an cession of rights in the amount of 163,602 Peruvian soles (\$952 thousand pesos), the ceded portfolio had a book value of 8,168,215 Peruvian soles (\$46), which was 99% reserved, such transaction was carried out in August 2019 and was recorded in "other operating income", in the consolidated statement of income.

(9) Other accounts receivable -

At December 31, 2020 and 2019, this caption is comprised as follows:

	2020	2019
Loan portfolio accessories	\$ 211	230
Other receivables:		
Sundry debtors ⁽¹⁾	559	878
Debit from transactions with correspondents	1,000	1,059
Recoverable balance of taxes	1,290	-
	3,060	2,167
Less allowance for doubtful accounts	(80)	(81)
	\$ 2,980	2,086

⁽¹⁾ Includes balances with related parties and associated companies for \$59 and \$637 in 2020 and 2019, see (note 22).

(10) Property, furniture and equipment-

At December 31, 2020 and 2019, this caption is comprised as follows:

2020	Original cost	Depreciation and amortization annual rate (%)	Accumulated depreciation and amortization	Net value
Land	\$ 4	-	-	4
Constructions	22	5	(12)	10
Office furniture and equipment	356	10 y 20	(221)	135
Transportation equipment	238	25	(149)	89
Computer equipment	412	15 al 67	(328)	84
Others:				
Leasehold improvements	1,411	*	(996)	415
Telecommunications equipment	342	10	(209)	133
	\$ 2,785		(1,915)	870

2019	Original cost	Depreciation and amortization annual rate (%)	Accumulated depreciation and amortization	Net value
Terreno	\$ 2	-	-	2
Construcciones	21	5	(10)	11
Mobiliario y equipo de oficina	344	10 y 20	(187)	157
Equipo de transporte	218	25	(111)	107
Equipo de cómputo	366	15 al 67	(271)	95
Otros:				
Adaptaciones y mejoras	1,352	*	(859)	493
Equipo de telecomunicaciones	319	10	(152)	167
	\$ 2,622		(1,590)	1,032

* 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, 2020, the charge to the consolidated income statement in the "Administrative and promotional expenses" caption, related to depreciation and amortization amounted to \$229 and \$126, respectively (\$234 and \$121 in 2019, respectively).

	Original cost	
	2020	2019
Fully depreciated assets		
Constructions	\$ 5	4
Office furniture and equipment	57	50
Transportation equipment	35	22
Computer equipment	189	181
Leasehold improvements	377	298
Telecommunications equipment	42	28
	\$ 705	583

The property, furniture and equipment owned by Genera, is not pledged or restricted for its use or disposal.

Genera as lessee has capitalized leases for transportation equipment, mobile devices and automated teller machines with terms of 3 to 4 years with purchase option. The lease of furniture 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, 2020 and 2019, assets leased through capitalized leases are comprised as follows:

	2020	2019
Office furniture and equipment	\$ 3	-
Transportation equipment	40	33
Less accumulated depreciation	30	18
	\$ 13	15

The payable liability related to capitalized leases is as follows (see note 18):

	2020			2019		
	Future minimum payments	Discounted interest	Present value	Future Mimumum payments	Discounted interest	Present value
Less than one year	\$ 30	(1)	29	9	(1)	8
Between one and five years	13	-	13	9	(1)	8
	\$ 43	(1)	42	18	(2)	16

Interest expense from capitalized leases during the years ended December 31, 2020, and 2019, was \$2 and \$2, respectively, which is recorded under the caption of "Other operating income (expenses), net" in the consolidated statements of income (see note 23).

(11) Permanent investment-

At December 31, 2020 and 2019, the permanent investment is comprised as follows:

	2020	2019
Associated companies	\$ 30	2,323
Other permanent investments at acquisition cost	64	105
	\$ 94	2,428

At December 31, 2020 and 2019, the investment in associated companies is valued by the equity method, considering the results and the stockholders' equity of the companies whereby there is not control over the financial policies and the operating decisions are led by the controlling shareholders. The associated companies as follows:

December 31, 2020	Activities	% of participation	Stock Capital	Equity in net assets
Aflore	Microfinance	29.32	\$ 103	30

December 31, 2019	Activities	% of participation	Stock Capital	Equity in net assets
Aflore	Microfinance	26.67	\$ 130	35
Fin Útil (1)	Microfinance	36.80	1,655	609
Comfu (1)	Commercial	36.80	306	113
Talento Concrédito (1)	Services	37.26	31	12
			\$ 2,122	769

(1) As of December 31, 2019, the goodwill derived from the investment in Fin Útil and Comfu amounts to \$1,524, same that is presented as part of the investment.

The participation in the result of associated companies for the years ended December 31, 2020 and 2019, is as follows:

December 31, 2020	% of participation	Net results	Equity in the results
Aflore	29.32	\$ (47)	(14)
Fin Útil (2)	45.04	13	7
Comfu (2)	45.04	175	89
Talento Concrédito (2)	37.26	9	4
Pago Digitales Peruanos	55.56	(13)	(7)
		\$ 137	79

December 31, 2019	% of participation	Net results	Equity in the results
Aflore	26.67	\$ (28)	(7)
Fin Útil	36.80	303	111
Comfu	36.80	238	88
Talento Concrédito	37.26	19	7
		\$ 532	199

(2) Equity method of associated until July 31, 2020.

During the year 2019, the associated company Fin Útil made dividend payments to Genera for \$99.

As of December 31, 2020 and 2019, the other permanent investments at acquisition cost are as follows:

	2020	2019
Avante.com.vc SOLUÇÕES E PARTICIPAÇÕES, S. A. (1) (2)	\$ 109	109
Epesos, S. A. P. I. de C. V. (1)	50	44
Reinventando el Sistema S.A.P.I de C.V.	21	21
Pagos digitales Peruanos, S. A. (2)	-	21
IDE345 III S.A.P.I de C.V.	19	19
IDE345 II, S. A. P. I. de C. V.	15	15
ALLVP Fund III,L.P.	8	6
Grupo Aliada MX, S. A. P. I. de C. V. (1) (2)	2	2
500 Luchadores, L.P.	1	-
Subtotal	225	237
Impairment reserve	(161)	(132)
	\$ 64	105

(1) As of December 31, 2020, an impairment reserve was recognized in these permanent investments equivalent to 100% of the investment amount

(2)) as of December 31, 2019)

Business acquisition in stages-

On June 15, 2020, following a resolution at the Board of Directors' meeting held on October 31, 2017, the investment in the associates Fin Útil and Comfu was increased, through the conversion of loans for \$657 granted to Fin útil and Comfu, therefore the percentage of ownership at June 30, 2020 had an increase from 36.74% to 45.04%, respectively.

On August 10, 2020, through a transaction covered with its own resources, Genera formalized the investment process to achieve a majority shareholding in Fin Útil, Comfu and Talento Concrédito, increasing its participation to 51% through the payment of \$506 and assuming control of strategic business decisions, as well as its financial and operating policies. The aforementioned entities are incorporated in Mexico with more than 12 years of experience in the granting of loans, with presence in 21 states of the country and a portfolio managed through a network of more than 41 thousand distributors. As of August 2020, Fin Útil, Comfu and Talento Concrédito are subsidiaries of Genera and are therefore consolidated.

The following table summarizes the fair value of the total consideration transferred and each of its parts:

Value of previously acquired investment prior to acquisition of control	\$ 2,976
Payment made in cash on date of acquisition of control	506
Total consideration transferred	\$ 3,482

The estimated fair value as of August 10, 2020, of the assets acquired and liabilities assumed at the acquisition date is presented below:

Cash and cash equivalents	\$ 1,097
Loan portfolio, net	2,778
Other accounts receivable, net	142
Property, furniture and equipment, net	53
Other assets	249
Intangibles assets acquired	764
Total assets acquired	5,083
Securitization operations	1,281
Banking and other borrowings	580
Other accounts payable	348
Deferred income tax	229
Total liabilities assumed	2,438
Asset acquired net	\$ 2,645

Measurement of fair values

The valuation techniques used to measure the fair value of property, plant and equipment acquired are as follows:

Asset acquired	Valuation technique
Intangible asset	The multi-period excess return method considers the present value of the net cash flows expected to be generated by the relationships with credit dealers.



Accounts receivable include contractual amounts due of \$2,900, which had an allowance for loan losses of \$122 at the acquisition date.

From the \$764 of intangible assets acquired, \$73 was allocated to a trademark and \$691 to the relationship with the credit distributor network, which has an estimated useful life of 10 years.

Goodwill arising from the acquisition has been recognized as shown below:

Consideration paid	\$	3,482
Non-controlling interest, based on the proportional interest in the amounts recognized for assets and liabilities by the acquiree		3,346
Fair value of identifiable net assets		(2,645)
Goodwill	\$	4,183

Long-lived assets available for sale - Sale of equity interest

On December 30, 2019, Genera entered into a purchase and sale agreement whose purpose is the sale of 100% of its equity interest, therefore, as of December 31, 2019, the investment of Pagos Intermex is presented in "Long-lived assets available for sale, net" in the consolidated balance sheet, and the results obtained for the years ended December 31, 2020 and 2019, are presented in "Discontinued operations" in the consolidated statements of income. On June 30, 2020, Genera formalized the sale of its Pagos Intermex business unit to TransNetwork L.L.C., with an effective date of transfer of the transaction on July 1, 2020. The sale for 100% of the capital stock of INTERMEX was for \$241 which was adjusted to \$306. The transaction includes 27 branches where the largest percentage of remittances are generated, the assets and equipment necessary for their proper operation and more than 2,600 correspondent agents.

Until the completion of the sale, Genera had recognized the net investment subject to this transaction within "Long-lived assets available for sale, net" on the consolidated balance sheet as of December 31, 2019 and the equity in the results of Pagos Intermex as a discontinued operation in the consolidated statement of income for the six months ended June 30, 2020 and for the year ended December 31, 2019.

As of December 31, 2019, the long-lived assets available for sale are analyzed as shown below:

	Amount
Cash and cash equivalents	\$ 128
Other accounts receivable	228
Goodwill	40
Other assets	101
Income tax payable	(6)
Other accounts payable	(143)
Deferred income tax and employee statutory profit sharing	(6)
Deferred charges and prepayments	(4)
Subtotal	338
Impairment loss to adjust to realization value	(97)
long-lived assets available for sale, net	\$ 241

As of December 31, 2019, the long-term assets available for sale are analyzed as shown below:

	Amount
Interest income	\$ 7
Commissions and fee income	190
Commissions and fee expense	(72)
Other operating income	(11)
Administrative and promotional expenses	(35)
Current income tax	(26)
Deferred tax asset	1
Subtotal	54
Impairment loss to adjust to realization value	(97)
Accrued expenses	(11)
Discontinued operations	\$ (54)

For the six months ended June 30, 2020, net income from discontinued operations amounted to \$59.

(12) Other assets, deferred charges and intangibles-

At December 31, 2020 and 2019, this caption is comprised as follows:

- a) Arises from business acquisitions of Compartamos Financiera for \$843, Fin Útil for \$3,646, Comfu for \$535 and Talento Concrédito for \$28, which is subject to impairment tests.
- b) Not amortizable deposit, subject to recovery upon expiration of each leasing agreement for the respective service office.
- c) Insurance is amortized according to the duration of each policy. The amount charged to the consolidated income statement for the years ended on December 31, 2020 and 2019, amounted to \$38 and \$54, respectively.
- d) Investment in intangibles includes the development of an electronic system for the control and management of banking operation, licenses and acquisition of software. The estimated useful life of the intangible asset and software is ten and seven years, respectively. The amortization of intangible assets and software for the years ended as of December 31, 2020 and 2019, amounted to \$332 and \$306, respectively.
- e) e) Derived from the acquisition of Fin Útil, the Concrédito brand was recorded as intangible assets with an indefinite life, which is subject to impairment tests, and the network of distributors with a useful life of 10 years. Amortization charged to income during the period from August 10 to December 31, 2020 amounted to \$28.

