

Eventos Relevantes



FECHA: 24/04/2017

BOLSA MEXICANA DE VALORES, S.A.B. DE C.V., INFORMA:

CLAVE DE COTIZACIÓN	GENTERA
RAZÓN SOCIAL	GENTERA, S.A.B. DE C.V.
LUGAR	Mexico City

ASUNTO

GENTERA S.A.B. de C.V. ("GENTERA" or "the Company")(BMV: GENTERA*) announced today non-audited consolidated financial results for the first quarter ended March 31, 2017.

EVENTO RELEVANTE

GENTERA
REPORTS 1Q17 RESULTS

Mexico City, Mexico – April 24, 2017 – GENTERA S.A.B. de C.V. ("GENTERA" or "the Company") (BMV: GENTERA*) announced today non-audited consolidated financial results for the first quarter ended March 31, 2017. All figures were prepared in accordance with requirements from the National Banking and Securities Commission (CNBV) are expressed in nominal Mexican pesos (Ps.)

1Q17 Highlights:

- Total Loan Portfolio reached Ps. 32,368 million, a 14.0% increase compared with 1Q16.

Loan Portfolio per subsidiary was distributed as follow:

- Banco Compartamos S.A. I.B.M. (Mexico) (Banco Compartamos) reached Ps. 24,214 million, a 7.8% increase versus the Loan Portfolio in 1Q16;
- Compartamos Financiera (Peru) at Ps. 7,634 million, a 37.5% increase versus 1Q16; and,
- Compartamos S.A. (Guatemala) was Ps. 520 million, 42.0% higher compared with 1Q16.

- Net Income for the first quarter was Ps. 1,017 million, a 13.3% growth compared with the Net Income of Ps. 898 million achieved in 1Q16.

- NIM stood at 51.1%, compared with 56.2% in 1Q16.

- ROE stood at 24.9%, compared with 25.9% during 1Q16.

- ROA reached 9.6%, compared with 9.8% in 1Q16.

- Non-performing loans (NPLs) for 1Q17 were 4.69%, compared to 3.83% in 1Q16.

- Efficiency ratio for 1Q17 was 66.0%, compared to 65.1% reported in 1Q16.

- YASTAS1 recorded approximately 1.75 million financial transactions during the quarter, 58% higher than those executed in 1Q16.

- ATERNA2 ended the quarter with more than 5.2 million active life insurance policies throughout its operations in Mexico, Peru

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and Guatemala, which represented more than 800 thousand active life insurance policies compared with the figure reached in 1Q16.

- INTERMEX3 with more than 1,800 affiliates processed more than Ps. 6,000 million in remittances payments.
- On April 20, 2017, GENTERA-Compartamos commemorates its 10th anniversary as a Public Company.
- On April 20, 2017, at The Company's Annual Shareholders Meeting, approved a dividend payment of Ps. 0.77 per share. The dividend will be paid in two exhibitions; one equivalent to Ps. 0.39 that will be paid before or on July 3rd, 2017; the second equivalent to Ps. 0.38 will be paid before or on December 1st 2017.
- At the Annual Shareholders Meeting held on April 20, 2017 GENTERA's shareholders approved reestablishing the original stock buyback program to Ps. 700 million.
- At the end of the first quarter, GENTERA repurchased 2,459,999 shares through the Company's stock buyback program established on April 20, 2016. Shares outstanding as of March 31, 2017 amounted 1,624,551,415.
- In April 2017, GENTERA ranked #1 in the Best Place to Work in Mexico nominations by the Great Place to Work Institute.
- At the end of 1Q17, GENTERA's staff participated in 133 volunteer activities, devoting more than 10 thousand hours in benefit of various communities. 8,459 people were benefited from GENTERA's Corporate Social Responsibility and Fundacion Gentera programs; the Company invested approximately Ps. 7.2 million in these programs.

1 GENTERA's correspondent network manager / 2 GENTERA's micro-insurance broker/ 3 GENTERA's remittances company.

Comments from Mr. Carlos Labarthe, GENTERA's President:

GENTERA initiates a new year with a solid performance. We recognize that 2017 will bring challenges and opportunities and we are certain that our sense of purpose and strategic initiatives will contribute on developing new ways of service and products across the various Companies that integrate the Group.

