Compartamos Banco

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BANCO COMPARTAMOS REPORTS 2Q11 RESULTS

Mexico City, Mexico – July 19, 2011 – Banco Compartamos, S.A., I.B.M. ("Compartamos" or "the Bank") (BMV: COMPART), the leading Mexican microfinance bank today announced its non-audited financial results for the second quarter ended June 30, 2011. All figures were prepared in accordance with the requirements of the *National Banking and Securities Commission* (CNBV) and are expressed in nominal Mexican Pesos (Ps.).

In millions of Mx Ps (except per share amounts)	2Q11	2Q10	% Var	6M11	6M10	% Var
NII after provisions	1,669	1,323	26.2%	3,222	2,541	26.8%
Net Operating Income	787	655	20.2%	1,489	1,244	19.7%
Net Income	558	477	17.0%	1,017	877	16.0%
Total number of Shares	415,595,676	427,836,876	-12,241,200	415,595,676	427,836,876	-12,241,200
Total number of Shares Ex-SRP[1]	415,595,676	415,595,676	-	415,595,676	415,595,676	-
EPS	1.34	1.11	20.4%	2.45	2.05	19.4%
EPS minus repurchase	1.34	1.15	17.0%	2.45	2.11	16.0%
Net Interest Margin	61.0%	59.2%	1.8 pp	61.0%	57.7%	3.3 pp
ROAE	37.0%	42.3%	-5.4 pp	34.9%	40.7%	-5.8 pp
Capitalización index	44.2%	42.6%	1.6 pp	44.2%	42.6%	1.6 pp

1 Ex-SRP = Stock Repurchase Program.

Highlights for 2Q11

- **Active clients** reached 2,114,479, **a 30.1% increase** compared to 2Q10.
- **Total loan portfolio** reached Ps. 11,621 million, **a 36.3% increase** compared to 2Q10, due to the following:
  - Ps. 10,782 million from active loans, a 26.4% growth when compared with 2Q10.
  - Ps. 839 million from related-party loans.
- **Net income** reached Ps. 558 million, a 17.0% increase compared to 2Q10.
- **Capitalization Ratio** stood at 44.2%, a slight increase versus the 42.6% reported in 2Q10.
- **ROAE** was 37.0%, a decrease compared to the 42.3% reported in 2Q10.
- **Non-performing loans** improved to 2.02% in 2Q11, compared to 2.19% reported in 2Q10.
- The Company reached 391 **service offices**, 46 more than 2Q10.
- **Total number of employees** grew by 1,352 during the quarter, to 12,230 employees, 3,639 more than 2Q10.
- **Efficiency ratio** was 52.8%, an increase compared to the 49.2% reported in 2Q10.
- **More than 41,000** people from the communities that we serve have benefitted from various Social Responsibility and Sustainability programs, including: volunteering activities, community action programs and financial education.

Comments from the Chief Executive Officer

Fernando Alvarez Toca, Banco Compartamos' CEO, stated: "We have concluded 2Q11 in line with our growth plans and on the right path towards reaching our annual goals. Based on this quarter's performance, we now service over 2.1 million customers; which represents 30.1% more than a year ago. This reinforces our commitment of creating social value by providing financial services to the highest number of people in the shortest amount of time. The second quarter of 2011 has been another strong quarter and we are optimistic as well as enthusiastic as we begin the second half of the year, which year after year has proven to be a period of strong growth opportunities."

