

# Financial Report

Second Half



20  
23





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## FINANCIAL ECONOMIC BALANCE

SECOND HALF 2023

The second half of 2023 was a highly engaging experience of resetting expectations and innovation. When we closed the first half of the year, we had clear guidelines for strategic planning for the upcoming months, during a time when economic players were reevaluating their projections for the growth of the Venezuelan economy. One key guideline was to take the necessary actions for clients to be our main priority, and to offer financial products and services that guarantee them a unique and unforgettable experience as users of our banking institution.

This client-oriented strategy, a hallmark of Banesco, coupled with ongoing market research and listening, has guided us to the right path to develop and offer products that align with the needs, concerns, and expectations of clients. For instance, Banesco formed a strategic partnership with the Moneygram remittance platform to make it easier for clients to receive remittances in domestic currency directly into their Banesco accounts, without intermediaries. We are also working to expand the range of services and mobile applications for the “Cuenta Verde” (Green Account), thus offering greater convenience to our clients.

We streamlined our traditional products by simplifying account opening procedures on Banesco.com and enhancing record updates. Additionally, we developed a more detailed segmentation to create plans to attract customers based on different profiles: Mi Primer Plan (My First Plan), Plan Independiente (Independent Plan), as well as the Plan Despegue (Take-off Plan) and Plan Crecimiento (Growth Plan) for entrepreneurs and small traders.

When it comes to digital banking, innovation was the key factor. All our virtual platforms, such as **BanescOnline** and **Banesc Móvil**, underwent continuous enhancements and received new applications to make transactions easier, account management smoother, and create a user-friendly environment.

Additionally, it is important to highlight the investment in terms of banking security, specifically in BanescoToken, an application that generates one-time passwords and enables the authentication and validation of the transactions of our clients.



Mantén todas tus operaciones seguras con **BanescoToken**

¡Escanéame y descarga la App!



## FINANCIAL ECONOMIC BALANCE

SECOND HALF 2023

Throughout the period, we also focused on improving our brand visibility. We got back to our brand presence and advertising investments in public venues, traditional media, and the participation in sporting, institutional, and entertainment events. Our brand was featured in over 56 events. After the Capital District, the states where our brand had the strongest presence were Portuguesa, Carabobo, Zulia, and Lara.

As part of our positioning strategy, in order to attract more customers and better serve our traditional users, we made a point to visit both public and private spaces where we found supportive communities. By the end of the second half of 2023, Banesco had become the top private bank in terms of customer attraction, and ranked second overall in the financial system. It recorded an increase of 260.22% over the same period in 2022, thus achieving an 11.17% market share in this segment.

■ Banesco currently has **202 branches**,  
■ 159,173 points of sale, and 409 ATMs  
■ spread across the country.

Our commitment to offering a diverse range of products and services has been instrumental in driving a steady increase in our client base, reaching 4 million individuals and legal entities, which represents a growth of over 6% over the last year.

Teamwork and synergy between departments have been the defining features of Banesco's management approach in the second half of 2023. None of the achievements mentioned here would have been possible without the exceptional talent that defines Banesco. Investing in the development and training of our Banesco Citizens to enhance their skills and



competencies has been and continues to be instrumental in achieving our business objectives. Every employee, from their respective roles, plays a vital part in propelling us towards our goals and beyond.

The spaces for training and meetings also allow for closer relationships to facilitate communication processes and promote comprehensive knowledge of the business. These same conditions have strengthened our relationships with Social Partners and Allies throughout the year, as well as our ongoing Social Responsibility and Sustainability programs that are part of Banesco's social investment policy. With the conviction that education is the bedrock of progress, we are immensely proud of our Microentrepreneur Training Program, which recently celebrated its 15th anniversary and has successfully trained over 90,000 individuals.

In line with progress and financial inclusion, we held the second edition of the Participatory Budget for Entrepreneurs, which expanded to three regions this year: Lara-Carabobo; Mérida-Zulia; and the Capital District-Miranda. In addition, the Participatory Budget



## FINANCIAL ECONOMIC BALANCE

SECOND HALF 2023

for social development institutions awarded funds to 10 organizations dedicated to improving the quality of life for disadvantaged individuals through educational projects and healthcare assistance.

In our ongoing commitment to promoting quality education and cultural enrichment, the **Banescó Editorial Fund** celebrated the release of five new publications, and the Digital Library added 56 new titles available for free download and access.

In addition, we collaborated closely with our Social Partners to help with their ongoing fundraising efforts, connect with their intended audiences, and grow their reach. Furthermore, we helped spread awareness about the Sustainable Development Goals outlined in the 2030 Agenda, through informative campaigns intended for the general public.

We conclude the period with the best news for a banking institution. As a testament to our efforts, in-

vestments in innovation, and products and services tailored to meet the needs of our clients, we have been honored with the title of Bank of the Year 2023 in Venezuela by The Banker, a renowned source of global financial analysis and data-driven insights.

The Banker acknowledged Banescó's strong dedication to establishing a lasting legacy and its proactive strategy in overcoming market obstacles. This recognition, once again, is a testament to the dedication of every Banescó Citizen, whose daily efforts drive our excellence.

