



FOR IMMEDIATE RELEASE

## COMPARTAMOS BANCO REPORTS 2Q08 RESULTS

Mexico City, Mexico – July 25, 2008 – 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 and first half periods ended June 30, 2008. All figures were prepared in accordance with the requirements of the *Comisión Nacional Bancaria y de Valores* (CNBV), as well as to Mexican financial reporting standards. 2008 figures are expressed in nominal pesos and all previous figures are expressed in constant Mexican pesos as of December 31, 2007.

In millions of Mx Ps (except per share amounts)	2Q08	2Q07	% Var	1H08	1H07	% Var
NII after provisions	788	646	22.0%	1,505	1,206	24.8%
Net Operating Income	340	314	8.3%	686	616	11.4%
Net Income	249	219	13.7%	500	439	13.9%
Total Shares Outstanding	427,836,876	427,836,876	-	427,836,876	427,836,876	-
EPS	0.58	0.51	13.7%	1.17	1.03	13.9%
Net Interest Margin	65.8%	74.2%	-8.4 pp	62.2%	68.2%	-6.1 pp
ROE	39.0%	50.4%	-11.4 pp	39.2%	50.5%	-11.3 pp
Capital Ratio	49%	49%	0.3 pp	49%	49%	0.3 pp

### Highlights for 2Q08:

- Number of active clients reached 940,645, a 33.4% increase compared to 705,236 clients during 2Q07.
- The total loan portfolio reached Ps. 4,792 million in 2Q08, a 39.4% increase compared to the Ps. 3,438 million in 2Q07.
- Net income reached Ps. 249 million, a 13.7% increase compared to Ps. 219 million in 2Q07; EPS reached Ps. 0.58 for 2Q08 versus Ps. 0.51 in 2Q07.
- ROE for 2Q08 reached 39.0%, compared to 50.4% in 2Q07.
- The service office network reached a total of 287 units with presence in every state of Mexico, 74 more than at the end of 2Q07 and 22 more than 1Q08. Total staff reached a total of 5,289 employees during 2Q08, a 45.1% increase versus 2Q07.
- The number of voluntary life insurance policies sold during 2Q08 was 132,950 and the number of outstanding loans of *Crédito Mejora tu Casa* reached 20,136.

### Comments from the Co-Chief Executive Officer

Carlos Danel, the Company's Co-Chief Executive Officer, stated, “Compartamos is on track to fulfill its 2008 year-end goals in terms of growth, productivity and geographic coverage. We continue to invest heavily in expanding our network and our employee base. Despite the higher expenses in this regard, we are now stronger than ever, growing interest income, as well as our net income for the quarter by 22.6% and 13.7%, respectively.

Our industry has, until now, proven resilient to the economic weakness experienced in the financial markets. During the quarter, we not only reached a record number of service offices, at 287, we also expanded our geographic presence to encompass all 32 Mexican states. We are very proud of this accomplishment and will be working during the remainder of the year to create robust teams in all areas to accommodate our growing client base.”

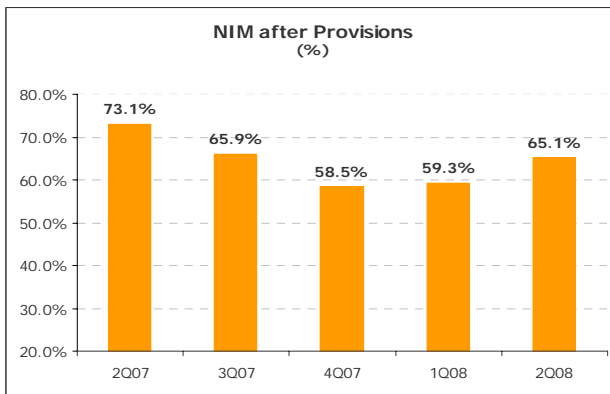
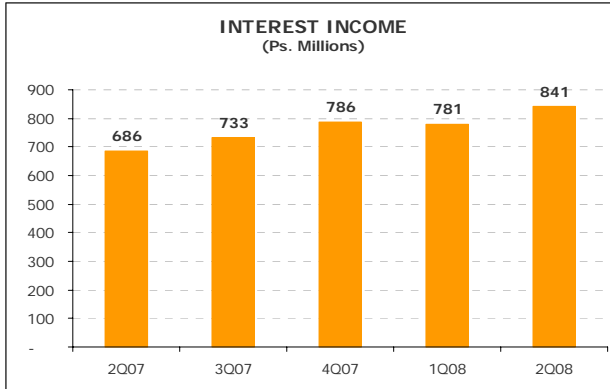
For more information, visit [www.compartamos.com.mx](http://www.compartamos.com.mx) or contact:

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## Results of Operations



### Net Interest Income (NII)

The Bank reported net interest income after provisions (NII), for 2Q08, of Ps. 788 million, 22.0% higher than the Ps. 646 million reported in 2Q07.

The increase was due to a Ps. 155 million, or 22.6% increase in interest income, which went from Ps. 686 million for 2Q07 to Ps. 841 million in 2Q08.

The increase in interest income was offset by a 12.8% growth in interest expense, or Ps. 5 million, from Ps. 39 million in 2Q07, to Ps. 44 million in 2Q08.

According to the new Mexican financial reporting standards (NIF), inflation accounting will not be required in 2008. As a result, during 2Q08 there was no gain or loss related to this line item, compared to a gain of Ps. 9 million in 2Q07.

NIM (Net Interest Margin) after provisions, which is NII after provisions for loan losses divided by average yielding assets, for 2Q08 was 65.1% compared to 73.1% in 2Q07. The year-over-year decline was due to a decrease in the average interest rate charged on the loans as well as to the absence of a monetary gain in 2Q08.

It is important to note that the methodology for calculating reserves for loan losses has changed; the Bank now determines the allowance for loan losses per the rules of the CNBV, the same rules followed by all Mexican banks, which is not a fixed amount, instead it varies for the quality of each loan. In the past, Compartamos set aside a fixed amount, which was 4% of its total loan portfolio for the allowance for loan losses. This change will translate into a lower, albeit sufficient, coverage ratio for Compartamos (note that at 2Q08 the coverage ratio stood at 222.7%).

The amount for allowance for loan losses for the quarter was Ps. 147 million, which is larger than the amount required by the new methodology, which was Ps. 117 million. The difference of the two amounts (Ps. 30 million) will remain in the allowance for loan losses line item and, as a consequence of total portfolio growth; it shall decline quarter by quarter until reaching the correct amount for allowance for loan losses as dictated by the regulation.

Compartamos' provisions for loan losses amount for 2Q08 was Ps. 9.0 million, which was 10% lower than the Ps. 10.0 million for 2Q07.

### Net Operating Revenue

Net operating revenue was Ps. 777 million, an increase of 22.9% compared to the Ps. 632 million reported in 2Q07. This was the result of net interest income after provisions being offset by a net cost of Ps. 11 million, which includes commissions and fee income and expense as well as trading gains and losses for 2Q08, compared to a cost of Ps. 14 million in 2Q07.



## Net Operating Income

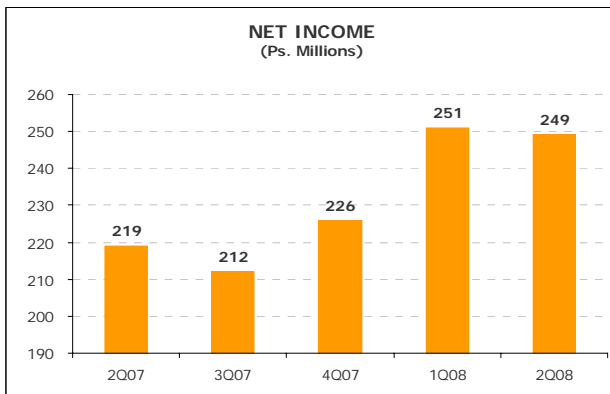
Net operating income for 2Q08 was Ps. 340 million, 8.3% higher than Ps. 314 million in 2Q07. During 2Q08, the Bank incurred total operating expenses of Ps. 437 million, 37.4% higher than the Ps. 318 million in 2Q07.