(13) Deposit funding -

Deposit funding includes deposits on demand, time deposits and debt securities issued in Mexican pesos and global account of deposits with no movements. As part of the deposit funding, demand deposits for \$1,331 and \$1,088, as of December 31, 2020 and 2019, respectively, \$39 and \$8 for the global deposit account with no movement as of December 31, 2020 and 2019, correspond to the Bank and 293 and 184 million of Peruvian soles correspond to Compartamos Financiera at December 31, 2020 and 2019, respectively (equivalent to \$1,608 and \$1,050 at December 31, 2020 and 2019, respectively). At December 31, 2020 and 2019, time deposits from general public include \$1,382 and \$1,282, respectively, from the Bank, as well as 1,710 and 1,392 million of Peruvian soles at December 31, 2020 and 2019, respectively (equivalent to \$9,402 and \$7,811, respectively).

The weighted average rates (non-audited) of the different deposits funding products during the years ended on December 31, 2020 and 2019, are analyzed as follows:

	2020	2019
Demand deposits	1.90%	1.44%
Time deposits	5.17%	4.96%
Money market	1.05%	3.62%

At December 31, 2020 and 2019, Compartamos Financiera issued money market certificates of deposit (cedes) in soles for 177 and 125, respectively (equivalent in Mexican pesos to \$972 and \$719), maturing in one year. Interest expense on the CEDES for the years ended December 31, 2020 and 2019, amounts to \$32 and \$36, respectively (see note 23). As of December 31, 2019, the Bank held one time deposit (CEDE) for \$201, with a term of 168 days.

Compartamos Financiera, carried out a public offer on November 13, 2019, for series "A" corporate bonds for 70 million of Peruvian soles, at a fixed annual nominal interest rate of 4.40625% plus 203 basis points, and a term of 2 years. The current program was registered in the Public Registry of the Securities Market of the Superintendency of the Securities Market of Peru. As of December 31, 2020 and 2019, the balance equivalent in Mexican pesos amounts to \$386 and \$558, respectively. The interest expense recognized by the Corporate Bonds as of December 31, 2020 and 2019 amounts to \$23 and \$18, respectively (see note 23).

At December 31, 2020 and 2019, long term unsecured Cebures were issued in Mexican pesos, under the current issuance program approved by the Commission for an amount of \$15,000 and \$9,000, respectively. The current issued Cebures are as follows:

Cebures	2020				
	Amount of issuance	Date of issuance	Maturity date	Interest rate	Balance
COMPART 16-2	\$ 2,000	October 2016	October 2023	Fija 7.50%	2,000
COMPART 18	2,500	October 2018	September 2022	TIIE 28 Días + 42 pb	2,500
COMPART 19	2,000	May 2019	May 2024	TIIE 28 Días + 45 pb	2,000
COMPART 20	1,860	June 2020	June 2025	Fija 8.09%	1,860
					8,360
Interest payable					48
Total debt issuance					\$ 8,408

2019					
Cebures	Amount of issuance	Date of issuance	Maturity date	Interest rate	Balance
COMPART 15	\$ 2,000	September 2015	August 2020	TIIE 28 Días + 50pb	2,000
COMPART 16-2	2,000	October 2016	October 2023	Fija 7.50%	2,000
COMPART 18	2,500	October 2018	September 2022	TIIE 28 Días + 42 pb	2,500
COMPART 19	2,000	May 2019	May 2024	TIIE 28 Días + 45 pb	2,000
					8,500
Interest payable					56
Total debt issuance					\$ 8,556

Interest accrued derived from Cebures for the year ended on December 31, 2020, amounted to \$574 (\$730 in 2019), see note 23.

At December 31, 2020 and 2019, Cebures had the following maturity terms:

Expiration year	2020	2019
2020	\$ -	2,056
2021	48	-
2022	2,500	2,500
2023	3,000	3,000
2024	1,000	1,000
2025	1,860	-
	\$ 8,408	8,556

(14) Banking and other borrowings-

At December 31, 2020 and 2019, Genera had contracted the following borrowings in Mexican pesos and in Peruvian soles, translated into Mexican pesos, as follows:

	2020	2019
Short term:		
Borrowings from development banks	\$ 205	777
Borrowings from multiple banking institutions	1,788	1,827
Public trusts borrowings	47	23
Other institutions	1,159	950
Total short-term	3,199	3,577
Long term:		
Borrowings from development banks	3,950	1,500
Borrowings from multiple banking institutions	338	225
Public trusts borrowings	8,869	4,873
Other institutions	1,434	444
Total long term	14,591	7,042
Total banking and other borrowings	\$ 17,790	10,619

As of December 2020 and 2019, there is a liability related to interest accrued for the amount of \$34 and \$39, respectively.

For the year ended December 31, 2020, the accrued interest from banking and other borrowings amounted to \$1,055 (\$810 in 2019), see note 23.

As of December 31, 2020 and 2019, the maturities of interbank and other agencies long-term loans are shown below:

	2020	2019
Expiration		
2020	\$ -	419
2021	-	3,262
2022	3,932	899
2023	2,718	304
More than 5 years	7,941	2,158
	\$ 14,591	7,042

Genera's received credit facilities as of December 31, 2020 and 2019, as well as the unused portion thereof, are shown below:

Institution	2020	
	Credit facility received	Unused portion*
Fideicomiso Instituido en Relación con la Agricultura (FIRA)	\$ 10,500	1,585
Nacional Financiera, S. N. C. (NAFIN)	4,000	50
BBVA Bancomer, S. A.	150	-
Banco Nacional de México, SA	560	460
HSBC México, S. A.	550	550
Banco Mercantil del Norte, SA	800	613
Corporación Financiera de Desarrollo SA (COFIDE)	-	-
FONDEMI – COFIDE	55	13
Línea puno – COFIDE	4,071	2,200
Banco de la Nación	605	401
BBVA Banco Continental	697	147
Banco Interbank	239	239
Banco GNB Perú, S. A.	275	-
Citibank Perú, S. A.	495	165
Banco del Bajío, S. A.	500	500
Banco G&T Continental, S. A.	38	-
Caja Municipal de Ahorro y Crédito de Arequipa, S. A	165	165
ICBC International Trade Processing Center	199	199
Foncodes	82	-
Banco Internacional, S. A.	38	-
Banco de Crédito del Perú, S. A.	239	45
Banco Ve por Mas, S. A	200	100
Banco Actinver, S.A.	200	50
CI Banco, S. A. y SOCADE, S.A.P.I. de C.V.	400	-
CARDIF S.A.	180	-
	\$ 25,238	7,482

* See explanation on the next page.

Institution	2019	
	Credit facility received	Unused portion*
Fideicomiso Instituido en Relación con la Agricultura (FIRA)	\$ 8,000	3,105
Nacional Financiera, S. N. C. (NAFIN)	4,000	2,000
BBVA Bancomer, S. A.	150	150
Banco Nacional de México, SA	1,183	1,108
HSBC México, S. A.	556	556
Banco Mercantil del Norte, SA	800	800
Banco Santander (México), SA	500	350
Corporación Financiera de Desarrollo SA (COFIDE)	3,047	2,307
FONDEMI – COFIDE	68	68
Línea puno – COFIDE	24	24
Banco de la Nación	484	-
BBVA Banco Continental	538	-
Banco Interbank	226	226
Banco GNB Perú, S. A.	285	-
Citibank Perú, S. A.	943	374
Banco del Bajío, S. A.	500	500
Banco G&T Continental, S. A.	37	37
Caja Municipal de Ahorro y Crédito de Arequipa, S. A.	171	-
ICBC International Trade Processing Center	189	7
Banco Interamericano de Finanzas	189	189
Banco de Crédito del Perú, S. A.	228	-
Banco Ve por Mas, S. A.	200	200
Banco Internacional, S. A.	37	37
	\$ 22,355	12,038

* The amount of the unused credit facilities are recognized in memorandum accounts as part of the caption "Other memorandum accounts".

As of December 31, 2020, borrowings accrued interest at average annual interest rates (non-audited) in Mexican pesos of 9.76% (9.36% in 2019), in Guatemalan quetzals 7.25%, in Peruvian soles of 3.94% (4.53% in 2019).

(15) Obligations in securitization operations-

As of December 31, 2020, the balance of securitization operation are included in the following page.

Debt securities issued by Fin Útil corresponding to Cebures are summarized as follows:



Issuance	Trust	Amount of issuance	Rating	Maturity date	Interest rate	Amount
FUTILCB 19	F/00925	8,000	AAA / HR AAA	March -23	TIE a _ días + 220 pb	\$ 800
FUTILCB 18	F/01064	5,000	MXAAA / AAAE	March -21	TIE a _ días + 220 pb	417
						\$ 1,217

Each trust has a revolving period mentioned below, in which Fin Útil as Settlor and Trustee in second place has the right to discount the portfolio prior to the objective amortizations of each issue. As established in the contract of each trust, Fin Útil is entitled to receive back the assets and rights it contributed to the trust, as well as all the amounts and assets that are part of the Trust Estate, in the corresponding proportion according to the terms agreed in the contract, once the principal and interest and other amounts payable under the Certificados Bursátiles have been fully paid.

(16) Employees' benefits-

Genera has a pension plan in a mixed scheme, in which the benefit that is granted to the personnel is derived from two components: defined benefit plan and defined contribution plan. The retirement pension plan covers the permanent employees. The benefits are based on 10 years of service and 65 years of age on the integrated daily wage. The defined benefit plan is funded in its entirety by Genera, and the defined contribution plan is funded with contributions from both Genera and the employees.

Genera granted for one time only in 2012 the right to a recognition bonus of \$35 for employees who had at that date two or more years of service in Genera, and who enrolled in the plan at the time of its establishment, for financing purposes the total amount of such bonus is provided annually into a trust during 10 years, provided that the employees stay employed. As of December 31, 2020, Genera has contributed \$26.

Cash flows

The contributions and benefits paid for the years ended December 31, 2020 and 2019, are as follows:

2020	Contribution to the fund	Benefits paid from the fund
Termination	\$ -	141
Recognition bonus	2	-
Defined benefit	188	-
Total	\$ 190	141

2019	Contribution to the fund	Benefits paid from the fund
Termination	\$ -	134
Recognition bonus	2	-
Defined benefit	60	-
Total	\$ 62	134

Obligations-

The components of the defined benefit cost for the years ended December 31, 2020 and 2019, are as follows:

	Legal compensation		Seniority premium		Pension plan	
	2020	2019	2020	2019	2020	2019
Current Service Cost (CSC)	\$ 55	52	16	13	132	89
Prior Service Labor (income) cost provided in the year	-	39	54	(5)	-	(122)
Net interest on defined benefit net liability (DBNL)	31	34	5	4	39	26
Reclassification of remeasurements of DBNL in OCI	54	138	2	4	17	67
Net cost for the period	140	263	77	16	188	60
Increase (decrease) in remeasurements of the DBNL or (DBNA) in OCI	269	(113)	6	9	(500)	233
Defined benefit cost	\$ 409	150	83	25	(312)	293
Beginning balance of DBNL or (DBNA) remeasurements	\$ 322	435	17	8	430	197
Remeasurements generated in the year	323	25	8	13	(483)	300
Reclassification of remeasurements recognized in OCI of the year	(54)	(138)	(2)	(4)	(17)	(67)
Ending balance of DBNL remeasurements	591	322	23	17	(70)	430
Increase (decrease) in remeasurements of the DBNL or (DBNA) in OCI	\$ 269	(113)	6	9	(500)	233
Beginning balance of DBNL	\$ 435	410	63	46	511	278
Acquisition effect for Talento Concrédito	7	-	3	-	-	-
Defined benefit cost	409	150	83	25	(312)	293
Contributions to the plan	-	-	-	-	(188)	(60)
Payments charge to DBNL	(129)	(125)	(13)	(8)	-	-
Ending balance of DBNL	\$ 722	435	136	63	11	511

As of December 31, 2020 and 2019, the financial situation of the obligation is as follows:

	Legal compensation		Seniority premium		Pension plan	
	2020	2019	2020	2019	2020	2019
Defined benefit obligations (DBO)	\$ (722)	(435)	(136)	(63)	(513)	(818)
Plan assets	-	-	-	-	502	307
Financial position of the obligation	\$ (722)	(435)	(136)	(63)	(11)	(511)

During November and December, 2020 and 2019, Genera paid termination benefits to employees for an amount of \$87 and \$17, respectively, reducing the labor obligations liability with respect to the one actuarially determined.