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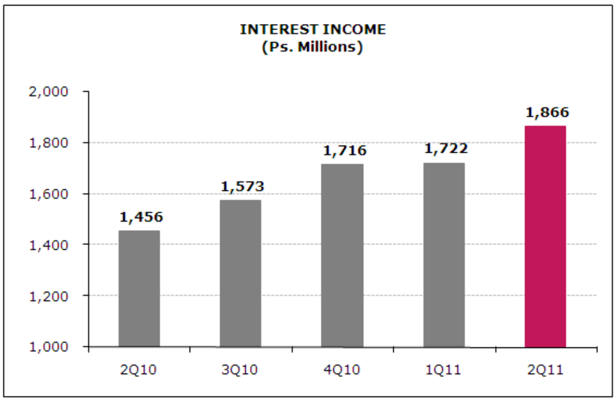
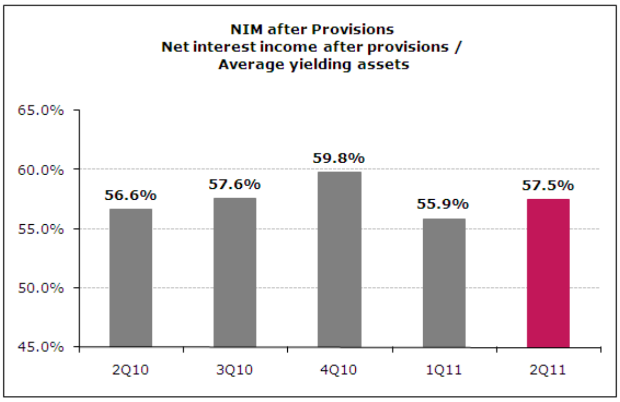
COMPART

Results of Operations

Net Interest Income after provisions (NII after provisions)

Interest income reached Ps. 1,866 million, 28.2% higher when compared with 2Q10. This increase is consistent with the 26.4% growth in the loan portfolio, based on a 30.1% larger client base.





Interest expense, grew 31.9%, or Ps. 23 million, from Ps. 72 million in 2Q10 to Ps. 95 million in 2Q11, in line with the 27.7% increase in interest bearing liabilities. As a consequence, the Bank reported net interest income of Ps. 1,771 million, 28.0% higher than in 2Q10.

Due to the performance of non-performing loans and per the new methodology established by the CNBV, provisions for loan losses reached Ps. 102 million, or Ps. 41 million more than the Ps. 61 million reported in 2Q10. As a consequence, NII after provisions rose to Ps. 1,669 million, a 26.2% increase compared to Ps. 1,323 million reported in 2Q10.

Due to the aforementioned, NIM (Net Interest Margin) after provisions (NII after provisions for losses /average yielding assets) for 2Q11 was 57.5%, compared to 56.6% in 2Q10.

Net Operating Income

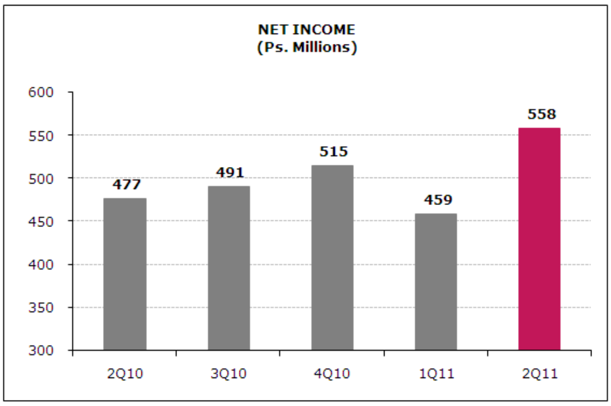
On January 27, 2011, the Official Gazette of the Federation (DOF), published a resolution modifying the general regulations applicable to credit institutions, in which they substitute the “Accounting criteria for credit institutions”, which among other things changes the manner in which the Income Statement is presented. Due to these modifications, there are two changes to the Income Statement: the first one, the “Other income” and “Other expenses” line items are now considered within “Other operating income (expenses)”. The second change is the elimination of the line item entitled “Net operating revenue”. The following line items: “Commissions and fee income”, “Commissions and fee expenses”, “Trading gains (losses)”, “Other operating income (expenses)” and “Operating expenses” will now be considered within “Net operating income”. As a result, for comparative purposes, 2010 figures were reclassified, under these new criteria.

Net operating income for 2Q11 was Ps. 787 million, 20.2% higher than the Ps. 655 million reported in 2Q10. The slower growth pace was due to a much larger employee base, since a large part of the hiring process takes place during the first half of the year in order to meet the strong demand expected for the second half. As a result, administrative expenses grew 39.1%, of which 61.0% was employee-related.

Commissions and fee income grew 37.1% due to a larger customer base in the voluntary insurance product and the fees charged to delinquent customers. Other operating income included the result of the reimbursement on expenses from the holding company that were absorbed by the Bank prior to it being listed on the Mexican Stock Exchange.