This is the result of the implementation of an expansion plan that includes: the opening of 22 new service offices during 2Q08, compared to 11 opened in 2Q07, as well as the hiring of 601 net employees in 2Q08, the strongest quarter regarding this matter in Compartamos' history. Most of the new employees will fill the role of loan officers. They will take a few months to build their client base and portfolios from the time of hire; therefore, we do not expect to benefit from their hiring immediately.

Additionally, in 2Q08, there were several non-recurring expenses related to the design of new products, the development of new distribution channels and the new corporate image. These expenses are not necessarily related to the growth of other lines, so they may occur unevenly during the year.

## Total Income before Income Tax

New Mexican reporting standards establish that the employee profit sharing line, which reached Ps. 10 million during 2Q08, must now be registered in the Income Statement as "Other Expenses". This has resulted in a significant change in the line item entitled "Other Income (expense) – net", which represented no cost or gain during 2Q08, while in 2Q07 it represented income of Ps. 9 million.

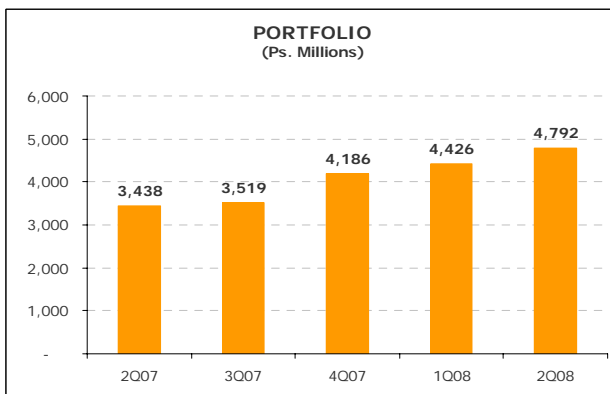


### Net Income

As a result of the above, Compartamos reported net income for the quarter of Ps. 249 million, 13.7% higher than the Ps. 219 million in 2Q07.

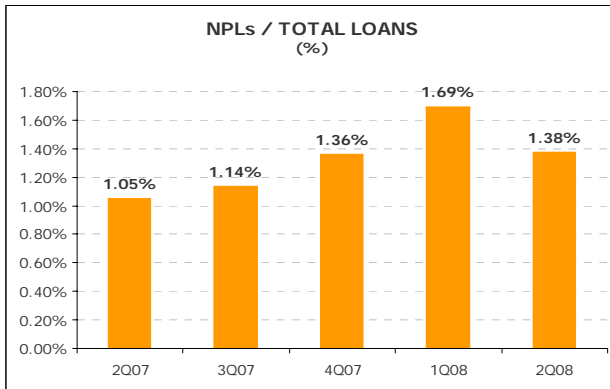
Earnings per share (EPS) for 2Q08 reached Ps. 0.58, compared to Ps. 0.51 for 2Q07.

## Balance Sheet



### Total Loan Portfolio

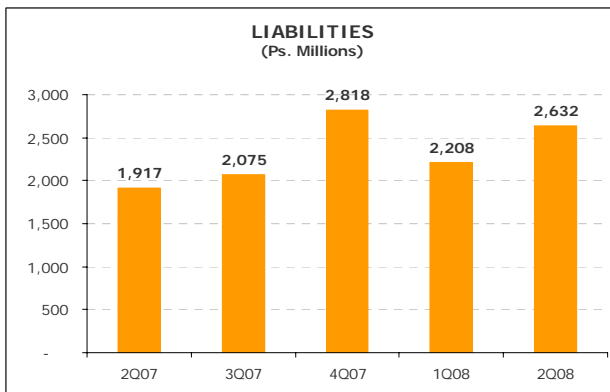
Total loan portfolio reached Ps. 4,792 million in 2Q08, 39.4% higher than the Ps. 3,438 million for 2Q07. This growth was achieved due to a 33.4% increase in net new clients for the last twelve months for a total of 940,645 active clients as of June 30, 2008. The average outstanding balance per client for 2Q08 was Ps. 5,094, an increase of 4.5% compared to Ps. 4,875 in 2Q07.