The cost, obligations and other elements of pension plans, seniority premiums and legal termination benefits other than restructuring, mentioned in note 3(q), was determined based on calculations prepared by independent actuaries at December 31, 2020 and 2019.

Main actuarial assumptions-

The main actuarial assumptions used, expressed in absolute terms, as well as the discount rates, yield of the plan assets, salary increases and changes in the indexes or other variables referred, at December 31, 2020 and 2019, the same actuarial assumptions in both years, as indicated below:

Age	Death (%) Men	Death (%) Women	Disability (%)	Rotation (%) Sales	Rotation (%) CEAS	Retirement
20	0.00197	0.00093	0.00076	0.99999	0.99999	0.000000
25	0.00230	0.00095	0.00100	0.25465	0.33878	0.000000
30	0.00274	0.00099	0.00112	0.15442	0.20544	0.000000
35	0.00332	0.00105	0.00129	0.09701	0.12906	0.000000
40	0.00411	0.00116	0.00164	0.06208	0.08259	0.000000
45	0.00517	0.00132	0.00221	0.03709	0.04935	0.000000
50	0.00661	0.00158	0.00347	0.02051	0.02728	0.000000
55	0.00859	0.00199	0.00712	0.00866	0.01152	0.000000
60	0.01131	0.00270	0.00000	0.00000	0.00000	0.510062
65	0.01512	0.00396	0.00000	0.00000	0.00000	1.000000
				2020	2019	
Discount rate:						
				Compartamos Servicios Sales	6.74%	7.55%
				Compartamos Servicios CEAS	6.74%	7.55%
				Talento Concrédito	6.62%	-
Rate of salary increases:						
				Compartamos Servicios Ventas	5.00%	7.00%
				Compartamos Servicios CEAS	8.00%	7.00%
				Talento Concrédito	5.50%	-
Rate of increases to the minimum salary:						
				Compartamos Servicios Ventas	4.00%	4.00%
				Compartamos Servicios CEAS	4.00%	4.00%
				Talento Concrédito	3.50%	-

During the years of 2020 and 2019, the amount contributed to the defined contribution pension plan was \$32 and \$28, respectively.

(17) Income Tax (IT) and Employee Statutory Profit Sharing (ESPS)-

(a) IT

According to the current IT Law in Mexico, the IT rate for the fiscal years of 2020 and 2019 was 30%. The ESPS rate for the fiscal years of 2020 and 2019 was 10%. The IT rate in Peru for fiscal years of 2020 and 2019 was 29.5%. The IT rate in Guatemala for fiscal years of 2020 and 2019 was 25%.

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

Genera does not consolidate its subsidiaries for tax purposes carryforward, following is presented for informative purposes the expense (income) in the consolidated income statement related to current and deferred income taxes for the years ended December 31, 2020 and 2019:

	2020			2021		
	Current IT	Deferred IT in OCI	Deferred IT	Current IT	Deferred IT in OCI	Deferred IT
Banco	\$ -	-	726	(1,039)	-	134
Genera	-	-	(53)	-	-	(17)
Compartamos Financiera	-	(34)	239	(282)	4	34
Compartamos Servicios	(230)	(1)	(20)	(247)	(17)	81
Controladora AT	-	-	(23)	-	-	-
Red Yastás	(25)	-	-	(28)	-	(24)
Compartamos Guatemala	-	(3)	39	(20)	-	1
Fin Útil	10	-	109	-	-	-
Comfu	(65)	-	7	-	-	-
Talento Concrédito	(3)	-	(2)	-	-	-
	\$ (313)	(38)	1,022	(1,616)	(13)	209

On the next page, the reconciliation between the current and effective IT tax rates of the Bank for the years ended on December 31, 2020 and 2019, which provision is the main consolidated IT expense, is shown.

	2020	2019
Bank's income before IT	\$ -	3,247
IT at 30% rate on income before IT	-	(974)
Plus (less) the effect of IT on:		
Deductible annual inflation adjustment	-	68
Other, net	726	1
IT income (expense) in the Bank	\$ 726	(905)
Effective IT rate	35%	28%

At December 31, 2020 and 2019, the main temporary differences of Genera on which deferred IT asset (liability) arises, are analyzed as follows:

	2020	2019
Allowance for loan losses	\$ 927	649
Furniture and equipment	69	57
Installation expenses	185	174
Employees' benefits	177	225
Provisions	201	268
Tax losses carryforward	1,274	439
Other	135	(17)
	2,968	1,795
Less:		
Valuation allowance *	(398)	(290)
Deferred IT asset, net	\$ 2,570	1,505

* As of December 31, 2020 and 2019, such reserve corresponds mainly to the deferred tax loss carryforwards of Genera of \$793 and \$965, respectively, as well as the disposal on sale of shares of \$525 as of December 31, 2020.

As of December 31, 2020, Genera recognized a deferred tax liability arising from the recognition of intangible assets in the business acquisition (note 11), as shown below:

	2020	2019
Trademark Concrédito	\$ 22	-
Intangible for women entrepreneurs relations	199	-
Deferred liabilities	\$ 221	-

As of December 31, 2020 and 2019, 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, 2020, the deferred IT movement in Genera represented a credit the year results for \$1,022, a debit for \$38 in OCI. For the year ended December 31, 2019, the deferred IT movement in Genera represented a credit the year results for \$209, a credit for \$13 in OCI.

As of July 31, 2020, the deferred income tax charge (credit) of Fin Útil, Comfu and Talento Concrédito for \$1 was recognized by the equity method under the caption "Equity method of associated companies".

As of December 31, 2020 and 2019, deferred tax asset derived from ESPS amounted to \$150 and \$149, respectively, deferred tax asset derived from ESPS at December 31, 2020 and 2019 is reserved at \$143 and \$149, respectively.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment.

(b) ESPS

For the years ended on December 31, 2020 and 2019, determined ESPS amounts to \$63 and \$123, respectively, which was recognized under the "Administrative and promotional expenses" caption in the consolidated statement of income.

As of December 31, 2020 and 2019, the ESPS payable from previous years amounts to \$9 and \$1, respectively.

(18) Sundry creditors and other accounts payable-

At December 31, 2020 and 2019, the balance of this caption is comprised as follows:

	2020	2019
Capitalized lease liabilities (note 10)	\$ 42	16
Social security contributions	158	159
Other taxes	392	350
Labor liabilities (note 15) (1)	907	1,059
Sundry provisions	898	944
Sundry creditors	1,147	1,022
	\$ 3,544	3,550

(1) Includes \$100 and \$37, at December 31, 2020 and 2019, respectively, of labor liability mainly from the subsidiaries abroad.

Following is the analysis of the most significant provisions for the years ended December 31, 2020 and 2019:

Type of provision	Balance at January 1, 2020	Provisions for acquisition of bussines	Plus increases	Less applications	Less cancellations	Balance at December 31, 2020
-------------------	----------------------------	--	----------------	-------------------	--------------------	------------------------------

Short term:

Sundry provisions	\$ 944	72	1,712	1,573	257	898
-------------------	--------	----	-------	-------	-----	-----

Type of provision	Balance at January 1, 2019	Plus increases	Less applications	Less cancellations	Balance at December 31, 2019
-------------------	----------------------------	----------------	-------------------	--------------------	------------------------------

Short term:

Sundry provisions	\$ 922	1,823	1,717	84	944
-------------------	--------	-------	-------	----	-----

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, 2020 and 2019:

	2020	2019
Employees bonuses	\$ 293	244
Advisory and services	32	210
Legal provisions	58	52
Commissions	5	6
Other provisions	510	432
Total provisions	\$ 898	944

(19) Institute for the protection of bank saving (IPAB- for its acronym in Spanish)-

The System for the Protection of Bank Savings, in effect since 2005, comprises, among other changes, the protection of deposits from the general public amounting to the equivalent of 400,000 UDI (approximately \$2.5 at December 31, 2020 and 2019), 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, 2020 and 2019, amounted to \$89 and \$65, respectively, which were charged directly to the consolidated results of the year within the caption of "Administrative and promotional expenses".

(20) Stockholders' equity-

(a) Structure of stock and movements of stockholders' equity

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

2020 movements-

At the Ordinary Annual General Shareholders' Meeting, held on April 17, 2020, it was approved i) transfer to the prior years' results the amount of \$3,275 corresponding to the result of the 2019 year, ii) suspend the use of the fund for the acquisition of treasury stock until a new date to be defined by the Board of Directors, iii) Cancel 19,716,841 shares nominative ordinary shares without nominal value expression, without reducing capital stock.

The Commission, through official letter P286/2020 dated March 30, 2020, issued the recommendation that in view of the extraordinary situation caused by the pandemic generated by the virus called COVID-19 and in order for the Institution to continue with the responsibility of supporting the economy, seeking to channel such resources to strengthen the company itself while preserving its capital, it should refrain from what is indicated below:

"Agree to the payment to shareholders of dividends from the company, as well as any other act that implies the transfer of patrimonial benefits with respect to fiscal years 2020 and 2019, including the distribution of reserves."

Therefore, Genera did not declare dividends during 2020.

2019 movements-

At the general ordinary stockholder meeting held on April 12, 2019, the stockholders resolved to declare and pay dividends of \$593, payable in one installments by wire transfer; the payment was made on July 31, 2019 and it was settled through S. D. Indeval, S. A. de C. V. (Institución para el Depósito de Valores). At the same meeting, it was resolved to increase the legal reserve for \$11, and cancel 11,977,698 shares nominative ordinary shares without nominal value expression, without reducing capital stock.

Genera's subscribed and paid capital at December 31, 2020 and 2019, is comprised as follows:

Series	Shares	Description	Amount
2020			
"Unique"	415,595,67	Minimum fixed capital with no withdrawal rights	\$ 1,201
	1,177,261,200	Variable capital	3,563
	1,592,856,876	Capital Stock	\$ 4,764
2019			
"Unique"	415,595,676	Minimum fixed capital with no withdrawal rights	\$ 1,201
	1,196,978,041	Variable capital	3,563
	1,612,573,717	Capital Stock	\$ 4,764

(b) Restrictions on stockholders' equity-

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

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

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

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

(c) Capitalization requirements (unaudited)-

The Ministry of Finance and Public Credit (SHCP-Spanish acronym) requires banks in Mexico 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, 2020 and 2019, 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 a net capital related to the market, credit and operating risk to which it is exposed, and which is not lower than the sum of the capital requirements for the aforementioned risks, in terms of the Capitalization Requirement Rules for Multiple Banking Institutions issued by the SHCP.

At December 31, 2020 and 2019, the Bank is in compliance with the capitalization rules, which require the Institution to maintain a certain net capital in relation to market and credit risks incurred in its operations, which may not be lower than the total amount from adding up capital requirements for both types of risk.

Capitalization index -

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, 2020 was 31.44% in accordance with current rules and 32.59% as of December 31, 2019.

The ICAP on assets subject to credit risk (“ASRC” by its acronym in Spanish) as of December 31, 2020 and 2019, is 38.59% and 39.51%, respectively.

Following are the most relevant items of the ICAP at December 31, 2020 and 2019:

	2020	2019
Assets in market risk	\$ 3,565	4,187
Assets in credit risk	24,094	27,551
Assets in operational risk	1,917	1,661
Total risk assets	\$ 29,576	33,399
Net capital	\$ 9,298	10,886
Ratio on assets subject to credit risk	38.59	39.51%
Ratio on assets subject to total risk	31.44%	32.59%

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, of	
	2020	2019
Stockholders’ equity ¹	\$ 10,584	11,929
Deduction of intangibles and deferred expenses or costs	(1,286)	(1,043)
Basic capital	9,298	10,886
Complementary capital	-	-
Net capital	\$ 9,298	10,886

According to Article 220 of the Dispositions applicable to Credit Institutions, issued in the Official Gazette on December 2, 2005 and subsequent amendments, the Institution has as of December 31, 2019 Fundamental Capital Ratio (CCF by its acronym in Spanish) higher than 0.7 plus the sum of the Systemic Countercyclical Supplement Capital (SCCS by its acronym in Spanish) and the Countercyclical Supplement Capital Ratio (SCCI by its acronym in Spanish), a Ratio of Basic Capital higher than 0.085 for the years 2020 and 2019 plus the sum of SCCS and SCCI and an ICAP higher than 10.5%, for both years, plus the sum of SCCS and SCCI. Therefore the Institution is classified in the “1” category in accordance with the aforementioned provisions for both years.

