

THE
INVESTMENT CASE

EQUITY RESEARCH

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

Financials | Microfinance · BMV: GENTERA*

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Gentera

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02 Company Overview & Business Description

Business Model

Genera is Mexico's largest microfinance institution, operating a group-lending model that 35 years of field presence has made structurally difficult to replicate. At MXN 45.65, the market is paying 2.02x book for a business that earns 24.8% ROE: a combination that makes no peer-comparable sense without an embedded discount for credit cycle anxiety.

Genera, S.A.B. de C.V. (BMV: GENTERA*) is a financial holding company whose primary subsidiary, Banco Compartamos, has extended credit to Mexico's base-of-pyramid population since its founding in 1990 as the NGO Gente Nueva. The core mechanic is the solidarity group: clients form clusters of 12 to 50 women, typically in rural or semi-urban communities underserved by traditional banks, and bear collective responsibility for one another's repayments. No individual collateral is required. Instead, social accountability (the structure of village lending where neighbors guarantee neighbors) substitutes for the collateral that conventional banks demand. Compartamos' credit advisors, based in local service offices and visiting communities weekly or biweekly, manage both disbursement and collection. This human-intensive model accounts for the 64.9% efficiency ratio (FY2025) that is high by universal-bank standards but appropriate for the operating model.

Genera serves approximately 4.6mm active credit clients (6.5mm inclusive of Aterna policyholders) across two operat-

COMPANY SNAPSHOT

6.5mm

ACTIVE CLIENTS

including Aterna insurance policyholders; credit-only clients: ~4.6mm (FY2025A)

MXN 93.6bn

FY2025 LOAN BOOK

~USD 5.3bn at 17.50 MXN/USD; consolidated gross

41.0%

FY2025 NIM

Management asset-based convention; +120bps vs FY2024

1990 / 2007

FOUNDED / IPO

MXN 72.1bn market cap

ing geographies: Mexico (77% via Banco Compartamos and ConCredito combined) and Peru (23% through Compartamos Banco Peru, converted to a full banking institution in January 2025). A historical Guatemala subsidiary (Compartamos S.A.) was wound down between 2021 and 2022; the entity is in legal liquidation and has no active loan book. Banco Compartamos holds approximately 70% of the group-lending segment in Mexico, a position maintained for over a decade without a credible challenger. No competitor has replicated the collections infrastructure at equivalent scale. CEO Patricio Diez de Bonilla Majia made this explicit at the Q1 2026 earnings call: “every time competitors come in, they don’t have that strong collection process.”

The competitive moat is not the product; group lending is a well-documented methodology. The moat is the operational depth: 700-plus service offices across Mexico, 27,800 trained credit advisors, and a collections process calibrated by decades of default-cycle data. When the COVID-19 pandemic pushed consolidated NPLs to 5.64% in 2020, Compartamos recovered to 2.82% within 18 months. No fintech entrant has faced a full credit cycle at base-of-pyramid scale and come through with coverage ratios above 200%.

The group-lending revenue engine is complemented by three structural growth levers. Individual lending (currently approximately 30% of the Banco Compartamos portfolio, targeting 67% over 3 to 5 years) addresses a higher-income client segment at larger average ticket sizes. Aterna, the insurance subsidiary, intermediated MXN 6.1bn (USD 347mm at 17.50 MXN/USD) in commission income in FY2025 from 17 million active policies, a line that carries minimal capital consumption and grows proportionally with the client base. Peru, post bank-conversion, is the geographically distinct compounder: net income grew 252% in FY2025 to MXN 1,462mm and management targets S/300mm in FY2026.

Revenue Composition

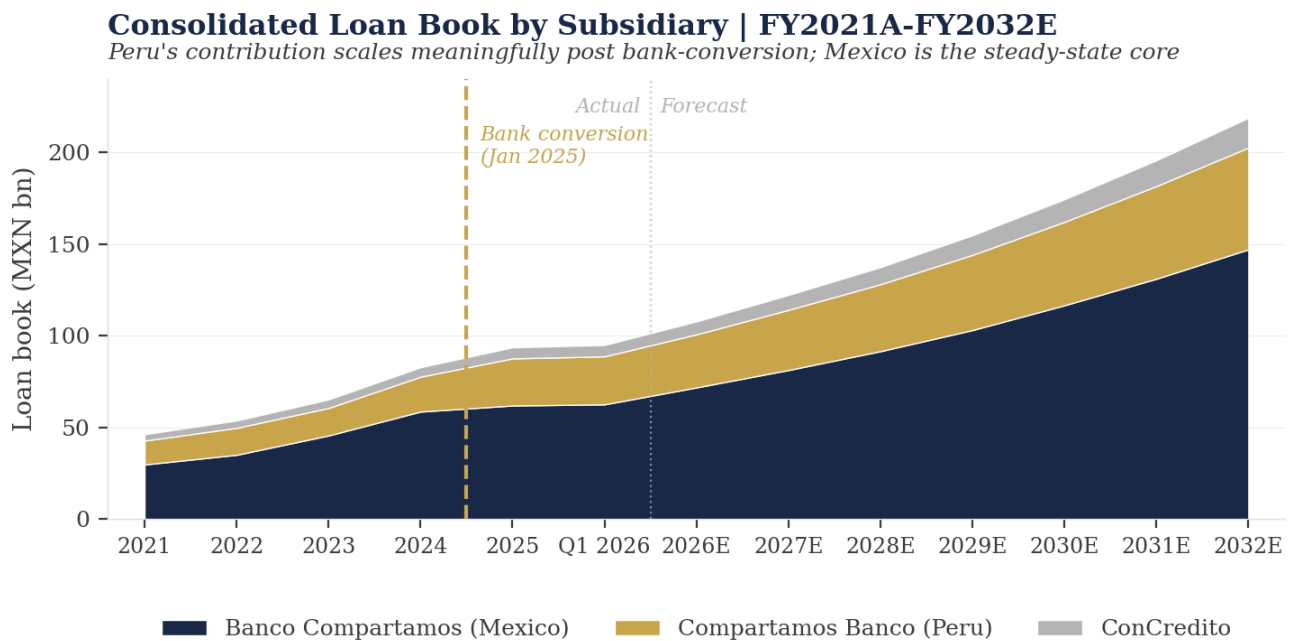
Net Interest Income (NII) is the dominant revenue driver, accounting for 84.9% of total operating revenue in FY2025. Fee and commission income (the majority of which is Aterna insurance commissions: MXN 6.1bn gross, embedded within the MXN 6.1bn net fee line) contributed 12.8%. The Aterna commission is a sub-component of fee income, not a separate revenue stream additive to it. Other operating income of MXN 1.1bn includes miscellaneous administrative services and provision reversals.