## Credit Quality

Non-performing loans (NPLs) for 2Q08 were Ps. 66 million, an increase of Ps. 30 million, or 83.3%, from the Ps. 36 million reported in 2Q07. NPLs divided by the total loan portfolio (NPL ratio) represents 1.38% for 2Q08, compared to 1.05% for 2Q07. This increase resulted from the Company's product diversification strategy and continues to be within estimated ranges. The NPL ratio shows a decline compared to the 1.69% reported in 1Q08, mainly due to the application of Ps. 39 million loan write-offs.

As of June 30, 2008, *Crédito Solidario*<sup>1</sup> comprised 5.99% (up from 5.63% in 1Q08) of the total loan portfolio with an NPL ratio of 4.53% (down from 5.22% in 1Q08), while *Crédito Individual* comprised 6.89% of the total portfolio (down slightly from 6.98% in 1Q08) with an NPL ratio of 7.58% (down from 10.36% in 1Q08). The remaining 87.12% (down from 87.39% in 1Q08) of the total loan portfolio includes *Crédito Mujer*<sup>2</sup>, *Crédito Adicional*<sup>3</sup> and *Crédito Mejora tu Casa*<sup>4</sup>, which have a combined NPL ratio of 0.67% (down from 0.78% in 1Q08). It is worth highlighting that NPL ratios of all products in 2Q08 decreased relative to the NPL ratios observed in 1Q08.



## Total Liabilities

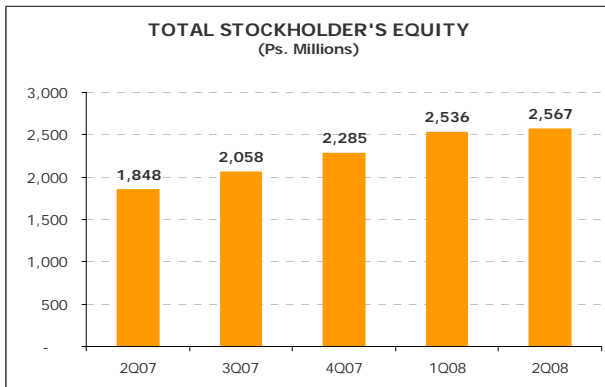
Compartamos' total liabilities for 2Q08 reached Ps. 2,632 million, 37.3% higher compared with Ps. 1,917 million in 2Q07. Interest bearing liabilities (deposits, interbank loans and other) were 88.8%, or Ps. 2,338 million of total liabilities, while in 2Q07 they were 64.0% or Ps. 1,226 million.

<sup>1</sup> Solidarity Loan

<sup>2</sup> Woman's Loan

<sup>3</sup> Additional Loan

<sup>4</sup> Home Renovation Loan



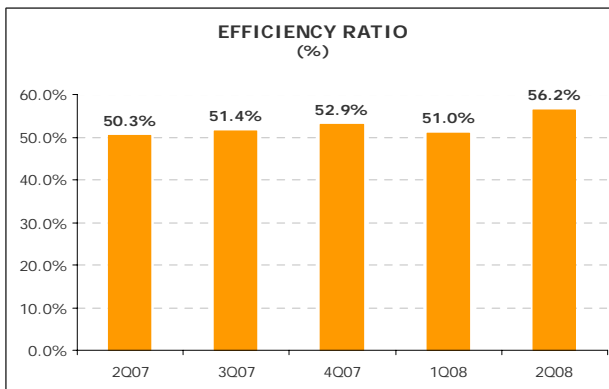
## Total Stockholders' Equity

Total stockholders' equity rose Ps. 719 million, or 38.9%, reaching Ps. 2,567 million in 2Q08 compared to Ps. 1,848 million in 2Q07. This growth was the result of retained earnings. A dividend payment of Ps. 0.51 per share was paid during 2Q08, the total amount of this payment was Ps. 218 million.

## Performance Ratios and Metrics

### ROAE/ROAA

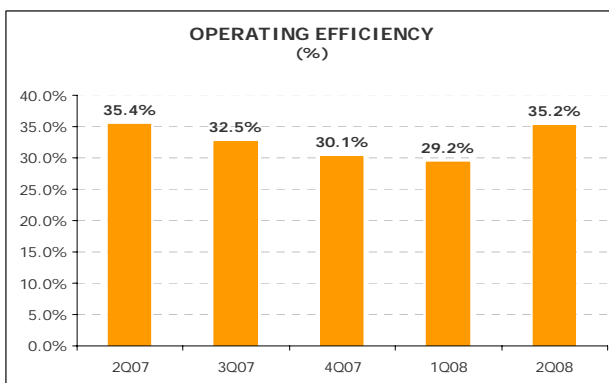
Return on average equity (ROAE) for 2Q08 was 39.0% compared to 50.4% in 2Q07. This decline was the result of stronger growth in stockholders' equity compared to the growth experienced in net income for both periods. Return on average assets (ROAA) for 2Q08 was 20.0%, compared to 24.4% for 2Q07.