The Ratio of Basic Capital 1 and the Ratio of Basic Capital, is determined as follows:

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

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

ICAPM = Ratio of minimum capitalization.

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

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

Market risk-

The capital required for the position of assets at market risk as of December 31, 2020 and 2019, is as follows:

Item	Amount of the equivalent positions		Capital requirement	
	2020	2019	2020	2019
Operations at nominal rate in local currency	\$ 3,329.63	3,905.67	266.37	312.45
Operations at nominal rate in foreign currency	0.20	0.23	0.02	0.02
Shares and on shares positions	-	-	-	-
Positions in foreign currency or with return indexed to exchange rates	235.35	280.90	18.83	22.47
	\$ 3,565.18	4,186.80	285.22	334.94

Credit risk-

The amount corresponding to weighted assets subject to credit risk and their respective capital requirements as of December 31, 2020 and 2019 is shown below per risk group and item:

	Risk-weighted assets		Capital requirements	
	2020	2019	2020	2019
Risk group:				
From borrowers in loan portfolio:				
Group III (weighted at 20%)	\$ 463.089	237.828	37.047	19.026
Group III (weighted at 100%)	0.003	0.003	0.003	0.003
Group VI (weighted at 100%)	19,671.065	24,390.785	1,573.685	1,951.263
Group VII_A (weighted at 20%)	21.463	35.159	1.717	2.813
Group VIII (weighted at 115%)	293.851	201.132	23.508	16.091
For transactions with related persons:				
Group III (weighted at 100%)	78.331	-	6.267	-
Group III (weighted at 115%)	1,202.343	283.682	96.187	22.695
Of issuers of debt securities in position:				
Group III (weighted at 20%)	-	199.599	-	15.968
Permanent investments and other assets:				
Group III (weighted at 20%)	0.103	1.473	0.008	0.118
Group IV (weighted at 20%)	0.539	1.144	0.043	0.092
Group VII_A (weighted at 100%)	1,009.807	979.823	80.785	78.386
Group IX (weighted at 100%)	1,351.313	1,218.236	108.105	97.459
Group X (weighted at 1250%)	2.581	2.581	0.206	0.206
Total credit risk	\$ 24,094.488	27,551.445	1,927.558	2,204.120

Operational risk-

The capital requirement for its exposure to operational risk using the alternative standard method for the calculation of December 2020 is \$153.3, while for 2019 it was \$132.9.

Capital requirements are calculated periodically and the sufficiency of capital is evaluated. At December 31, 2020 and 2019, the Institution has maintained a capitalization index of 31.44% and 32.59%, respectively, higher than the current regulatory limit (10.5%).

(d) Leverage index of the bank-

The rule for calculating the leverage ratio established by the Commission, as of December 31, 2020 and 2019, considers the follows:

	2020	2019
Basic capital	\$ 9,298	10,886
Accounting assets	35,913	31,68
Deductions	850	1,044
Derivatives	-	-
Repurchase/resell agreements and loan of securities	-	-
Memorandum accounts - loan commitments	440	600
Leverage index	26%	35%

(e) Bank's agencies credit rating (unaudited)-

As of December 31, 2020 and 2019 the Bank obtained the following agencies credit rating in both years:

Calificadora	Escala nacional	Escala global
Fitch Ratings ⁽¹⁾	'AA+(mex) / F1+(mex)'	BBB- / F3
Standard&Poor's ⁽²⁾	'mxAAA / mxA-1+'	BBB / A-2

(1) Modified rating on June 3, 2020.

(2) Modified rating on December 21, 2020.

(f) Liquidity coverage ratio (unaudited)-

2020	Unweighted amount (average)	Weighted amount (average)
Computable liquid assets		
Total computable liquid assets	\$ N/A*	11,092
Cash outflows:		
Non-guaranteed retail financing	1,522	92
Stable financing	1,201	60
Less stable financing	321	32
Non-guaranteed wholesale financing	633	444
Operational deposits	-	-
Non-operational deposits	589	399
Unsecured debt	44	45
Guaranteed wholesale financing	N/A*	-
Additional requirements	440	22
Outflows related to derivative financial instruments and other guarantee requirements		
Outflows related to debt instrument financing losses	-	-
Lines of credit and liquidity	-	-
Other contractual financing obligations		
Other contingent financing obligations	\$ 440	22
Total cash outflows	145	145
Cash inflows:	N/A*	702
Cash inflows from guaranteed transactions		
Cash inflows from non-guaranteed transactions		
Other cash inflows	8,417	5,357
Total cash inflows	-	-
Total computable liquid assets	8,417	5,357
Total net cash outflows	N/A*	11,092
Liquidity coverage ratio	N/A*	176
	N/A*	7883.83%

* N/A= Not applicable, since the values subject to division are zero..

2019	Unweighted amount (average)	Weighted amount (average)
Computable liquid assets		
Total computable liquid assets	\$ N/A*	2,685
Cash outflows:		
Non-guaranteed retail financing	1,364	86
Stable financing	1,003	50
Less stable financing	361	36
Non-guaranteed wholesale financing	500	287
Operational deposits	-	-
Non-operational deposits	419	206
Unsecured debt	82	82
Guaranteed wholesale financing	N/A*	-
Additional requirements	600	30
Outflows related to derivative financial instruments and other guarantee requirements	-	-
Outflows related to debt instrument financing losses	-	-
Lines of credit and liquidity	600	30
Other contractual financing obligations	134	134
Other contingent financing obligations	\$ -	-
Total cash outflows	N/A*	538
Cash inflows:		
Cash inflows from guaranteed transactions	-	-
Cash inflows from non-guaranteed transactions	9,370	5,319
Other cash inflows	5	5
Total cash inflows	9,374	5,323
Total computable liquid assets	N/A*	2,685
Total net cash outflows	N/A*	134
Liquidity coverage ratio	N/A*	2,095.59%

* N/A= Not applicable, since the values subject to division are zero.

The Liquidity Coverage Coefficient is calculated monthly, which is a regulatory requirement and determines the coverage provided by the Available Liquid Assets to cover the Net Cash Outflows in the next 30 days, The average presented considers the information corresponding to the period from October 1, to



December 31, 2020 and 2019. During the fourth quarter of 2020 and 2019, no deviation was presented to the daily Liquidity Coverage Ratio, and the corresponding scenario according to the Liquidity Provisions was Scenario I.

(21) Commitments and contingent liabilities-

Compartamos Servicios entered into a lease agreement of a building for the exclusive use of corporate offices in Mexico, the amount of the rent is in dollars and it was translated into Mexican pesos as of April 1, 2013, date when conditions are met to occupy the building.

The term of the agreement is for a period of 126 months, starting on October 1, 2012, and ending on March 31, 2023, paying a total of 44,889,935 dollars at an exchange rate of \$12.62 Mexican pesos per dollar, during the aforementioned period. For the payment of the rent Genera has a grace period of six months to condition the property for its use beginning on October 1, 2012. Genera entered into an amendment agreement dated October 29, 2018 for the return of floors 19, 20 and 21 with their respective terrace. The formal return of the aforementioned floors took place on April 30, 2019.

The total amount of lease payments, which will be made during the following five years amounts to \$1,343 (\$326 in 2021, \$345 in 2022, \$237 in 2023, \$213 in 2024 and \$222 in 2025).

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

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

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

Genera will enjoy a term of 10 business days as from the first working date after the lesser delivers the agreement, in order for the former to decide whether or not to sign the agreement. Genera does not sign lease agreements with an option to buy. All of the lease agreements are guaranteed with cash deposits, which are the equivalent to 1 or 2 months' rent, as the case may be. Under no circumstances does Genera offer additional guarantees.

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

Rent increases must be supported through an amending agreement, to be signed 30 days prior to the date on which the rent is to be increased. Genera's lease agreements do not consider caps on dividend payments and debt contracting.

For the years ended December 31, 2020 and 2019, lease payments were recorded in the consolidated income statement for \$928 and \$860, 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 to the assessment made by the Management, there are elements of defense in which exists a probability to obtain a favorable outcome. As part of those claims up to date stands out the nullity trials and claims brought by the Mexican Internal Revenue Service (SAT-Spanish acronym) for fiscal years: 2007, 2014 and 2015, whose claim comes mainly from the difference in the criteria applied for expenses, deduction of write-off and loss from the sale of loan portfolio, respectively; the amounts observed by the SAT, amount to: \$3, \$1 and \$371, respectively.

Compartamos Servicios is involved in several claims and labor trials, derived from the demands of ex-employees, whose effects are not expected to have material effect.

(22) Balances and operations with related parties-

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

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

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

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

For the years ended on December 31, 2020 and 2019, Genera granted to key management personnel, short term direct benefits for \$492 and \$400, respectively.

The main transactions celebrated with related parties for the years ended on December 31, 2020 and 2019, are as follows:

	2020	2019
Donation expenses	\$ -	23
Interest income from associated companies	\$ 1	86

As of December 31, 2020, there are no balances with related parties.

The main balances with related parties for the years ended December 31, 2020 and 2019, are shown below:

	2020	2019
UAccounts receivable		
Aflore	\$ -	13
Comfu*	-	14
Fin Útil*	-	606
C4 uno	-	4
Total	\$ -	637

*As of December 31, 2020, these companies are subsidiaries of Genera since on August 10, 2020, it formalized the investment process to achieve a majority shareholding (note 11).

(23) Additional segments information-

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

Out of the total income earned by the Bank (main subsidiary) for the years ended December 31, 2020 and 2019, 97% 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 are the treasury segment and commissions from insurance operations.

Financial margin-

For the years ended on December 31, 2020 and 2019, the financial margin is shown below:

	2020	2019
Interest income:		
Loan portfolio interest	\$ 18,745	22,381
Interest on cash and cash equivalents	592	378
Interest arising from investments in securities	15	50
	\$ 19,352	22,809
Interest expense:		
Demand and time deposits	\$ 594	502
Certificates of deposit	32	-
Cebures (includes amortization of issuance expenses of \$15 and \$16 in 2020 and 2019, respectively)	589	746
Corporate bonds	23	18
Securitization operation	6	-
Banking and other borrowings	1,055	810
Repurchase/resell agreements operation	3	-
	\$ 2,302	2,076

Interests and commissions per type of loan-

Interests and commissions per type of loan, for the years ended on December 31, 2020 and 2019, are comprised as follows:

Interest income	2020		2019	
	Current	Past-due	Current	Past-due
Commercial loans				
Business and commercial	\$ 948	-	993	8
Consumer loans	17,791	6	21,375	4
Residential mortgages	-	-	1	-
	\$ 18,739	6	22,369	12

For the years ended on December 31, 2020 and 2019, income and expense for commissions and fees, are comprised as follows:

	2020	2019
Commissions and fees expense:		
Commercial loans	\$ 17	24
Consumer loans	102	275
Insurance operations	541	619
Correspondent	327	59
Other	96	292
	\$ 1,083	1,269

Commissions and fees expense:

Bank fees	\$ 179	159
Brokers	202	190
Insurance operations	213	63
Borrowings received	9	4
	\$ 603	416

For the years ended December 31, 2020 and 2019, "Other operating income (expenses), net", is analyzed in the following page.