At the end of the first quarter, GENTERA's subsidiaries in Mexico, Peru, and Guatemala, served over 3.7 million clients with its Credit, Savings, Remittances and Insurance products. The Financial Subsidiaries stood with a Loan Portfolio of 32,368 million pesos, a growth of 14.0% on a year-on-year basis, and a Net Income increase of 13.3% compared with 1Q16.

YASTÁS, our banking correspondent network manager concluded the quarter with approximately 2.7 thousand affiliates which executed more than 1.75 million financial transactions; becoming every time a more convenient option to disburse or pay the credits that Banco Compartamos grants in Mexico, while ATERNA stood at the end of the quarter with over 5.2 million active life insurances policies, INTERMEX-Compartamos processed more than 6,000 million pesos in remittances payments

GENTERA is a company in constant evolution which strives every day to offer to its clients the best service and product offering. We will continue working hard in our transformation process which will help us to serve more clients, while fully committed to generating shared value.

Results of Operations

Financial Results and Economic Indicators

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* In this table employees in Banco Compartamos include employees from ATERNA, YASTAS and INTERMEX. Compartamos Financiera (Peru) is reported under Mexican GAAP. (All figures in million pesos)

Income Statement

The following financial results analysis is done with consolidated figures.

Interest income reached Ps. 5,137 million in 1Q17, an 11.1% increase compared with 1Q16, due to the dynamics experienced in the 7.8% portfolio growth in the Mexican subsidiary compared to the growth of more than 37% in the international subsidiaries. The Loan Portfolio of the Mexican subsidiary is not capturing yet the re-pricing initiative of the credit products that started in this first quarter. The interest income growth rate is consistent with the expectations for the first quarter and should accelerate throughout the year.

Banco Compartamos represents most of GENTERA's current portfolio and interest income, with 74.8% and 83.9%, respectively.

Gentera's three main subsidiaries grant loans with different average outstanding balance per client (Ps. 8,541 for Banco Compartamos, Ps. 18,964 for Compartamos Financiera and Ps. 6,147 for Compartamos Guatemala). These variations in ticket size are related to the share of the group lending or individual lending products in their respective portfolio. The Yield for GENTERA's portfolio stood at 63.8%.

Interest expense increased by Ps. 149 million, or 58.9%, compared with 1Q16. This increase reflects the effect of the reference interest rate adjustment in Mexico, which has increased 325 bps from January 2016 to March 2017 and the adjustment in Peru. The increase in interest expenses is also a consequence of the extra liquidity that Banco Compartamos held during the first 2 months of the year to mitigate the potential volatility of the Mexican Market due to external factors. As a consequence Net Interest Margin (NIM) for the first quarter 2017 reached 51.1%, versus the 56.2% reported in 1Q16.

Provisions for loan losses reached Ps. 870 million during the quarter. This amount was Ps. 213 million, or 32.4% higher compared to 1Q16. This effect is in line with the evolution of the portfolio mix which is integrated with different risk profile products. Provisions are in accordance with CNBV regulations and methodologies, reflecting the level required for each particular product.

NII after provisions rose to Ps. 3,865 million, a 4.1% increase compared to Ps. 3,712 million in 1Q16.

NIM (Net Interest Margin) after provisions (NII after provisions for losses / average yielding assets) for 1Q17 was 41.7%, compared to 47.7% in 1Q16.

Net Interest margin after provisions / Average Yielding Assets

Commissions and fee income during the quarter increased 4.7% to Ps. 332 million, compared with 1Q16. This line item mainly reflected: i) late payment fees charged to clients with delinquent loans at Banco Compartamos; ii) fees generated at YASTAS, ATERNA and INTERMEX; and iii) commissions generated at Compartamos Financiera. The following table shows consolidated

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numbers of the different subsidiaries.

Commissions and fee expenses contracted 36.7%, or Ps. 62 million, to Ps. 107 million compared with 1Q16. This line item mainly included: i) fees charged by third parties to Banco Compartamos for the use of their networks, as well as ii) fees related to the operation of YASTAS and INTERMEX. The following table shows consolidated numbers of the different subsidiaries.

The net effect between commissions charged and commissions paid in 1Q17 reached Ps. 225 million, an increase of Ps. 77 million, or 52.0%, compared with the net effect obtained in 1Q16.