During 2Q11, Compartamos service office network reached 391 service offices, 22 more than in 1Q11. The total number of employees grew to 12,230, 42.4% higher than the 8,591 employees reported in 2Q10.

Net Income



Compartamos reported net income of Ps. 558 million in 2Q11, a 17.0% increase compared to the Ps. 477 million reported in 2Q10.

Excluding shares repurchased, earnings per share (EPS) increased 17.0%, to Ps. 1.34, compared to 2Q10.

Balance Sheet

Liquidity

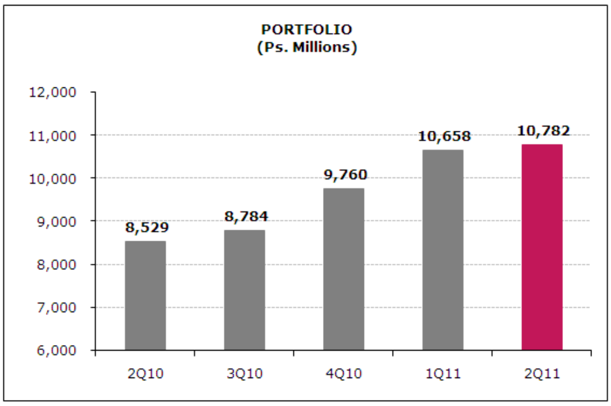
Cash and other investments decreased 12.4%, from Ps. 1,272 million in 2Q10 to Ps. 1,114 million in 2Q11. During 2Q10, cash and other investments represented 12.8% of total assets, while in 2Q11 this line item represented 8.6% of total assets. It is important to recall that Compartamos implemented a new cash policy, which requires that at the end of each month, the Bank obtains the required amount to: (i) fund portfolio growth, (ii) cover operating expenses and (iii) amortize the maturity of the Bank's debt obligations for the following month.

Cash and other investments are invested in short-term instruments where the counterparty risk is approved by the Board's Risk Committee.

Related-Party Loans

The proceeds of the loan granted by the Bank to the Holding (related-party) were utilized for the following: (i) for the acquisition of Financiera CREAR, (ii) to initiate operations in Guatemala and (iii) to repay the pre-operative expenses incurred by the Bank prior to the listing of the Holding on the Mexican Stock Exchange. This loan shall be paid back with the dividends generated by the subsidiaries.

Total Loan Portfolio



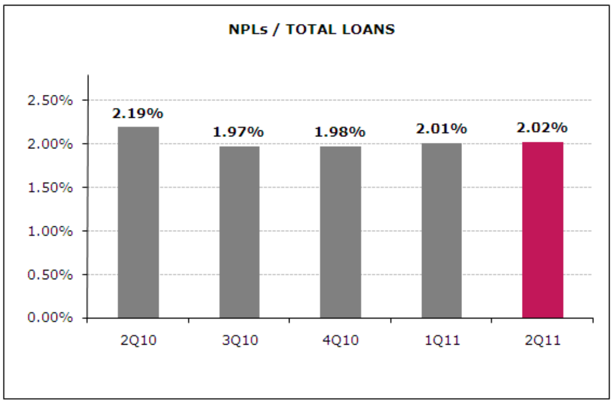
Traditional Loan Portfolio was Ps. 10,782 million in 2Q11, 26.4% higher than the Ps. 8,529 million reported in 2Q10. This growth was due to a 30.1% increase in the number of clients during the last twelve months, reaching 2,114,479 active clients as of June 30, 2011.

The average outstanding balance per client in 2Q11 was Ps. 5,099, a slight decline of 2.8% compared to Ps. 5,248 in 2Q10.

Credit Quality

Compartamos is committed to maintaining asset quality.NPL's remained very similar to the previous quarter, at 2.02% in 2Q11 versus 2.01% in 1Q11.