## Efficiency

The efficiency ratio (operating expenses/net operating revenue) for 2Q08 was 56.2% according to the Company's expansion plans, which was higher than the 50.3% reported in 2Q07 as evidenced by the 34.7% growth in the number of service offices compared to 2Q07 and a 45.1% increase in the number of employees compared to 2Q07.

Operating efficiency (operating expenses/average total assets) for 2Q08 was 35.2%, slightly lower than the 35.4% in 2Q07.





## Additional Information for 2Q08

Finally, Compartamos is committed to offering financial services to the low-income segments so clients can invest in their most important asset: *themselves*.

In addition to providing financial services to our 940,645 clients we also:

- Donated Ps. 4,169,756 in our strategic alliances program. We support projects that promote economic development and education, seeking the greatest possible impact.
  - Comedor Santa María A.C.- (200 daily meals for children per year).
  - Communications Counsel – An organization aimed at positively influence in the Mexican society through the media.
  - Scholarships (Our goal is to grant 53,000 scholarships to schools).
- Dedicated to improving public spaces (schools, parks, libraries, etc.) for the community: More than 40,000 individuals (based on official population statistics: INEGI) benefited from the program “Transformando Ambientes” (Ps. 637,214). Clients and employees volunteered for this effort.
- 1,063 employees and their families volunteered for other projects within their own communities.
- More than 411 employees and clients have learned about financial literacy in day-long visits to the Interactive Museum of Economics sponsored by Compartamos.

A study by the De la Riva Group found that Compartamos’ clients demonstrated a greater statistical level of self-esteem, financial literacy and solidarity than the control group (<http://www.compartamos.com/Home > About Compartamos Banco > Papers >>).

- Compartamos distributed 893,700 issues of its corporate magazine for clients with information regarding health, human values and financial literacy.
- Annually, Compartamos offers some clients the opportunity to attend the Committee Meetings, where they learn about human values. More than 7,566 women attended.

## Recent Events

- **Nationwide presence of Compartamos** - With the opening of service offices in the state of Baja California during the quarter, Compartamos achieved nationwide coverage. Now Compartamos has a presence in each of the 32 Mexican states.
- **OXXO Commercial Alliance** – On June 3, 2008 Compartamos announced a commercial alliance with OXXO, a leading Mexican retail outlet with 6,089 stores open in Mexico. Compartamos’ customers are now able to make their loan payments at any OXXO location, adding convenience and safety to the payment process.
- **Dividend Payment** – On May 16, 2008 the Company announced a dividend payment of Ps. 0.51 per share for a total payment of Ps. 218,196,806.76.
- **Fitch raises Compartamos Banco Ratings** – On May 5, 2008 the Company announced that Fitch Rating Agency had raised Compartamos’ long and short-term ratings to ‘AA-(mex)’ and ‘F1+(mex)’ reflecting the Company’s “solid financial performance” and “diversification into higher risk market niches”.
- **Compartamos Banco New Image** – On April 28, 2008 Compartamos launched a new corporate image that reinforced its mission and reflected the Company’s commitment to its clients and to future growth. The new image, seen in this quarterly report, includes a vivid new logo and corporate colors.



- Carlos Danel and Carlos Labarthe, Compartamos' Co-CEO's published, on the Company's web site, ***A Letter to our Peers***, a letter expressing their perspective and beliefs on various topics regarding the microfinance industry. This letter can be viewed at [www.compartamos.com](http://www.compartamos.com).

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## **Company Description**

Banco Compartamos, S.A., 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. With coverage in over 90% of Mexico, Compartamos works with local and international lenders to secure financing to these market segments, which are currently underserved.