Trading gains/losses recorded a loss of Ps. 9 million during the quarter. This line item represented the FX losses in the INTERMEX-Banco Compartamos branches, which for this quarter and given the volatile FX environment represented a loss compared to previous quarters.

Other operating income/losses which reflect the non-recurring income/expenses stood at Ps. 47 million.

Operating expenses reached Ps. 2,725 million, an 8.3% increase versus the Ps. 2,515 million reached in 1Q16.

- GENTERA's subsidiaries jointly totaled 20,837 employees, an increase of 0.8% compared with 1Q16, mainly due to the following:

- i) The Mexican operation showed a 2.7% contraction in the number of employees as a result of a better use of the technology in hands of our Loan Officers and improvements in the methodology.

- ii) Our Peruvian operation grew 12.2% on a year-on-year basis in terms of the number of employees. This additional sales force was required to adequately serve the client base and achieve further market penetration with Credito Mujer. This product has experienced outstanding growth in the past 12 months in Peru, attracting more than 100 thousand clients, which represented a growth of 74.0% compared to the number of customers served in 1Q16.

- Salaries and benefits represented approximately Ps. 1,787 million, or 65.6% of total operating expenses

- During 1Q17, Gentera had 553 service offices and 145 branches in Mexico, 74 service offices in Peru and 53 in Guatemala for a total number of 680 Service Offices and 145 Branches. Together, these service offices and branches (SO & B) represented Ps. 464 million, or 17.0% of the operating expenses. The current number of service offices and branches was 6.7% larger than the 773 service offices and Branches reported in 1Q16.

- Other strategic initiatives and advisory services, such as: i) the SAP platform and the ERP; ii) the deposit pilot projects; and, iii) Yastas; among other initiatives jointly represented Ps. 344 million or 12.6% of operating expenses during 1Q17.

- Marketing Campaigns represented Ps. 130 million or 4.8% of operating expenses during the first quarter, including the investment associated with the loyalty program which totaled Ps. 83.2 million this quarter.

Participation in Net Income from Non-Consolidated Subsidiaries represented a Ps. 5 million loss during the quarter, compared with a Ps. 29 million loss in 1Q16. This line item reflects the contribution of MIMONI, the online lending company in which GENTERA is investing.

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For the first quarter of 2017, net income amounted to Ps. 1,017 million, an increase of 13.3% compared to the Ps. 898 million reached in 1Q16.

Balance Sheet

Cash and other investments stood at Ps. 4,658 million during the first quarter of 2017. This level of liquidity enables us to cover operating expense growth, debt amortizations and expected portfolio growth for the following 30 days. It is important to note that 55.2% of the cash on the balance sheet corresponded to Banco Compartamos, with Ps. 2,573 million held in highly liquid assets. The remainder is held in GENTERA accounts in its various subsidiaries.

Total Loan Portfolio reached Ps. 32,368 million in 1Q17, 14.0% higher than the figure reported in 1Q16. The Loan Portfolio was distributed as follows: 74.8% at Banco Compartamos; 23.6% at Compartamos Financiera in Peru and 1.6% at Compartamos in Guatemala.

Credit Quality (Non-Performing Loans / Total Portfolio)

Consolidated non-performing loans reached 4.69% in 1Q17, representing a deterioration when compared to the 4.22% recorded in 4Q16, and the 3.83% in 1Q16, respectively, due to a higher participation of different risk profile products in the portfolio and to the effects of competition experienced in certain regions of Mexico. It is important to mention that Banco Compartamos' policy is to write-off loans that are past due after 180 days.

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Performance Ratios and Metrics

The 1Q17 coverage ratio was 142.5%, which is in accordance with the new portfolio mix and Mexican financial regulations.

Goodwill amounted to Ps. 927 million and was related to the acquisition of Compartamos Financiera and INTERMEX, and was recorded as an asset.

ROAE/ROAA

During 1Q17, GENTERA reached a return on average equity (ROAE) of 24.9%, compared with 25.9% in 1Q16. Return on average assets (ROAA) for 1Q17 was 9.6%, compared with 9.8% in 1Q16.

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GENTERA
Consolidated Income Statement
for the period ended March 31, 2017
(in millions of Mexican pesos)

GENTERA
Consolidated Balance Sheet
for the period ended March 31, 2017
(in millions of Mexican pesos)

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The following section sets forth the non-audited financial results for the first quarter of 2017 (1Q17) for Banco Compartamos, S.A. I.B.M. ("Banco Compartamos" or "the Bank"), which is GENTERA's main subsidiary and is located in Mexico. All figures are expressed in Mexican pesos in accordance with the CNBV regulations applicable to credit institutions and may vary due to rounding.