The NPLs of the individual loan product (*Crédito Crece Tu Negocio*), slightly improved from 4.93% in 1Q11 to 4.46% in 2Q11; the home renovation loan (*Crédito Mejora tu Casa*), also improved to 5.88% in 2Q11 from 6.81% in 1Q11. (*Crédito Adicional)* decreased from 1.72% in 1Q11 to 1.24% in 2Q11. The urban group lending product's (*Crédito Comerciante*) NPLs also decreased from 3.71% in 1Q11 to 3.16% in 2Q11. The Group Loan product (*Crédito Mujer*), however, experienced a slight increase in NPLs in 2Q11 to 1.10% compared to 0.95% in 1Q11.



Compartamos' core product, the Group Loan (*Crédito Mujer)*, which represented 74.6% of the performing loan portfolio in 2Q11, reached a standalone NPL ratio of 1.10%, a slight increase compared to the 0.95% reported in 1Q11.

Compartamos' internal policy is to write off all NPL's exceeding 270 days past due. As a result, 2Q11 write-offs reached Ps. 80 million, Ps. 17 million more than 2Q10. Compartamos' goal is to maintain excellent asset quality.

NON PERFORMING LOANS BY PRODUCT												
PRODUCT	2Q10				1Q11				2Q11			
	TOTAL PORTFOLIO	NPL	NPL RATIO	WRITE-OFFS	TOTAL PORTFOLIO	NPL	NPL RATIO	WRITE-OFFS	TOTAL PORTFOLIO	NPL	NPL RATIO	WRITE-OFFS
C. Mujer	6,373	61	0.96%	24	8,104	77	0.95%	19	7,968	88	1.10%	25
C. Comerciante	471	22	4.67%	12	620	23	3.71%	6	760	24	3.16%	8
C. Crece tu Negocio	375	29	7.73%	15	467	23	4.93%	8	516	23	4.46%	11
C. Adicional	160	2	1.25%	1	174	3	1.72%	1	161	2	1.24%	1
C. Mejora tu Casa	1,150	73	6.35%	26	1,293	88	6.81%	29	1,377	81	5.88%	35
TOTAL	8,529	187	2.19%	78	10,658	214	2.01%	63	10,782	218	2.02%	80

At June 30, 2011, the allowance for loan losses was calculated per the modifications of the general regulations applicable to the credit institutions, published by the DOF on October 25, 2010. Compartamos recognized Ps. 39 million in Shareholders' Equity, reported in the balance sheet at June 30, 2011, within the result for previous periods as the initial financial accrued effect derived from the application of the classification methodologies for non-revolving consumer loan portfolios as well as solidarity group loans.

At the end of 2Q11, the coverage ratio (allowance for loan losses/ non-performing loans) was 171.1% compared to 140.6% in 2Q10. The allowance for loan losses was calculated on the methodology established by the CNBV, which requires a specific reserve coverage for each originated loan, based on the number of defaulted payments. The allowance for loan losses is obtained as follows:

	2Q10			1Q11			2Q11		
Risk	%Allowance	Balance	Allowance	%Allowance	Balance	Allowance	%Allowance	Balance	Allowance[2]
A	0.5%	7,523	38	0.3%	7,897	20	0.3%	8,532	25
B	3.7%	761	28	5.2%	2,460	128	5.1%	2,771	142
C	41.6%	48	20	38.7%	79	30	36.9%	89	33
D	74.3%	71	53	71.4%	195	139	71.8%	200	143
E	98.3%	127	124	100.0%	27	27	100.0%	29	29
Total		8,529	263		10,658	345		11,621	373
Coverage Ratio[1]			1.41			1.61			1.71

1 Allowance for loan losses / Non-performing loans

2 This figure includes the allowances (4.2 million) for related parties loan

As illustrated in the table above, the allowance for loan losses is derived from a methodology that considers the number of late payments differently from non-performing loans that are calculated after the number of days that a loan is in arrears. Therefore, the coverage ratio (allowance for loan losses/non-performing loans) may move independently from NPL trends.

Other Accounts Receivable and Other Assets

The 'other accounts receivable' line increased 72.4% to Ps. 150 million in 2Q11, versus Ps. 87 million in 2Q10. Of this amount, Ps. 94 million was represented by accounts receivables from retailers, such as supermarkets and convenience stores, which collected client payments at their locations. In 2Q10, however, receivables from retailers totaled Ps. 57 million, reflecting clients' preference for using these alternative channels to make their payments.