Revenue Stream	FY2025 (MXN mm)	% of Total Revenue
Net Interest Income	40,489	84.9%
Fee & Commission Income (net)	6,117	12.8%
Other Operating Income	1,059	2.2%
Total Operating Revenue	47,665	100.0%

Source: Genera FY2025 audited financial statements; The Investment Case estimates.

Subsidiary / Geography (FY2025 Interest Income)	% of Consolidated Interest Income
Banco Compartamos (Mexico)	73.2%
Compartamos Banco (Peru)	19.1%
ConCredito (Mexico)	7.4%
Other / intercompany	0.3%

Source: Genera FY2025 earnings release; The Investment Case estimates.



Each of Genera's four operating subsidiaries addresses a different segment of the underbanked market. Banco Compartamos is the group-lending engine, Peru is the compounder, ConCredito diversifies into individual consumer lending, and Aterna converts the client relationship into a recurring insurance revenue stream.

06 Growth Drivers & Catalysts

Three catalysts in the next 12 months can validate the thesis or refute the bear case. They are time-stamped and observable, which is what separates an investment thesis from a hope. The June EGM is a binary event within weeks. The Q3 2026 NPL print is the empirical test of the cyclical recovery narrative. The Peru trajectory is visible quarterly with a clear target (\$/300mm FY2026 NI).

1 Peru Bank Conversion | Compartamos Financiera Thesis

The full bank license converts Compartamos Peru from a financiera with restricted funding options into a deposit-taking bank with access to lower-cost retail funding. This structural reduction in cost of funds flows directly into NIM improvement at the Peru subsidiary. Peru NI grew 252% year-on-year in FY2025 to MXN 1,462mm (from MXN 415mm in FY2024), and the FY2026 guided target is \$/300mm (+15%). Peru is now approximately 19% of consolidated NII versus 8% three years ago. At Q1 2026, Peru's gross loan book was MXN 26.2bn, approximately 28% of the consolidated portfolio. The Peru compounder story is underrepresented in sell-side projections and not priced into the current multiple.

Supporting Evidence

Bank conversion completed January 31, 2025, following SBS authorization. Compartamos Peru operates across 23 regions with 1.4mm+ active credit clients. FY2025 Peru NI of MXN 1,462mm represents a step-change from the financiera structure. Q1 2026 Peru book MXN 26.2bn; Peru cost of funds declined from 6.82% to 5.21% over FY2025 as the bank license improved funding access. IFC investment approved for micro and SME lending expansion, providing additional low-cost wholesale lines.

Key Risk

Deposit gathering ramp in Peru is the execution risk. Slower-than-expected deposit inflows leave Compartamos Peru reliant on more expensive wholesale funding than the full bank model projects. Regulatory transition complexity at SBS: compliance requirements for a full bank differ materially from those of a specialized financiera. We note this is a downside-to-upside risk, not an existential one: Peru generated strong NI growth even as a financiera; full bank status is optionality, not a precondition for the current earnings level.

The full report develops two additional catalysts with the same level of detail:

- 2** June 2026 EGM | Dividend Payout Increase Proposal
- 3** NPL Cycle Normalization | Individual-Lending Vintage Matures

Each catalyst includes a full thesis with management quotes, supporting evidence, and a specific risk assessment with trigger dates.

This is a preview of our full Gentera deep dive.

The complete 66-page report includes:

Company Overview: Business model, subsidiary structure (Banco Compartamos, Compartamos Banco Peru, ConCredito, Aterna), ownership concentration at Promotora Social Mexico, board composition, and strategic milestones from 1990 founding through the January 2025 Peru bank conversion

Industry Analysis: Mexican microfinance market sizing, ~70% group-lending market share dynamics, regulatory framework under CNBV, and the asymmetric NIM repricing thesis under Banxico stable at 6.50%

Financial Analysis: Net interest income, NIM decomposition, ROE DuPont, balance sheet, cash flow, and key operating metrics from FY2023A through FY2030E

Valuation: Three-approach weighted framework (Justified P/B, Dividend Discount Model, Residual Income), full sensitivity grids on terminal ROE x Ke and CoR x loan growth, four named stress scenarios, and a five-peer P/B-vs-ROE regression with peer-implied fair value

Growth Drivers & Catalysts: Three named catalysts with quantified mechanisms and specific trigger dates (you have read one; two remain)

Risk Analysis: Six named risks with individual probability and severity assessments, including the credit cycle deep dive and the regulatory rate cap scenario

Conclusion & Investment Thesis Summary: Bear, base, and bull case ranges across scenarios with the full asymmetry framework

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