Financial Highlights

Portfolio and Net Income are expressed in millions of Mexican pesos. * Some of the Service offices transformed into Branches.

1Q17 Highlights:

- Total loan portfolio reached Ps. 24,214 million, 7.8% higher when compared with the loan portfolio in 1Q16.
- Non-performing loans reached 5.14% in 1Q17, compared to 3.78% in 1Q16.
- Net income for 1Q17 reached Ps. 829 million, a marginal contraction compared to the Ps. 831 million in 1Q16.
- Capitalization Ratio stood at 27.1%.
- ROA was 11.0%, compared to 12.2% in 1Q16 while, ROE was 29.3%, compared to 34.1% in 1Q16.
- Banco Compartamos ended the quarter with a total of 553 service offices and 145 Branches.
- On April 21, 2017, S&P Global Ratings changed the Outlook to negative from stable. Global and National Scale long term and short term ratings were affirmed at 'BBB/A-2' and 'mxAAA/mxA-1+' respectively.

Results of Operations

Net Interest Income after Provisions (NII after provisions)

Interest income reached Ps. 4,310 million in 1Q17, 6.2% higher than 1Q16, and slightly below its Portfolio's growth during this period.

The Funding Cost, which includes liabilities and deposits, stood at 6.51% in 1Q17 compared to 4.15% in 1Q16. Interest expenses rose 71.9% to Ps. 294 million, compared to Ps. 171 million in 1Q16. This growth was explained by: i) the increase in the reference interest rate; ii) the 60 days liquidity metric (above the normal 30 days metric) that was active during January and February as a way of mitigating the potential market volatility due to external factors.

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As aforementioned, the cost of funds during 1Q17 was relatively stable considering that the Central Bank raised interest rates by 350 bps or more than 100% since December 2015. This was possible given the fact that the Bank continued obtaining better credit spreads from the credit lines used in the past months, and as of today more than 30% of the Company's liabilities are contracted at fixed rate. As a result, Banco Compartamos reported net interest income of Ps. 4,016 million, 3.3% higher than in 1Q16.

Provisions for loan losses were Ps. 744 million due to the contribution of Credito Comerciante; Credito Crece y Mejora and Credito Individual products in the portfolio during 1Q17, which accounted for 48.7% of the portfolio.

NII after provisions rose to Ps. 3,272 million, a 1.3% contraction compared with Ps. 3,316 million in 1Q16.

NIM (Net Interest Margin) after provisions (NII after provisions for losses / average yielding assets) for 1Q17 was 48.1%, compared with 56.0% in 1Q16. The contraction in margins is due to: i) the higher funding cost; ii) the additional liquidity that Banco Compartamos had in 2 months of the quarter; and iii) higher cost of risk. These impacts should be mitigated by the re-pricing initiative of the credit products that started in this quarter.

Net Operating Income

- Commissions and fee income reached Ps. 238 million, a 24.0% increase versus 1Q16. This line item was mainly driven by collection fees and penalties charged to clients with delinquent accounts, representing 42.3% of income, as well as sales commissions for voluntary life insurance policies, which accounted for 52.0%. The remaining 5.7% was related to other concepts and fees.
- Commissions and fee expenses totaled Ps. 138 million, a slight increase of 0.7% compared to 1Q16. This line item mainly reflected: i) 35.3% collection and disbursement fee costs; ii) 28.7% for alternative locations to pay and withdraw loans from Banco Compartamos; iii) 10.8% for the free voluntary life insurance coverage included in the Credito Mujer product; and iv) 25.2% fees paid to Yastás.
- Trading gains/losses stood with a loss of Ps. 8 million during the quarter due to FX volatility during these 3 first months of the year.
- Other income/expenses reached a Ps. 27 million loss. This item reflected non-recurring income or expenses, which for the first quarter were primarily driven by a provision linked to the fees of delinquent accounts, and by FX losses.
- Operating expenses for 1Q17 rose only 2.3% to Ps. 2,212 when compared to 1Q16, primarily attributable to: i) better levels of productivity ii) new branches; iii) strategic initiatives.