Finally, in the 'other assets' line item, of the total Ps. 155 million, 67.7% was mainly related to deferred taxes.

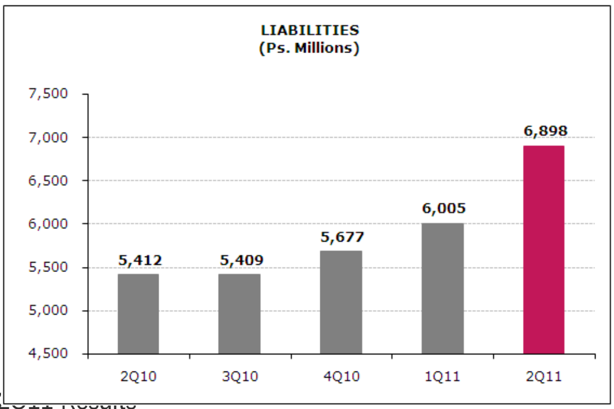
Total Liabilities

As previously mentioned, Compartamos modified its liquidity strategy. During 2Q11, the required level of liabilities increased, reaching Ps. 6,898 million, 27.5% above the Ps. 5,412 million reported in 2Q10. Compartamos finds itself in a strong funding position to sustain the accelerated growth.

Compartamos has diversified its funding mix; we currently have a stronger funding structure, which includes various sources. To date, Compartamos finances its assets with the following alternatives:

(i) **Strong capital base:** 51.6% of total assets were funded with equity, which grew significantly from quarter-to-quarter as a result of the Bank's strong profitability (e.g. 37.0% ROAE for 2Q11).

(ii) **Short-term banking obligations:** One of the benefits of having a banking license is to be able to issue these types of notes in the local debt markets. As of June 30, 2011, Compartamos reported Ps. 350 million pesos in these instruments.



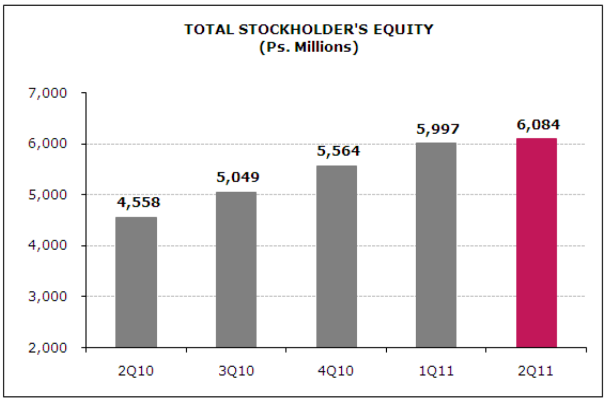
(iii) **Long-term debt issuances:** Compartamos has been active in debt capital markets and, as of June 30, had Ps. 2,505 million outstanding *Certificados Bursátiles Bancarios*. The established program allows for an additional credit of Ps. 3,500 million over the next 3 years.

(iv) **Credit lines with commercial, development banks and other institutions:** The Bank has several credit lines with various local commercial and development banks, as well as with international financial institutions.

As of June 30, 2011, Compartamos has sufficient access to various alternatives to finance future growth. Compartamos' liabilities are wholly peso-denominated. Therefore, there is no FX exposure.

Total Stockholders' Equity

Total stockholders' equity increased Ps. 1,526 million, or 33.5%, reaching Ps. 6,084 million in 2Q11, compared to Ps. 4,558 million in 2Q10. This growth was generated by retained earnings.



The equity-to-assets ratio increased to 46.9%, while the capitalization ratio was 44.2%.