Banco Compartamos shares began trading on the Mexican Stock Exchange on April 20, 2007 under the ticker symbol "COMPART".

## **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.



## Income Statement for the period ended June 30, 2008 (in millions of Mexican pesos)

	2Q08	2Q07	% Change 2Q07	1Q08	% Change 1Q08	1H08	1H07	% Change
Interest income	841	686	22.6%	781	7.7%	1,622	1,305	24.3%
Interest expense	44	39	12.8%	46	-4.3%	90	75	20.0%
Monetary gain (loss)	-	9	-100.0%	-	0.0%	-	(7)	-100.0%
<b>Net Interest Income</b>	<b>797</b>	<b>656</b>	<b>21.5%</b>	<b>735</b>	<b>8.4%</b>	<b>1,532</b>	<b>1,223</b>	<b>25.3%</b>
Provision for loan losses	9	10	-10.0%	18	-50.0%	27	17	58.8%
<b>Net interest income after provisions</b>	<b>788</b>	<b>646</b>	<b>22.0%</b>	<b>717</b>	<b>9.9%</b>	<b>1,505</b>	<b>1,206</b>	<b>24.8%</b>
Commissions and fee income	12	7	71.4%	10	20.0%	22	13	69.2%
Commissions and fee expense	23	18	27.8%	20	15.0%	43	33	30.3%
Trading gains (losses)	-	(3)	-100.0%	(1)	-100.0%	(1)	(2)	-50.0%
<b>Net operating revenue</b>	<b>777</b>	<b>632</b>	<b>22.9%</b>	<b>706</b>	<b>10.1%</b>	<b>1,483</b>	<b>1,184</b>	<b>25.3%</b>
Operating Expenses	437	318	37.4%	360	21.4%	797	568	40.3%
<b>Net operating income</b>	<b>340</b>	<b>314</b>	<b>8.3%</b>	<b>346</b>	<b>-1.7%</b>	<b>686</b>	<b>616</b>	<b>11.4%</b>
Other income (expense) - Net	-	9	-100.0%	(1)	-100.0%	(1)	17	-105.9%
<b>Total income before income tax</b>	<b>340</b>	<b>323</b>	<b>5.3%</b>	<b>345</b>	<b>-1.4%</b>	<b>685</b>	<b>633</b>	<b>8.2%</b>
Income tax and employees profit - sharing								
Current	98	103	-4.9%	99	-1.0%	197	195	1.0%
Deferred	(7)	1	-800.0%	(5)	40.0%	(12)	(1)	1100.0%
<b>Net income</b>	<b>249</b>	<b>219</b>	<b>13.7%</b>	<b>251</b>	<b>-0.8%</b>	<b>500</b>	<b>439</b>	<b>13.9%</b>



**Balance Sheet**  
**for the period ended June 30, 2008**  
(in millions of Mexican pesos)

	2Q08	2Q07	% Change 2Q07	1Q08	% Change 1Q08
Cash and cash equivalents	314	175	79.4%	77	307.8%
Investment in securities	0	118	-100.0%	215	-100.0%
Total performing loans	4,726	3,402	38.9%	4,351	8.6%
Non-performing loans	66	36	83.3%	75	-12.0%
<b>Total loan portfolio</b>	<b>4,792</b>	<b>3,438</b>	<b>39.4%</b>	<b>4,426</b>	<b>8.3%</b>
Allowance for loan losses	147	138	6.5%	177	-16.9%
<b>Loan portfolio, net</b>	<b>4,645</b>	<b>3,300</b>	<b>40.8%</b>	<b>4,249</b>	<b>9.3%</b>
Other accounts receivable	12	18	-33.3%	23	-47.8%
Fixed assets	196	129	51.9%	158	24.1%
Deferred income tax	2	7	-71.4%	0	0.0%
Other assets	30	18	66.7%	22	36.4%
<b>Total assets</b>	<b>5,199</b>	<b>3,765</b>	<b>38.1%</b>	<b>4,744</b>	<b>9.6%</b>
Deposits	2,137	0	100.0%	1,736	23.1%
Notes payable	0	517	-100.0%	0	0.0%
Interbank loans and other - short term	201	615	-67.3%	201	0.0%
Interbank loans and other - long term	0	611	-100.0%	0	0.0%
Total Interbank loans and other	201	1,226	-83.6%	201	0.0%
Derivates financial instruments	0	2	-100.0%	1	-100.0%
Other accounts payable	294	172	70.9%	265	10.9%
Deferred income tax	0	0	100.0%	5	-100.0%
<b>Total liabilities</b>	<b>2,632</b>	<b>1,917</b>	<b>37.3%</b>	<b>2,208</b>	<b>19.2%</b>
Capital stock	487	487	0.0%	487	0.0%
Capital reserves	188	101	86.1%	100	88.0%
Retained earnings	1,392	821	69.5%	1,698	-18.0%
Valuation results from hedge flow instruments	0	0	0.0%	0	0.0%
Net income for the year	500	439	13.9%	251	99.2%
<b>Total stockholder's equity</b>	<b>2,567</b>	<b>1,848</b>	<b>38.9%</b>	<b>2,536</b>	<b>1.2%</b>
<b>Total liabilities and stockholder's equity</b>	<b>5,199</b>	<b>3,765</b>	<b>38.1%</b>	<b>4,744</b>	<b>9.6%</b>