Net Income

Banco Compartamos reported net income of Ps. 829 million, representing a slight contraction of 0.2% versus 1Q16.

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Balance Sheet

Cash and other investments increased by 46.8% to Ps. 2,573 million, compared with Ps. 1,753 million in 1Q16. This amount represented the funds required by Banco Compartamos to cover operating expenses, debt maturities and loan portfolio growth for the following 30 days (During the first 2 months of 2017, this policy required a prudent approach of 60 days due to the potential volatility in the Mexican market). During 1Q17, cash and other investments represented 9.0% of total assets, while during 1Q16 this line item represented 6.5% of total assets. Cash and other investments are placed in short-term instruments where the counterparty risk is approved by the Board's Risk Committee.

Total Loan Portfolio

Loan Portfolio (Ps. million)

The loan portfolio from microcredit loans reached Ps. 24,214 million, 7.8% higher than the Ps. 22,470 million reported in 1Q16. This growth explained by the average outstanding balance per client given the larger ticket sizes that clients can take from the different products that Compartamos holds in its portfolio.

The average outstanding balance per client in 1Q17 was Ps. 8,541, 8.9% above the Ps. 7,842 reported in 1Q16.

Loan Products & Credit Quality

The loan products offered by Banco Compartamos are distributed under two main categories (SEE DETAIL ON PAGE 7):

1. Group Lending Methodology: Merchant Credit (Credito Comerciante) and Women Credit (Credito Mujer) represented 74.7% of the total loan portfolio in 1Q17, which combined presented an NPL of 4.66% for this 1Q17, compared with 3.19% in 1Q16.
2. Individual Lending Methodology: Improvement Loans (Crece y Mejora), Additional Loans (Crédito Adicional) and Personal Loans (Credito Individual) represented a 25.3% share of the total loans portfolio in 1Q17, with a consolidated NPL of 5.64% in 1Q17, compared with 5.48% one year ago.

During 1Q17 total NPLs reached 5.14%, a deterioration when compared to 3.78% and 4.49% reported in 1Q16 and 4Q16 respectively.

Banco Compartamos' policy is to write-off loans that are past due after 180 days. During the first quarter, this figure reached Ps. 780 million or 70.3% more than that recorded in 1Q16.

For 1Q17, the coverage ratio (allowance for loan losses / non-performing loans) was 133.4% compared with 151.8% in 1Q16. Allowance for loan losses is based on the methodology established by the CNBV, which requires specific reserve coverage for each originated loan: Group Loans with a solidarity figure; and, a different coverage for Individual Loans. It is important to highlight that our methodology follows the rules that apply to 'Personal Credit' category instead of 'Consumer Loans, Not Revolving, Others' category, described previously.

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The allowance for loan losses by qualification was distributed as follows:

Classification for allowance for loan losses is in accordance with CNBV regulations (Section V, Article 129, and Paragraph II) applicable to credit institutions since July 2013. Allowance for loan losses continued to sufficiently cover non-performing loans.

Other Accounts Receivable and Other Assets

Other accounts receivable reached Ps. 755 million in 1Q17, 60.0% lower than the Ps. 1,887 million recorded in 1Q16. Ps. 481.7 million, or 63.8%, comprised accounts receivable from retailers, such as supermarkets and convenience stores, which collect client payments at their locations. Total receivables from these alternative payment channels continue to demonstrate strong customer demand due to their convenient locations.

Fixed assets reached Ps. 458 million, below the Ps. 550 million reported in 1Q16. This line represents Furniture & Equipment, among other concepts.

Other assets reached Ps. 2,217 million in 1Q17, primarily represented by investments in SAP, Software and also deferred taxes.

Total Liabilities

During 1Q17, total liabilities reached Ps. 16,811 million, 0.7% below than the Ps. 16,928 million recorded during 1Q16. All of Banco Compartamos' current liabilities are fully peso-denominated; therefore, there is no FX exposure.

Banco Compartamos maintains a well-diversified funding mix with different sources:

i) Long-term debt issuances: Banco Compartamos is a frequent issuer in the debt capital markets. As of March 31, 2017, it had Ps. 9,593 million outstanding in Certificados Bursátiles Bancarios (Bank Bonds)

ii) Strong capital base: 41.1% of total assets were funded with equity.

iii) Credit lines with banks and other institutions: Banco Compartamos had Ps. 4,348 million in credit lines among various Banking creditors. (Development Banks; Commercial Banks and Multilaterals)

iv) Deposits: For 1Q17, deposits from Clients stood at Ps. 855 million, which were generated with over 742 thousand debit accounts from the term investment product,; and Ps. 432 million represented deposits from GENTERA's subsidiaries.