	2020	2019
Other operating income (expense), net:		
Allowance for bad debts, net	\$ (61)	(57)
Miscellaneous losses	(62)	(19)
Donations	(16)	(44)
Resulton sales of furniture and equipment	(10)	(43)
Capitalized leases	(2)	(2)
Cancellation of provisions	77	(32)
Other income (mainly insurance premiums)	450	163
Totales	\$ 376	(34)

Following is a condensed consolidated income statement (including intercompany balances eliminations) of Genera and subsidiaries for the years ended on December 31, 2020 and 2019:

2020	Genera	Banco	Compartamos Guatemala	Compartamos Financiera	Red Yastás	Compartamos Servicios	Controladora AT	Fin útil	Comfu	Talento	Total
Interest income	\$ 11	14,153	447	4,275	14	41	5	401	4	1	19,352
Interest expense	(31)	(1,391)	(4)	(799)	-	-	-	(77)	-	-	(2,302)
Financial margin	\$ (20)	12,762	443	3,476	14	41	5	324	4	1	17,050
Financial Margin adjusted for credit risk	\$ (20)	7,782	203	2,062	14	14	5	(22)	4	1	10,070
Operating result before discontinued operations	\$ (32)	5,846	(265)	(505)	(46)	(7,443)	117	(147)	206	(213)	(2,482)
Discontinued operations	\$ 59	-	-	-	-	-	-	-	-	-	59
Net result	\$ 60	6,572	(226)	(273)	(69)	(7,693)	94	(28)	146	(218)	(1,635)

2019	Genera	Banco	Compartamos Guatemala	Compartamos Financiera	Red Yastás	Compartamos Servicios	Controladora AT	Intermex	Total
Interest income	\$ 14	17,628	590	4,497	21	51	8	-	22,809
Interest expense	(47)	(1,395)	-	(634)	-	-	-	-	(2,076)
Financial margin	\$ (33)	16,233	590	3,863	21	51	8	-	20,733
Financial Margin adjusted for credit risk	\$ (33)	13,802	498	3,222	21	51	8	-	17,569
Operating result before discontinued operations	\$ 125	11,558	81	807	(31)	(7,904)	134	-	4,770
Discontinued operations	\$ -	-	-	-	-	-	-	(54)	(54)
Net result	\$ 108	10,654	64	558	(55)	(8,071)	105	(54)	3,309

(24) Comprehensive risk management (CRM) from the bank, main subsidiary (unaudited)-

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

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

- Commitment by Top Management and the Board of Directors to properly manage risks encountered.
- Ongoing supervision of CRM policies and procedures.
- Clear segregation of duties to ensure independence and objectivity in risk management.

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

e. Clear determination of responsibilities pertaining to CRM.

Continuous supervision of the Internal Control and Audit area, to ensure proper compliance with the CRM function.

The Board of Directors has set up a Risk Committee to ensure that operations are conducted in line with the objectives, policies and procedures for CRM, as well as with the exposure limits approved by 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

Credit of risk-

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

The Bank's loan portfolio at December 31, 2020 and 2019 is made up in 95.4% and 99.1%, respectively, of loans made to individuals for a specific purpose (consumer portfolio) 4.61% and 0.9% with related parties in Mexican pesos. The consumer portfolio is sufficiently diversified to represent no concentration risk and there is a scarce value of individual positions. In accordance with the criteria indicated in paragraph 70 of "CRE30.21 of the Basel framework", most of the Bank's portfolio can be classified as retail portfolio.

As of December 31, 2020 and 2019, the portfolio is comprised for 2.4 and 3.1 million loans, respectively, as well the average outstanding balance in this dates has remained at approximately \$9,147 and \$8,519 Mexican pesos, respectively at an average term of five months, in both years.

As of December 2020 and 2019, the maximum authorized amount for a consumer loan is \$202,411 and \$202,400 Mexican pesos respectively, as a result of which, the maximum financing limits established in the provisions for one individual or group of individuals representing a common risk were complied with no exceptions. In addition, no operations were conducted with customers considered an individual or group of individuals who, comprising one or more liability operations payable by the Bank, exceeded 100% of the basic capital.

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

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

For comparative and sensitivity purposes, the following table is presented below considering the modification of the Article 129 of the Provisions:

Consumer loans	Distribution of the loan portfolio by rating (data in percentages to the total loan portfolio)			
	2020		2019	
	Balance	Average	Balance	Average
"A-1"	70.1	61.8	67.0	66.7
"A-2"	3.5	6.5	4.3	4.5
"B-1"	0.4	0.4	0.9	0.8
"B-2"	6.6	5.7	6.5	7.3
"B-3"	2.0	1.6	1.7	1.9
"C-1"	6.1	5.9	8.3	8.1
"C-2"	3.0	3.5	4.3	3.9
"D"	1.3	1.9	1.7	1.6
"E"	7.0	12.7	5.3	5.2
Total	100	100	100.0	100.0

Probability of default and loss given default weighted for exposure

	2020	2019	Variation (%)
Exposure	\$ 22,093	26,268	(4,176)
Probability of default (weighted exposure) (%)	9.9	5.2	1.4
Loss given default (weighted exposure) (%)	75.7	76.4	0.2

The measurement methodology used to calculate the unexpected losses from the portfolio credit risk is an approximate of such loss through a Gamma distribution with parameters associated to the regulator model plus a calibration factor.

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



Commercial loan portfolio	Credit risk			
	Balance 2020	Average 2020	Balance 2019	Average 2019
Commercial loan portfolio:				
Total exposure	\$ 1,060	789	250	250
Expected loss	\$ -	-	-	-
Unexpected loss at 95%	-	-	-	-
Expected loss/total exposure	N/A*	N/A*	N/A*	N/A*
Unexpected loss/total exposure	N/A*	N/A*	N/A*	N/A*

* N/A = It is not applicable, because the values subject to division are zero.

At December 31, 2020 and 2019, the quantitative information for credit risk of the consumer loan portfolio is shown as follow:

Concept	Credit risk			
	Balance 2020	Average 2020	Balance 2019	Average 2019
Consumer loan portfolio:				
Total exposure	\$ 22,093	21,266	26,268	25,738
Expected loss	\$ 3,261	5,040	3,316	3,192
Unexpected loss at 95%	3,276	5,055	3,321	3,197
Expected loss/total exposure	14.76%	23.70%	12.6%	12.4%
Unexpected loss/total exposure	14.83%	23.77%	12.6%	12.4%

The expected loss pertaining to the loan portfolio under consideration as of December 31, 2020 represents 14.7% of the overall balance exposed to default. The Bank has set up loan loss reserves totaling \$2,181, equivalent to 9.4% of the balance of the overall portfolio. The loan portfolio is rated in accordance with the rules for rating the loan portfolio issued by the SHCP and the methodology established by the Commission. The Bank sets up allowance for loan losses in addition to those created as a result of the portfolio rating process, in compliance with Title Two, Chapter I, Section Four of Article 39 of the General Provisions Applicable to Credit Institutions; As of December 31, 2020 and 2019 additional reserves had been constituted by instruction of the Commission for \$1.5, in both years.

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

At December 31, 2020, interest income from loan operations amounted to \$14,215, representing 96.7% of the Bank's total interest income, compared to the same item at December 31, 2019, the variation in income, in percentage terms is 21.0%.

Income from loan operations	2020	2019	Variation (%)
Loan interest income	\$ 13,739	17,384	19.5%
Total interest income	14,215	17,669	21.0%
Income from loan operations (%)	96.7	98.4	-

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 monthly basis. As of December 31, 2020, there is no position in financial instruments subject to counterparty risks corresponding to direct commercial banking operations or call money operations. Likewise, there is no expected loss due to counterparty risk. In comparison, as of December 31, 2019, the position in financial instruments subject to counterparty risk totals \$700; 29% correspond to direct commercial banking (Certificates of Deposits in the money market) while 71% correspond to call money transactions. The expected loss pertaining to counterparty risk is 0.001% of 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 following sources: 1) Standard & Poors, rating granted to financial institutions based on their rating scale known as CAVAL over the long term; 2) Moody's, as with S&P, according to the rating granted over the long-term; 3) Fitch, is the third source for learning the rating granted by this agency, 4) HR Ratings and VERUM (these authorized rating agencies, according to the Appendix 1-B of the General Provisions for Banks), and 5) in the event the Institution has no rating from any of the three agencies, an average rating is assigned according to its group. The above grouping refers to the group to which it pertains in the market (P8, AAA, P12, other). In the event of rating differences, the lowest rating is used.

The exposure to counterparty risk for purchase / sale of securities and interbank loans as of December 31, 2019, as well as the maximum exposure to such risk during this year, is as follows:

	Exposure to counterparty risk at December 31, 2019		
	Amount at year-end	Maximum exposure	Concentration at year-end (%)
Total position	\$ 700.76	0.2	100%
Purchase/sale of securities			
Rating AAA	-	-	-
Rating AA	-	-	-
Rating A	-	-	-
Investment securities, trading and call money	\$ 700.76	0.2	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 \$718.

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

Market risk-

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

The portfolio of financial instruments subject to market risk in the Institution is comprised solely of certificates of deposit transactions in the money market and call money in 2019. As a result, within the main risk factors that could affect the value of the investment portfolio are interest rates, spreads and the price of other financial instruments, mainly. It is important to note that the treasury operation of the Bank is limited to the investment of cash surpluses from credit operation.

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

Parameters used in calculating the VaR.

- Method: Historical simulation
- Confidence level: 99%

- Investment horizon: one day
- Number of observations: 252 days
- Weighting of scenarios: Equally probable

The market risk quantitative information as of December 31, 2020, is shown as follows:

Portfolio	Value at Risk, 1 day (VaR) on December 31, 2020			
	Market value	VaR at 99%	% Position	Use of limit (%) ¹
Total position	\$ 8,087.01	4.64	0.06	116
Money ²	-	-	-	-
Purchase of securities	-	-	-	-
Call Money	-	-	-	-
Derivatives ³	-	-	-	-
Foreign currencies	156.90	4.63	2.95	115
Equity	-	-	-	-

1. At December 31, 2020 the authorized risk limit is calculated based on the maximum exposure, with an exposure of \$8,087.01 corresponds a limit of \$4.
2. The positions subject to market risk referred to are certificates of deposits in the money market, call money and foreign currencies
3. There are no derivative transactions for trading or hedging purposes.

Following is the quantitative information for market risk as of December 31, 2019.

Portfolio	Value at Risk, 1 day (VaR) on December 31, 2019			
	Market value	VaR at 99%	% Position	Use of limit (%) ¹
Total position	\$ 888.02	2.09	0.18	41.71
Money ²	200.76	0.004	0.002	0.008
Purchase of securities	-	-	-	-
Call Money	499.99	0.005	0.001	0.096
Derivatives ³	-	-	-	-
Foreign currencies	187.27	2.09	1.12	41.78
Equity	-	-	-	-

1. At December 31, 2019 the authorized risk limit is calculated based on the maximum exposure, with an exposure of \$888.02 corresponds a limit of \$5.
2. The positions subject to market risk referred to are certificates of deposits in the money market, call money and foreign currencies.
3. There are no derivative transactions for trading or hedging purposes.

The market VaR is calculated on a daily basis including the main positions, asset and liability, subject to market risk of the balance sheet; which is also used to manage risk by interest rate. The average daily VaR during 2020 was \$3.6, which corresponds to 92% of the limit calculated for the exposure as of December 31, 2020. The average daily VaR during 2019 was \$2.1, corresponding to 42% of the last product of ASRM x ICAP known as of December 31, 2019.

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

Backtesting is conducted monthly to compare the losses and gains that would have been observed had the same positions been maintained, considering only the change in value due to market movements, against the calculation of the VaR. This allows for evaluating the accuracy of the prediction. To date, testing has been highly effective by more than 98.81%.

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

As of December 31, 2020 and 2019, sensitivity and stress tests are as follows:

	Sensitivity analysis as of December 31, 2020			
	Market value	VaR at 99%	Sensibilidad +100 pb	Estrés +150pb
Posición total	\$ 8,087.01	4.64	7.88	11.82
Dinero:	-	-	-	-
Compra de valores:	-	-	-	-
Call Money	-	-	-	-
Directo	-	-	-	-
Divisas	156.90	4.63	7.88	11.82

	Sensitivity analysis as of December 31, 2019			
	Market value	VaR al 99%	Sensitivity +100 bp	Stress +150bp
Total position	\$ 888.02	2.09	9.86	14.73
Money:				
Purchase of securities:				
Call Money	499.99	0.005	0.03	0.04
Direct	200.76	0.04	0.043	0.12
Foreign currencies	187.27	2.09	9.93	14.89

Revenues from treasury operations at the end of 2020 were \$477, representing 3.4% of the total interest income of the Institution; the variation with 2019 it was 67.2%.