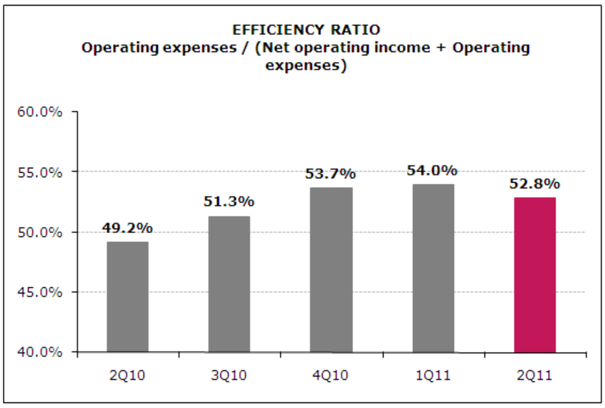
Compartamos reported Ps. 6,084 million in Tier I capital, Ps. 25 million in Tier 2 capital, and risk weighted assets of Ps. 14,669 million.

Performance Ratios and Metrics

ROAE / ROAA

Return on average equity (ROAE) for 2Q11 was 37.0% compared to 42.3% in 2Q10. Return on average assets (ROAA) for 2Q11 was 17.9% compared to 19.7% in 2Q10.

Efficiency



Efficiency ratio for 2Q11 was 52.8%, a slight improvement when compared with the previous quarter, due to our strict cost control and in line with expectations.

Highlights for 2Q11

Compartamos is committed to generating social and human value, as well as offering financial services to the low-income segment. The Company participated in the following initiatives during this quarter:

- **Compartamos Community Day** was held 7 times, with 878 volunteers, benefiting 19,288 persons from the communities.
- Ps. 5,338 thousand was allocated to health and financial literacy projects.
- Communications regarding financial literacy were distributed to over 1,400,000 customers and employees, through magazines and brochures.

Recent Events

- On May 11, Banco Compartamos paid a dividend of Ps. 469,623,113.88 (four-hundred, sixty nine million, six hundred twenty three thousand, one hundred thirteen and eighty eight cents, Mexican Pesos), or Ps. 1.13 per share, upon approval at the Ordinary Shareholders' Meeting held on April 29, 2011.

* * *

Company Description

Banco Compartamos, S.A., Institución de Banca Múltiple a Mexican bank specialized in microfinance is the largest lender to microbusiness owners in Latin America. Established in 1990 and headquartered in Mexico City, Compartamos provides small loans to low-income Mexican individuals and business owners, such as craft manufacturers, food vendors and other small businesses. The Bank also provides home improvement loans and life insurance products to its clients. With nationwide coverage, Compartamos works with local and international lenders to secure financing to these market segments, which are currently underserved.

Banco Compartamos, S.A., Institución de Banca Múltiple shares began trading on the Mexican Stock Exchange on April 20, 2007 under the ticker symbol "COMPART". On December 2010, 97.24% of the Bank's shares were transferred to the new holding structure, Compartamos, S.A.B. de C.V. The Holding's shares trade on the Mexican Stock Exchange under the ticker "COMPARC".

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, Bank performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Bank, 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.

Income Statement
for the period ended June 30, 2011
(in millions Pesos)

	2Q11	2Q10	% Change 2Q10	1Q11	% Change 1Q11	6M11	6M10	% Change
Interest income	1,866	1,456	28.2%	1,722	8.4%	3,588	2,820	27.2%
Interest expense	95	72	31.9%	79	20.3%	174	142	22.5%
Net Interest Income	**1,771**	**1,384**	**28.0%**	**1,643**	**7.8%**	**3,414**	**2,678**	**27.5%**
Provision for loan losses	102	61	67.2%	90	13.3%	192	137	40.1%
Net interest income after provisions	**1,669**	**1,323**	**26.2%**	**1,553**	**7.5%**	**3,222**	**2,541**	**26.8%**
Commissions and fee income	48	35	37.1%	45	6.7%	93	72	29.2%
Commissions and fee expense	81	69	17.4%	75	8.0%	156	136	14.7%
Trading gains (losses)	-	(1)	-100.0%	-	0.0%	-	(4)	-100.0%
Other operating income (expense)	33	1	N/A	2	N/A	35	2	N/A
Operating Expenses	882	634	39.1%	823	7.2%	1,705	1,231	38.5%
Net operating income	**787**	**655**	**20.2%**	**702**	**12.1%**	**1,489**	**1,244**	**19.7%**
Total income before income tax	**787**	**655**	**20.2%**	**702**	**12.1%**	**1,489**	**1,244**	**19.7%**
Income tax								
Current	222	190	16.8%	203	9.4%	425	360	18.1%
Deferred	7	(12)	N/A	40	82.5%	47	7	N/A
Net income	**558**	**477**	**17.0%**	**459**	**21.6%**	**1,017**	**877**	**16.0%**