Total Stockholders' Equity

The capitalization ratio was 27.1% compared with 32.3% reported in 1Q16. The current ratio continues reflecting the Bank's strength in accordance with levels required by Basel III, and is well above the Mexican banking system standards. Banco Compartamos reported Ps. 10,460 million in Tier I capital and risk-weighted assets of Ps. 38,618 million.

Performance Ratios and Metrics

Return on average equity (ROAE) for 1Q17 was 29.3% compared with 34.1% in 1Q16. Return on average assets (ROAA) for 1Q17 was 11.0% compared with 12.2% in 1Q16.

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Efficiency Ratio 1)

The efficiency ratio for 1Q17 was 66.3%, slightly above than the 64.4% reached in 1Q16 mainly attributable to: i) higher levels of interest expenses and provisions

1 Operating expenses / Net operating revenue

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Banco Compartamos, S.A., Institución de Banca Múltiple
Income Statement
for the period ended March 31, 2017
(in millions of Mexican pesos)

Banco Compartamos, S.A., Institución de Banca Múltiple
Balance Sheet
for the period ended March 31, 2017
(in millions of Mexican pesos)

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Compartamos Financiera (Peru)

The following section sets forth the non-audited financial results for the first quarter of 2017 (1Q17) for Compartamos Financiera, GENTERA's Peruvian subsidiary. All figures are in Mexican pesos and may vary due to rounding.

Note: It is important to highlight that the analysis and figures are expressed in accordance with Mexican Generally Accepted Accounting Principles and CNBV (National Banking and Securities Commission) regulations. These figures are not comparable to the financial statements submitted to the Peruvian Superintendencia de Banca, Seguros y AFP (Peruvian Banking, Insurance and Pension Fund Commission).

Financial Highlights

Compartamos Financiera's figures are reported under Mexican GAAP.

Portfolio and Net Income are expressed in Mexican pesos (millions) and with their corresponding FX for the quarter.

1Q17 Highlights:

- Total loan portfolio reached Ps. 7,633 million, 37.5% higher than that in 1Q16.
- Non-performing loans stood at 3.28% in 1Q17, compared with 3.93% in 1Q16.
- Active clients reached 402,529, a 39.4% increase compared to 1Q16.
 - o Group Loans (Credito Mujer) product represented 62.3% of the clients served in Peru, ending the period with 250,900 clients, 74.0% more clients than in 1Q16.
- Compartamos Financiera reached a total of 74 service offices, 5 more offices than in 1Q16.

Results of Operations

Net Interest Income after Provisions

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Interest Income grew by 49.4% compared with 1Q16, reaching Ps. 687 million. This increase was above the loan portfolio growth, which reached 37.5% at quarter-end.

Interest expenses increased by 45.9%, to Ps. 115 million versus 1Q16, below the 55.8% growth mark in liabilities used to fund the portfolio. This was possible as a result of better terms and conditions in credit lines. In terms of cost of fund, it stood at 6.8%.

Provisions for loan losses reached Ps. 112 million, an increase of 50.8% compared to the Ps. 74 million reached in 1Q16. Provisions moved in line with the risk profile of the portfolio.

Due to the aforementioned, NIM (Net Interest Margin) after provisions (NII / average yielding assets) was 21.6% for 1Q17, compared with 21.8% in 1Q16

Compartamos Financiera reached a coverage ratio of 189.3% for 1Q17.

Net Operating Income

- Commissions and fee income during 1Q17 reached Ps. 27 million, 24.0% higher than that reached in 1Q16, mainly as a result of penalty fees charged to clients with delinquent accounts and fees obtained from the life insurance policies sold during the quarter.
- Commissions and fee expenses were Ps. 6.4 million, a growth of 29.5%, compared to Ps. 4.9 million reached in 1Q16. This line represented mainly the collection and disbursement fee costs charged by third parties.
- Other operating income/expenses stood at Ps. 21.8 million, an increase of Ps. 11 million, 91.6%, compared to 1Q16.
- Operating expenses were Ps. 416 million, 44.3% higher than that in 1Q16, due to a larger infrastructure at Compartamos Financiera, with 74 service offices in 1Q17 that compares favorably with the 69 recorded in 1Q16, and a 12.2% larger base of employees oriented to adequately serve our customers in the Group Lending Methodology.
- Net Operating income reached Ps. 87 million, a growth of 84.7% compared with Ps. 47 million in 1Q16.