## Additional Information

STOCK INFORMATION	2Q08	1Q08	2Q07
EPS (PS\$) (1)	\$0.58	\$0.59	\$0.51
Stock Price (PS\$) (2)	38.60	46.90	67.49
Stock Price (US\$) (3)	3.75	4.55	6.55
Market Capitalization (US\$ MILLIONS) (4)	\$1,602	\$1,947	\$2,801

Note: Stock price as of March 31, 2008.

All conversions were made at the exchange rate published by Banco de México for April 01, 2008 which is \$US 1 to Ps. 10.6482

(1) Earnings per share: Net income / Number of shares

(2) Stock price in Pesos: Market price per share in pesos

(3) Stock price in dollars: Market price per share in pesos/ US-MXP Exchange Rate

(4) Market capitalization: Market price per share multiplied by number of shares

KEY RATIOS	2Q08	1Q08	4Q07	3Q07	2Q07
<b>Profitability</b>					
NIM before Inflation Accounting (1)	65.8%	60.8%	64.7%	70.2%	73.2%
NIM after Inflation Accounting (2)	65.8%	60.8%	61.6%	67.7%	74.2%
NIM after Provisions for Loan Losses (3)	65.1%	59.3%	58.5%	65.9%	73.1%
ROA (4)	20.0%	20.4%	19.6%	21.5%	24.4%
ROE (5)	39.0%	41.7%	41.6%	43.4%	50.4%
<b>Operating</b>					
Efficiency Ratio (6)	56.2%	51.0%	52.9%	51.4%	50.3%
Operating Efficiency (7)	35.2%	29.2%	30.1%	32.5%	35.4%
<b>Asset Quality</b>					
Non Performing Loans to total loans	1.38%	1.69%	1.36%	1.14%	1.05%
Coverage Ratio (8)	222.7%	236.0%	293.0%	350.0%	383.3%

(1) Net income margin: Net interest income before result monetary losses / average yield assets

(2) Net income margin: Net interest income after result monetary losses / average yield assets

(3) Net income margin: Net interest income after provisions for loan losses / average yield assets

(4) Return on Average Assets: Net Income / Average Assets

(5) Return on Average Equity: Net Income / Average Equity

(6) Efficiency ratio: Administrative expenses / Gross Operating Income

(7) Operating Efficiency: Administrative expenses / Total Assets

(8) Coverage ratio: Allowance for loan losses / Non-performing loans

Mix Employees	2Q08	1Q08	4Q07	3Q07	2Q07
Loan Officers	3,322	2,844	2,570	2,491	2,148
Other administrative	1,511	1,405	1,297	1,225	1,137
Central Office	456	439	410	374	359
<b>TOTAL</b>	<b>5,289</b>	<b>4,688</b>	<b>4,277</b>	<b>4,090</b>	<b>3,644</b>

Service offices	2Q08	1Q08	4Q07	3Q07	2Q07
New	8	3	7	5	3
Bipartition	14	10	10	17	8
Total	22	13	17	22	11
Total Service Offices	287	265	252	235	213