	Income from treasury operations		
	2020	2019	Variation (%)
Income from treasury operations	\$ 476	285	67.2%
Total interest income	14,215	17,669	19.5%
Income from treasury operations (%)	3.3%	1.6%	

Interest rate risk-

Interest rate risk is defined as the impact that variations in interest rates may generate on the balance sheet products, which may affect the results and the current value of the Bank's positions.

Interest rate risk management is based on the generation of interest gaps with contractual and stress scenarios to measure the possible impact of a movement in interest rates. The CRMU carries out, through its own reports, the correct elaboration and consolidation of information for the analysis of results in the corresponding committees.

To monitor the interest rate risk, the following scenario is considered:

An increase in the reference interest rate of 1,000 basis points (bp) is assumed and applied to the total flow of liabilities, which will generate an additional cash flow for interest payments. As of December 31, 2020 this increase means an over run of \$5,097.

Derived from the structure of the Bank's balance sheet, it was determined not to consider the deposits without maturity for their analysis of the interest rate. Additionally, as of December 31, 2020, the Bank has not outstanding loans that, due to their nature, need to simulate their early repayments.

The Assets and Liabilities Committee (ALCO) conducts follow-up sessions that analyze market expectations, their possible impact on the Bank's interest rate and capital risk, as well as the efficiency of risk hedges within the operations of the balance sheet.

Liquidity risk-

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

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

The measurement methodology used in liquidity risk management is:

- Liquidity gap analyses consider the Bank's main assets and liabilities, whether recorded on or off the 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, 2020, the quantitative information for the analysis of liquidity gaps is as shown in the following page.

Analysis of liquidity gaps (accumulated) ¹ 2020			
Bucket	Gap	Limit*	Use of limit (%)
0-1 days	\$ 9,122	0.72	0%
2-7 days	9,149	0.72	0%
8-15 days	9,294	0.73	0%
16-23 days	9,445	0.74	0%
24-30 days	9,521	0.75	0%
31-60 days	12,717	1.00	0%
61-90 days	15,190	1.19	0%
91-180 days	21,663	1.70	0%
181-360 days	13,220	1.04	0%
361-720 days	6,541	0.51	0%
721-1,080 days	318	0.02	0%
1,081-1,440 days	(6,718)	(0.53)	(53)%
1,441-1,800 days	(11,154)	(0.88)	(88)%
> 1,800 days	(11,154)	(0.88)	(88)%

Analysis of liquidity gaps as of December 31, 2020			
Bucket	Gap	Limit*	Use of limit (%)
0-1 days	\$ 9,122	0.72	0%
2-7 days	27	0.00	0%
8-15 days	145	0.01	0%
16-23 days	151	0.01	0%
24-30 days	76	0.01	0%
31-60 days	3,196	0.25	0%
61-90 days	2,473	0.19	0%
91-180 days	6,473	0.51	0%
181-360 days	(8,443)	(0.66)	(66)%
361-720 days	(6,679)	(0.53)	(53)%
721-1,080 days	(6,223)	(0.49)	(49)%
1,081-1,440 days	(7,035)	(0.55)	(55)%
1,441-1,800 days	(4,436)	(0.35)	(35)%
> 1,800 days	-	-	-

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, 2020, were \$12,721.

As of December 31, 2019, the quantitative information for the analysis of liquidity gaps is as follows:

Analysis of liquidity gaps (accumulated) ¹ 2019			
Bucket	Gap	Limit*	Use of Limit (%)
0-1 days	\$ 2,215	20%	0%
2-7 days	2,291	21%	0%
8-15 days	2,641	24%	0%
16-23 days	3,161	28%	0%
24-30 days	3,840	34%	0%
31-60 days	4,730	42%	0%
61-90 days	10,608	95%	0%
91-180 days	14,001	125%	0%
181-360 days	5,364	48%	0%
361-720 days	1,334	12%	0%
721-1,080 days	(3,706)	(33)%	(33)%
1,081-1,440 days	(7,494)	(67)%	(67)%
1,441-1,800 days	(10,784)	(97)%	(97)%
> 1,800 days	(10,784)	(97)%	(97)%

Analysis of liquidity gaps December 31, 2019			
Bucket	Gap	Limit*	Use of Limit (%)
0-1 days	\$ 2,215	0.20	0%
2-7 days	76	0.01	0%
8-15 days	351	0.03	0%
16-23 days	520	0.05	0%
24-30 days	679	0.06	0%
31-60 days	889	0.08	0%
61-90 days	5,878	0.53	0%
91-180 days	3,394	0.30	0%
181-360 days	(8,637)	(0.77)	(77)%
361-720 days	(4,030)	(0.36)	(36)%
721-1,080 days	(5,040)	(0.45)	(45)%
1,081-1,440 days	(3,788)	(0.34)	(34)%
1,441-1,800 days	(3,290)	(0.29)	(29)%
> 1,800 days	-	-	-

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, 2019, were \$11,158.

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 2020, of \$13,220. The overall accumulated gap is positive.

At December 31, 2020 the quantitative information for liquidity risk of the Bank, is as follows:

	VaR Liquidity, 10 days 2020		
	Value	Position	Use of limit (%)*
VaR Liquidity at 99%	\$ 14.7	0.2%	116%
Money:	-	-	-
Purchase of securities	-	-	-
Call Money	-	-	-
Foreign currencies	14.6	0.18%	115.7%
Direct	-	-	-

* The authorized risk limit is calculated based on the maximum exposure at December 31, 2020 with an exposure of \$8.087.01 corresponds to a limit of \$12.6.

The net capital of the Bank as of December 31, 2020 is \$9,298.

At December 31, 2019 the quantitative information for liquidity risk of the Bank, is as follows:

	VaR Liquidity, 10 days 2019		
	Value	Position	Use of limit (%)*
VaR Liquidity at 99%	\$ 6.6	0.6%	41.7%
Money:			
Purchase of securities			
Call Money	0.02	0.001%	0.1%
Foreign currencies	6.6	0.557%	41.8%
Direct	0.001	0.0001%	0.01%

* The authorized risk limit is calculated based on the maximum exposure at December 31, 2019 with an exposure of \$888.02 corresponds to a limit of \$15.8.

The net capital of the Institution as of December 31, 2019 is \$10,886.

The average liquidity VaR of 2020 was \$15.3, equivalent to 116.6% of the average limit calculated at December 31, 2020 (\$13.1). Sensitivity and stress tests are also conducted for liquidity risk management. The average liquidity VaR for 2019 was \$6.7, equivalent to 42.4% of average limit calculated as of December 31, 2019 (\$15.8).

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

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

Operation risk (including legal and technological risk)-

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

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

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

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

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



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

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

The operational risk loss events, including technological and legal, are recorded systematically, associating them with the corresponding business lines or units as well as the type of risk (1. Internal Fraud, 2. Outside Fraud, 3. Labor Relations and occupational safety, 4. Clients, products and business practices, 5. External events, 6. Incidents in the business and flaws in the system, as well as 7. Execution, delivery and process management). The Bank considers fraud and damage to assets its main exposures.

A global tolerance level has been established for operational risk, taking into account the causes, origins or risk factors.

There is a Business Continuity Plan (BCM) that includes a Disaster Recovery Plan (DRP) aimed at technology risks and a Business Contingency Plan (BCP). The update of such plans is the responsibility of the leaders named for such purpose.

At the end of December 2020 and 2019, the Tolerance Level, which by the way it is defined can be understood as the Institution Exposure to Operational Risk, is 0.30% of annual income, estimated monthly, equivalent to \$52.0 for 2020 and \$53.8 for 2019. The materialized loss events, associated to operational risk, added up to 0.25% in 2020 and 0.23% in 2019 as a percentage of annual income.

Technological risk-

One important aspect of operational risk management is that pertaining to technological risk, which involves potential loss due to damage or failure from use or reliance on hardware, software, systems, applications, networks and any other means of conveying information in the Institution's supply of services to its customers.

The Bank has different internal controls that have the objective of minimizing the negative impacts due to the materialization of technology risks, internal controls such as:

- i. Government structuring aimed at maintaining an adequate control of technological risks, ensuring an agile response capacity.
- ii. Have the Operation Continuity Plan, through criteria such as criticality of applications and technological risk.
- iii. Risk assessment, determination of treatment actions and evaluation of technological controls.
- iv. Database backup and restoration procedures to ensure the availability and integrity of the historical archive of operations in case of contingency.
- v. Automated processes for carrying out daily reconciliations, in addition to generation of control figures to ensure the integrity of transactions between systems.



Legal risk-

The Bank's legal risk management, defined as the potential loss due to non-compliance with the applicable legal and administrative provisions, the issuance of unfavorable administrative and judicial resolutions and the application of sanctions, in relation to the Operations that the Institution carries out, has implemented policies and procedures to mitigate this risk that consider, among other things:

- i. The review and approval of all agreements by the Legal Director's Office to ensure proper instrumentation of agreements and contracts.
- ii. Procedures for filing and safeguarding agreements and other legal information.
- iii. Detailed management of powers granted to the Board of Directors, so as to avoid misuse.
- iv. Procedures to ensure adequate action in response to litigation, defend efficiently and effectively, be able to take action to protect and preserve the rights of the Institution.
- v. Preparation of reports on the likelihood of issuance of adverse legal or administrative rulings. The reports are prepared at least on a quarterly basis.
- vi. Procedures established to ensure that the Legal department safeguards the correct use of the Institution's trademarks, local trademarks, commercial notices and copyrights.

(25) Recently issued financial reporting and regulatory standards-

Changes in the provisions of the Commission

On December 4, 2020, the amendment to the Transitory Fourth Article of the Resolution that modifies the General Provisions Applicable to Credit Institutions was published in the Official Gazette (DOF for its acronym in Spanish), such amendment modified the previously published on November 4, 2019, November 15, 2018 and December 27, 2017, remaining as follows: Financial Reporting Standards B-17 "Determination of fair value", C-3 "Accounts receivable", C-9 "Provisions, contingencies and commitments", C-16 "Impairment of financial instruments receivable", C-19 "Financial instruments payable", C-20 "Financial instruments to collect principal and interest", D-1 "Revenue from contracts with clients", D-2

"Costs for contracts with clients" and D-5 "Leases", issued by the Mexican Board of Financial Information Standards (Consejo Mexicano de Normas de Información Financiera, A. C. - CINIF) and referred to in paragraph 3 of accounting criteria A-2 "Application of particular rules", will become effective on January 1, 2022.

Management is the process of quantifying the effects for the adoption of accounting criteria that will become effective on January 1st, 2022.

MFRS and improvements MFRS

The Consejo Mexicano de Normas de Información Financiera, A. C. (CINIF) has issued the MFRS and Improvements listed below::

MFRS C-15 "Impairment of long-lived assets"-. This MFRS becomes effective for periods beginning January 1, 2022, and early application is allowed. It supersedes Bulletin C-15 "Impairment or disposal of long-lived assets". The initial-adoption accounting changes must be recognized based on the prospective method.

The main changes presented are:

- adds new examples of evidence to assess whether there is impairment and classifies it into internal or external sources of information and those applicable to investments in subsidiaries, associates or joint ventures.
- changes the requirement to use a net sales price for the fair value, less costs of disposal to carry out impairment tests;
- establishes the option of using estimates of future cash flows and a discount rate, in actual terms;
- incorporates standards for the treatment of future cash flows in foreign currency in determining the recoverable amount;



- modifies MFRS C-8, Intangible Assets, to indicate that goodwill must be allocated at a level of a cash-generating unit (CGU) that is expected to benefit from the synergy of the business acquisition;
- incorporates the recognition of goodwill impairment in two steps: i. first, by comparing the carrying amount of the CGU including goodwill with the recoverable amount, and if the latter is less, an impairment loss is generated; and ii. second, by having this loss affect goodwill first and foremost, even leaving it at zero, and later, if there is an excess loss to be allocated, distribute it pro rata among the other long-lived assets that are part of the CGU;
- eliminates the calculation of impairment through the perpetual value of intangible assets with indefinite useful lives, by modifying the impairment test.
- establishes the determination of impairment of corporate assets as follows: i. first, they are allocated to the CGU to which they belong fairly and consistently, ii. second, the carrying amount of the CGU, including corporate assets, is compared to the recoverable amount and if the latter is less, an impairment loss is generated, which is distributed pro rata among all long-lived assets that are part of the CGU, including corporate assets.
- modifies the disclosures in accordance with the changes described above.