Net Income

Following the aforementioned, Compartamos Financiera reported a net income of Ps. 58.2 million during 1Q17, 83.1% higher than the Ps.31.8 million recorded in 1Q16.

Compartamos Financiera (Peru)
Income Statement
for the period ended March 31, 2017
(in millions of Mexican pesos)

Compartamos Financiera's figures are reported under Mexican GAAP.
Figures are expressed in Mexican Peso with its corresponding FX.
Source: Banco de Mexico and Banco Central de Peru.

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Compartamos Financiera (Peru)
Balance Sheet
for the period ended March 31, 2017
(in millions of Mexican pesos)

Compartamos Financiera's figures are reported under Mexican GAAP
Figures are expressed in Mexican Peso with its corresponding FX
Source: Banco de Mexico and Banco Central de Peru

Compartamos, S.A. (Guatemala)

The following section sets forth the non-audited financial results for the first quarter of 2017 (1Q17) for Compartamos S.A., the Company's Guatemalan subsidiary. All figures are expressed in Mexican pesos in accordance with Mexican Accounting Principles and Regulations and may vary due to rounding.

Financial Highlights

Figures are expressed in Mexican pesos with its corresponding FX.

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Exchange rate as of March 31, 2017, from Quetzales to USD: 7.3398

Exchange rate as of March 31, 2017, from USD to MXP:18.7955

Portfolio and Net Income are expressed in Mexican pesos (millions) and with their corresponding FX for the quarter.

Source: Banco de Guatemala and Banco de Mexico.

1Q17 Highlights:

- Total loan portfolio reached Ps. 520 million, 42.0% higher when compared with 1Q16.
- Net Income for 1Q17 stood at Ps. 19.1 million compared with Ps. 14.8 million in 1Q16.
- Non-performing loans stood at 4.46% in 1Q17, compared with 5.36% in 1Q16.
- Active clients reached 84,620, a 19.1% increase compared to 1Q16.

Results of Operations

Net Interest Income - NII

Net Interest Income reached Ps. 132.0 million, an increase of 46.0% compared with Ps. 90.4 million in 1Q16. This was the result of solid portfolio growth.

As per previous discussions, a percentage of Compartamos S.A.'s total loan portfolio was provisioned for the prevention of asset deterioration. In 1Q17, provisions reached Ps. 14.4 million.

Net Operating Income

Commissions and fee expenses, including collections, were Ps. 1.9 million. This line item represented the fees that Compartamos paid to third parties related to the collection and disbursement of its credits.

Operating expenses were Ps. 92.5 million, an increase of Ps. 37.5 million, or 68.1% when compared to 1Q16. Operating expenses were the result of a larger number of service offices, ending the 1Q17 with 53 versus 37 in 1Q16, and a larger sales force which grew by 52.9% compared with 1Q16.

Net Income

Compartamos reported net income of Ps. 19.1 million during the first quarter compared with Ps. 14.8 million reached in 1Q16.

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Compartamos, S.A. (Guatemala)
Income Statement
For the period ended March 31, 2017
(in millions of Mexican pesos)

Figures are expressed in millions of Mexican pesos with their corresponding FX for the quarter

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Compartamos, S.A. (Guatemala)
Balance Sheet
For the period ended March 31, 2017
(in millions of Mexican pesos)

Figures are expressed in Mexican pesos (millions) with their corresponding FX for the quarter.

About GENERA

GENERA, S.A.B. de C.V. (formerly Compartamos, S.A.B. de C.V.) is a holding company whose primary objective is to promote, organize and manage companies, domestic and international, that are subject to its investment policies. GENERA was established in 2010 and is headquartered in Mexico. Its stock began trading on the Mexican Stock Exchange on December 24, 2010 under the ticker symbol COMPARC*. On January 2, 2014, the ticker symbol was changed to GENERA*.

Note on Forward-Looking Statements

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on Management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of Management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.