Balance Sheet
for the period ended June 30, 2011
(in millions of Pesos)

	2Q11	2Q10	% Change 2Q10	1Q11	% Change 1Q11
Cash and other investments	1,114	1,272	-12.4%	1,098	1.5%
Derivatives	-	-	0.0%	-	0.0%
Related parties	839	-	100.0%	-	100.0%
Total performing loans	10,564	8,342	26.6%	10,444	1.1%
Non-performing loans	218	187	16.6%	214	1.9%
Total loan portfolio	**11,621**	**8,529**	**36.3%**	**10,658**	**9.0%**
Allowance for loan losses	373	263	41.8%	345	8.1%
Loan portfolio, net	11,248	8,266	36.1%	10,313	9.1%
Other accounts receivable	150	87	72.4%	145	3.4%
Fixed assets	315	214	47.2%	278	13.3%
Other asssets	155	131	18.3%	168	-7.7%
Total assets	**12,982**	**9,970**	**30.2%**	**12,002**	**8.2%**
Deposits	350	331	5.7%	-	100.0%
Long Term Debt Issuance	2,505	1,503	66.7%	2,501	0.2%
Interbank loans	3,261	2,955	10.4%	2,713	20.2%
Other accounts payable	782	623	25.5%	791	-1.1%
Total liabilities	**6,898**	**5,412**	**27.5%**	**6,005**	**14.9%**
Capital stock	474	487	-2.7%	474	0.0%
Capital reserves	1,513	1,140	32.7%	1,475	2.6%
Retained earnings	3,080	2,054	50.0%	3,589	-14.2%
Net income for the year	1,017	877	16.0%	459	121.6%
Total stockholders' equity	**6,084**	**4,558**	**33.5%**	**5,997**	**1.5%**
Total liabilities and stockholders' equity	**12,982**	**9,970**	**30.2%**	**12,002**	**8.2%**

Additional Information

KEY RATIOS	2Q11	1Q11	4Q10	3Q10	2Q10
Profitability					
NIM (1)	61.0%	59.1%	62.9%	60.9%	59.2%
NIM after Provisions for Loan Losses (2)	57.5%	55.9%	59.8%	57.6%	56.6%
ROAA (3)	17.9%	15.8%	19.0%	19.2%	19.7%
ROAE (4)	37.0%	31.8%	38.8%	40.9%	42.3%
Operating					
Efficiency Ratio (5)	52.8%	54.0%	53.7%	51.3%	49.2%
Operating Efficiency (6)	28.2%	28.3%	30.6%	28.0%	26.2%
Asset Quality					
Non Performing Loans to total loans	2.02%	2.01%	1.98%	1.97%	2.19%
Coverage Ratio (7)	171.1%	161.2%	145.6%	152.0%	140.6%

(1) Net interest income margin: Net interest income / Average yielding assets
(2) Net interest income after provisions margin: Net interest income after provisions / Average yielding assets
(3) Return on assets: Net income / Average assets
(4) Return on equity: Net income / Average equity
(5) Efficency ratio: Operating expenses / (Net operating income + Operating expenses)
(6) Operating efficency: Operating expenses / Average assets
(7) Coverage ratio: Allowance for loan loses / Non-performing loans

Mix Employees	2Q11	1Q11	4Q10	3Q10	2Q10
Loan Officers	7,975	7,009	6,243	5,827	5,508
Other administrative	3,378	3,052	2,780	2,584	2,411
Central Office	877	817	750	716	672
Total	**12,230**	**10,878**	**9,773**	**9,127**	**8,591**

Service Offices	2Q11	1Q11	4Q10	3Q10	2Q10
New	1	1	-	4	2
Bipartition	21	16	-	3	9
Close / Merger	-	-	-	-	-
Total	22	17	-	7	11
Total Service Offices	**391**	**369**	**352**	**352**	**345**