Management is the process of quantifying the effects for the adoption of accounting criteria that will become effective on January 1st, 2022.

2021 MFRS Revisions

In December 2020, CINIF issued a document called “2021 MFRS Revisions” containing precise modifications to some of the existing MFRS. Management estimates that the adoption of these improvements to MFRS will not generate significant effects.

During 2020, by means of official letters P417/2020, P477/2020 and P481/2020 and due to the negative impact that the COVID19 pandemic has generated in several activities of the economy, the Commission optionally issued additional temporary regulatory facilities in accounting matters, which to date have not been applied by the Bank.

RÚBRICA	RÚBRICA
<hr/> Ing. Enrique Majós Ramírez Chief Executive Officer	<hr/> Lic. Mario Ignacio Langarica Ávila Chief Financial Officer
RÚBRICA	RÚBRICA
<hr/> C.P.C. Marco Antonio Guadarrama Villalobos Controller	<hr/> C.P.C. Oscar Luis Ibarra Burgos General Internal Auditor

About the report

102-5, 102-10, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

We hereby present the **Gentera 2020 Annual and Sustainability Report**, a document in which we disclose our operational, labor, social, environmental, corporate governance and financial results, as well as the main initiatives we are carrying out to address the COVID-19 crisis.

The information contained herein covers the period from January 1^o to December 31, 2020 and is limited to the operations of Gentera, its companies and Foundation in Mexico, Peru and Guatemala.

As part of the actions, we undertook to improve our management of sustainability issues, in addition to the contents of the GRI Standards, for the first time, we reported information to meet the Sustainability Accounting Standards Board (SASB) indicators applicable to the consumer banking, financing and insurance industries.

We also conducted an inventory of our scope 1 and 2 greenhouse gas (GHG) emissions for 2019, which are reported in this document.

This year, Gentera acquired a majority stake in ConCrédito, a Mexican company that provides personal and revolving credit to entrepreneurs who issue loans, payment products and life insurance to their end clients. Compartamos Financiera completed two debt issues in Peru and one in Mexico for Compartamos Banco, all of which were successful. In addition, Intermex, the remittance transfer company, and 27 bank branches of this brand were divested from Gentera.

Due to a strategy of efficiency and value generation, we closed 40 service offices, 11 branches and two post offices. The restatement of information with respect to previous years is indicated in each case.

As part of our recent adherence to the United Nations Global Compact, the Gentera 2020 Annual and Sustainability Report constitutes our Communication on Progress (CoP).

This report has been prepared in accordance with the GRI Standards: Core option.

Gentera, S.A.B. de C.V., is a publicly traded corporation listed on the Mexican Stock Exchange in accordance with the Commercial Corporations Act and the Stock Market Act.



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

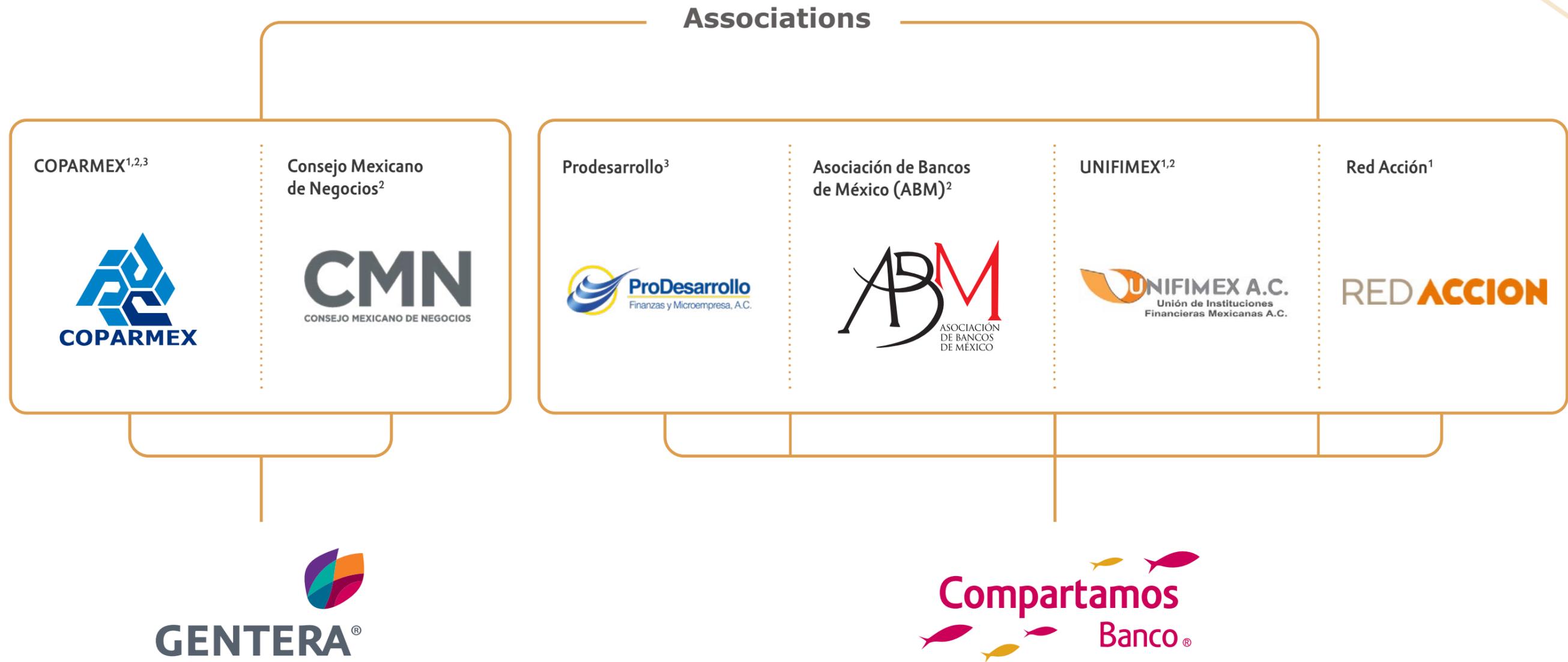
The shareholder structure of Gentera, S.A.B. de C.V., at the close of the General Ordinary Shareholders' Meeting held on April 17, 2020, is as follows:

Shareholders	Number of shares	% of equity interest
Repurchase fund	5,263,000.00	0.330413%
Free float	1,587,593,876.00	99.669587%
Total capital stock	1,592,856,876.00	100%

Appendix

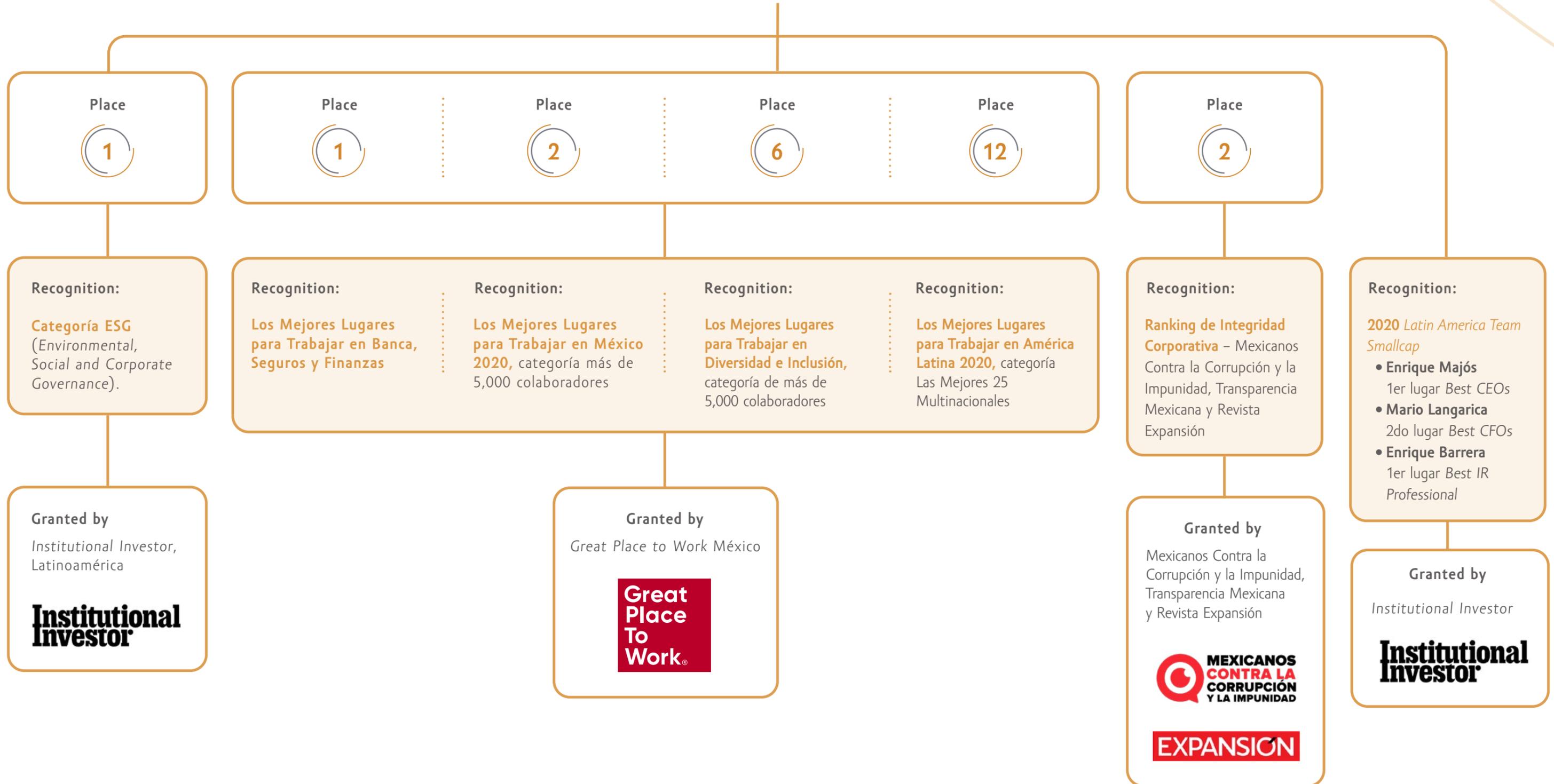
I. Associations

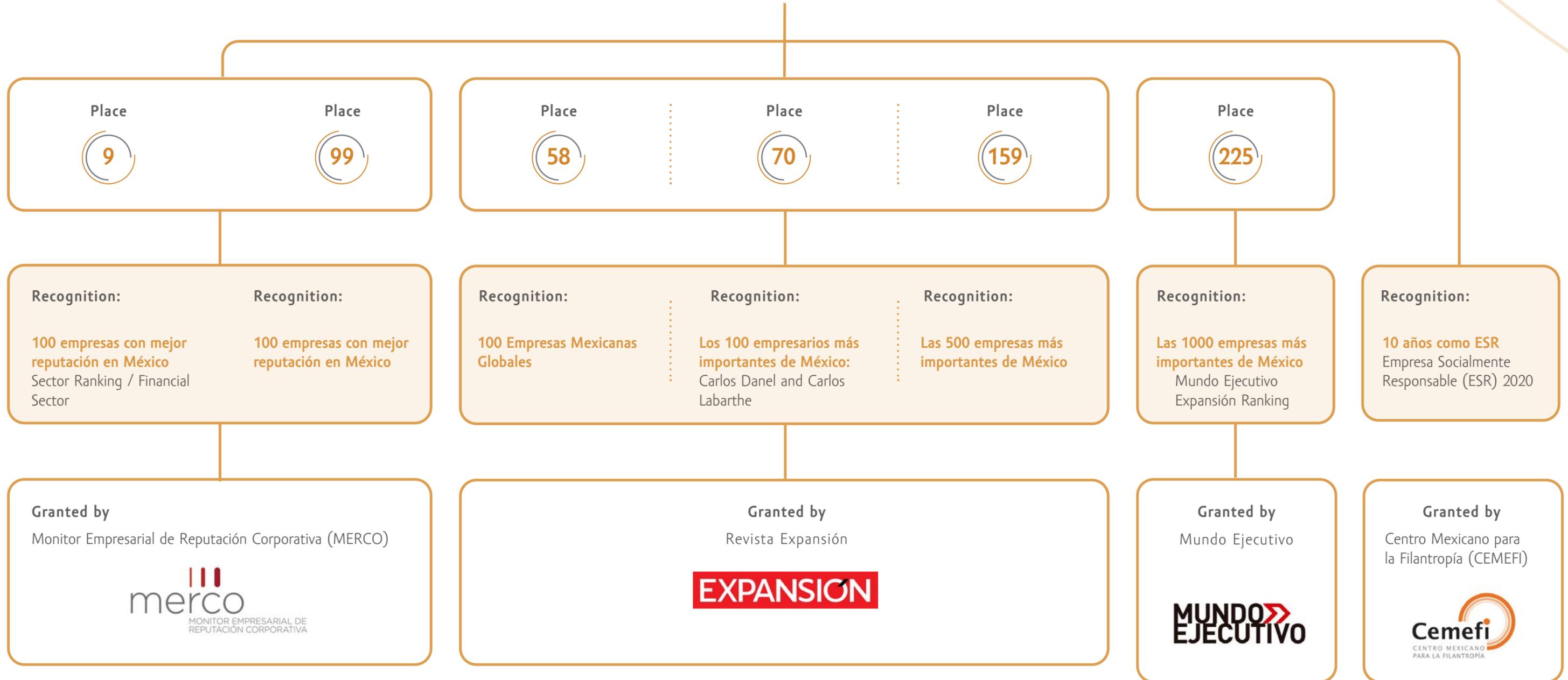
102-13



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

II. Recognitions and awards





We obtained the Excellence Plus Certification for Corporate Volunteering granted by Voluntare



Place
4

Recognition:
Las mejores empresas para laborar en México,
categoría Banca

Place
276

Recognition:
Las 1000 empresas más importantes de México
Ranking

Place
10

Recognition:
Los Mejores Lugares para Trabajar para
Millennials

9

Recognition:
Los mejores lugares para trabajar en Perú 2020
Categoría más de mil empleados

Place
2

Recognition:
Los Mejores Lugares para Trabajar,
categoría de más de 500 y hasta 1,000
colaboradores en Centroamérica

Granted by
CompuTrabajo

Granted by
Mundo Ejecutivo

Granted by
Great Place to Work Perú

Granted by
Great Place to Work Centroamérica y Caribe



GRI and SASB content index

102-55

GRI or SASB standard	Description	Page or response	
GRI 101: Foundation 2016			
1. Organizational profile			
GRI 102: General disclosures 2016	102-1	Name of the organization.	Genera, S.A.B. de C.V.
	102-2	Activities, brands, products, and services.	8, 11
	102-3	Location of headquarters.	8
	102-4	Location of operations.	8
	102-5	Ownership and legal form.	183
	102-6	Markets served.	11, 12
	102-7	Scale of the organization.	18, 19, 28, 29, 31, 104
	102-8	Information on employees and other workers.	48
	102-9	Supply chain.	18
	102-10	Significant changes to the organization and its supply chain.	28, 183
	102-11	Precautionary Principle or approach.	12
	102-12	External initiatives.	80
	102-13	Membership of associations.	184
2. Strategy			
GRI 102: General disclosures 2016	102-14	Statement from senior decision-maker.	3, 5
	102-15	Key impacts, risks, and opportunities.	3, 5
3. Ethics and integrity			
GRI 102: General disclosures 2016	102-16	Values, principles, Standards, and norms of behavior.	10, 42, 45, 87
	102-17 FN-CB-510a.2	Mechanisms for advice and concerns about ethics.	87
4. Governance			
GRI 102: General disclosures 2016	102-18	Governance structure.	92
	102-19	Delegating authority.	92
	102-20	Executive-level responsibility for economic, environmental, and social topics.	92
	102-22	Composition of the highest governance body and its committees.	92
	102-23	Chair of the highest governance body.	92
	102-24	Nominating and selecting the highest governance body.	92
	102-26	Role of highest governance body in setting purpose, values and strategy.	92



	102-27	Collective knowledge of highest governance body.	92
	102-28	Identifying and managing economic, environmental, and social impacts.	92
	102-29	Effectiveness of risk management processes.	101
GRI 102: General disclosures 2016	102-30	Review of economic, environmental, and social topics.	101
	102-31	Highest governance body's role in sustainability reporting.	92
	102-33	Communicating critical concerns.	87
	102-34	Nature and total number of critical concerns.	87
	102-35	Remuneration policies.	48, 92
	102-36	Process for determining remuneration.	92
5. Stakeholder engagement			
	102-40	List of stakeholder groups.	Clients, employees, their families, suppliers, investors, authorities and the community.
GRI 102: General disclosures 2016	102-41	Collective bargaining agreements.	48
	102-42	Identifying and selecting stakeholders.	Our stakeholders are those people and entities whom we impact and/or who impact our operation.
	102-43	Approach to stakeholder engagement.	78
	102-44	Key topics and concerns raised.	78
6. Reporting practice			
	102-45	Entities included in the consolidated financial statements.	104
	102-46	Defining report content and topic Boundaries.	78
	102-47	List of material topics.	78
	102-48	Restatements of information.	183
	102-49	Changes in reporting.	183
GRI 102: General disclosures 2016	102-50	Reporting period.	183
	102-51	Date of most recent report.	183
	102-52	Reporting cycle.	183
	102-53	Contact point for questions regarding the report.	Back over
	102-54	Claims of reporting in accordance with the GRI Standards.	183
	102-55	GRI content index.	188
	102-56	External assurance.	183
GRI 200: Economic standards			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed.	104
	201-3	Defined benefit plan obligations and other retirement plans.	48
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local	48 Mexico 139% Peru 151% Guatemala 119%
	202-2	Proportion of senior management hired from the local community.	48



GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported.	66
	203-2	Significant indirect economic impacts.	66, 104
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers.	97% of our procurement budget in Mexico is allocated to local suppliers.
GRI 205: Anti-corruption 2016	103-1	Explanation of the material topic and its Boundary	87
	103-2	The management approach and its components.	87
	103-3	Evaluation of the management approach.	87
	205-3	Confirmed incidents of corruption and actions taken.	87
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	During 2020 no such practices were registered in Genera or its companies.
GRI 300: Environmental standards			
GRI 302: Energy 2016	302-1	Energy consumption within the organization.	83
	302-2	Energy consumption outside of the organization.	83
GRI 305: Emissions 2016	103-1	Explanation of the material topic and its Boundary.	83
	103-2	The management approach and its components.	83
	103-3	Evaluation of the management approach.	83
	305-1	Direct (Scope 1) GHG emissions.	83
	305-2	Energy indirect (Scope 2) GHG emissions.	83
GRI 306: Waste 2020	306-3	Waste generated.	83
	306-4	Waste diverted from disposal.	83
	306-5	Waste directed to disposal.	83
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations.	During 2020 no fines were received for this reason in Genera or its companies.
GRI 400: Social standards			
GRI 401: Employment 2018	401-1	New employee hires and employee turnover.	48
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	48
	401-3	Parental leave.	48
GRI 403: Occupational health and safety 2018	103-1	Explanation of the material topic and its Boundary.	61
	103-2	The management approach and its components	61
	103-3	Evaluation of the management approach.	61
	403-1	Occupational health and safety management system.	61
	403-2	Hazard identification, risk assessment, and incident investigation.	61
	403-3	Occupational health services.	61



GRI 403: Occupational health and safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety.	61
	403-5	Worker training on occupational health and safety.	45, 61
	403-6	Promotion of worker health.	45, 61
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	61
	403-8	Workers covered by an occupational health and safety management system.	61
	403-9	Work-related injuries.	61
	403-10	Work-related ill health.	61
GRI 404: Training and education 2016	103-1	Explanation of the material topic and its Boundary.	58
	103-2	The management approach and its components.	58
	103-3	Evaluation of the management approach.	58
	404-1	Average hours of training per year per employee.	58
	404-2	Programs for upgrading employee skills and transition assistance programs.	45, 58
	404-3	Percentage of employees receiving regular performance and career development reviews.	58
GRI 405: Diversity and equal opportunity 2016	103-1	Explanation of the material topic and its Boundary.	48
	103-2	The management approach and its components.	48
	103-3	Evaluation of the management approach.	48
	405-1	Diversity of governance bodies and employees.	48
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken.	During 2020 there were no cases of discrimination in Genera or its companies.
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor.	In Genera and its companies, or with its suppliers, child labor is not allowed.
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	At Genera and its companies, or with its suppliers, we do not have practices that allow forced labor.
GRI 411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples.	During 2020 there were no violations of the rights of indigenous peoples in Genera or its companies.
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs.	66
GRI 417: Marketing and labeling 2016	417-3	Incidents of non-compliance concerning marketing communications.	During 2020 no such breaches were recorded in Genera or its companies.
GRI 418: Customer privacy 2016	103-1	Explanation of the material topic and its Boundary.	102
	103-2	The management approach and its components.	102
	103-3	Evaluation of the management approach.	102
	418-1	Substantiated complaints concerning breaches of client privacy and losses of client data.	102



GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area.	During 2020 no such breaches were recorded in Genera or its companies.
GRI Sector Supplement			
GRI Financial Services Sector Supplement FSSS	FS4	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business.	34
	FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	19, 28
	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	19, 28, 29
	FS13	Points of access in scarcely populated or economically disadvantaged areas described by type.	19, 28, 31
	103-1	Explanation of the material topic and its Boundary.	19, 28, 29, 31, 35
	103-2	The management approach and its components.	19, 28, 29, 31, 35
	103-3	Evaluation of the management approach.	19, 28, 29, 31, 35
	FS14	Initiatives to improve access to financial services for the disadvantaged.	19, 28, 29, 31, 35
FS16	Initiatives to improve financial literacy and education by type of beneficiary.	35, 66	
SASB Financials Sector			
SASB: Client Privacy	103-1	Explanation of the material topic and its Boundary.	During 2020 no information from our clients was used for other purposes.
	103-2	The management approach and its components.	
	103-3	Evaluation of the management approach.	
	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes.	
FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with client privacy.	During 2020 no such losses were recorded in Genera or its companies.	
SASB: Data Security	103-1	Explanation of the material topic and its Boundary.	During 2020 no such losses or data breaches were recorded in Genera or its companies.
	103-2	The management approach and its components.	
	103-3	Evaluation of the management approach.	
	FN-CB-230a.1	Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected.	
SASB: Financial	103-1	Explanation of the material topic and its Boundary.	19, 28
	103-2	The management approach and its components.	19, 28
	103-3	Evaluation of the management approach.	19, 28
	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development.	19, 28
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development.	19, 28
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved clients.	35, 66
SASB: Activity Metrics	FN-CB-000.B	"Number and value of loans by segment: personal, small business, and corporate."	19
	FN-IN-000.A	Number of policies in force, by segment: property and casualty, life, assumed reinsurance.	29



Corporate Information

102-1, 102-53

Corporate office

Gentera S.A.B. de C.V.
Av. Insurgentes Sur 1458
Colonia Actipan, Delegación Benito Juárez
Ciudad de México

Investment Relations

investor-relations@gentera.com.mx

Sustainability information

contacto@gentera.com.mx

Independent Audit

KPMG, Cárdenas Dosal, S.C.

Ticker symbol in the Mexican Stock Exchange (BMV) in 2020



GENTERA

gentera.com.mx



[@gentera](https://twitter.com/gentera)



[gentera.mx](https://www.facebook.com/gentera.mx)



[gentera_mx](https://www.instagram.com/gentera_mx)



[gentera](https://www.linkedin.com/company/gentera)