This accountability and transparency period exemplifies the recognition we have received and the daily efforts of everyone at Banescó. It also reflects our commitment and our gratitude for the trust of our Clients, Shareholders, Suppliers, Social Partners and Allies.

MARCO TULIO ORTEGA VARGAS

CHIEF EXECUTIVE OFFICER.

Innovación, pasión  
y compromiso  
para ser



¡Vamos  
por más!

RIF: J-00713300-5





## VENEZUELAN ECONOMY IN THE SECOND HALF OF 2023

**A**s outlined by the Venezuelan Government in the presentation of the 2023 Annual Report to the National Assembly, the following stands out:

- A Gross Domestic Product (GDP) growth rate of over 5% in 2023
- A 14.60% increase in crude oil and natural gas extraction
- An estimated GDP growth of 8% in 2024, based on anticipated investments by major foreign companies in the Venezuelan oil and gas sector
- The continued promotion of domestic production and the recovery of workers' incomes

As per the Monthly Report of the Organization of the Petroleum Exporting Countries (OPEC) for December 2023, Venezuela's average daily oil production in 2023 amounted to 783,000 barrels, reflecting a 9.36% increase compared to 2022.

The price of Merey crude oil, Venezuela's international oil benchmark, experienced a decline, averaging US\$ 64.37 per barrel. This represents a US\$ 12.59 drop over the 2022 average of US\$ 76.96. The oil price dropped around the same time as the US relaxed sanctions on the Venezuelan oil sector.

Nevertheless, global price fluctuations continued, indicating the possibility of additional decreases in production. Still, OPEC maintains its projections of oil demand growth for 2024 and 2025 at 2.2% and 1.8%, respectively, mainly because of the accelerating pace



of economic activity in China and India, despite persistent geopolitical uncertainties, trade-related challenges, including tariffs, and recent disruptions to international maritime transportation.

Within the national context, the Central Bank of Venezuela (BCV) reported that accumulated inflation for 2023 was 189.8%, a 44.2 percentage point decline from 234.1% in 2022. This represents a significant achievement, as December closed with a variation of 2.4%, following three consecutive months of deceleration in the price increase of goods and services.

The sectors with the highest price increases in the year were: Communications (302.6%); Education services (300.8%); Health (240.1%); Clothing and footwear (214.6%); Utilities, excluding telephone service (198.4%); Restaurants and hotels (198.0%);



## VENEZUELAN ECONOMY IN THE SECOND HALF OF 2023

Recreation and culture (196.7%); and Miscellaneous goods and services (191.7%).

The official exchange rate, which is a reference for commercial and financial activities in the country, showed a 105.61% growth in comparison to 2022 year-end, representing the smallest increase in the last five years. The rate closed the last business day of the year at US\$/Bs. 35.96.

This favorable performance is associated with the temporary lifting of sanctions on the oil industry, which has brought about more financial stability for the country. Additionally, strict monetary policies have also played a key role in maintaining this positive trend.

The monetary base, on the other hand, experienced a 151.5% increase, which was substantially lower than the increase observed in 2022 (563.4%). This trend is consistent with the efforts to reduce the monetary base and, consequently, inflationary pressures. Total international reserves ended the year at US\$ 9,817 billion, representing a year-on-year decrease of -1.08% (US\$ 107 million).

The BCV intervened on multiple occasions to control the depreciation of the bolivar and the evolution of key monetary aggregates, including liquidity (M2), which showed a variation of 268.2%, lower than that observed at the end of 2022 (354.2%). The significant growth of demand deposits (+287.0%) also stood out, in line with the increased use of widely accepted digital and electronic channels nationwide.

In the second half of 2023, we saw positive changes in the real sector of the economy. This included a slight

increase in the aggregate domestic demand, better management of inflation, and, most importantly, a reconciliation between the public and private sectors of the country. The goal is to boost the national productive apparatus, remove barriers holding back growth, and ultimately improve the well-being of the population in general.

While economic progress is evident, further adjustments are still required. Over the past six months, we have made significant progress, including an increase in oil revenue from continued licenses and contributions from foreign companies, and a slight increase in private consumption. Despite some business groups not meeting their expectations and ongoing inequality in terms of sectoral, regional, and income growth among different population groups, we have seen a boost in both production volume and non-traditional exports. This includes growth in sectors such as agriculture and livestock, agroindustry, fishing and aquaculture, healthcare, medicines, services, technology, telecommunications, electricity, packaging, etc.

Given the above, there is a sense of optimism regarding the country's economic performance in 2024, but there are still certain limitations and/or factors that could significantly impact some variables, such as public budget spending and its subsequent impact on demand levels, domestic and foreign investments, exports of local products, exchange rate depreciation, the population's purchasing power, and enhanced access to bank financing.

In conclusion, although we cannot predict with absolute certainty how key aggregates will evolve, we anticipate that resolving uncertainties of pending issues will lead to significant adjustments in the main markets and economic activities in Venezuela that will help drive sustainable long-term development.





# VENEZUELAN BANKING SYSTEM

IN THE SECOND HALF OF 2023

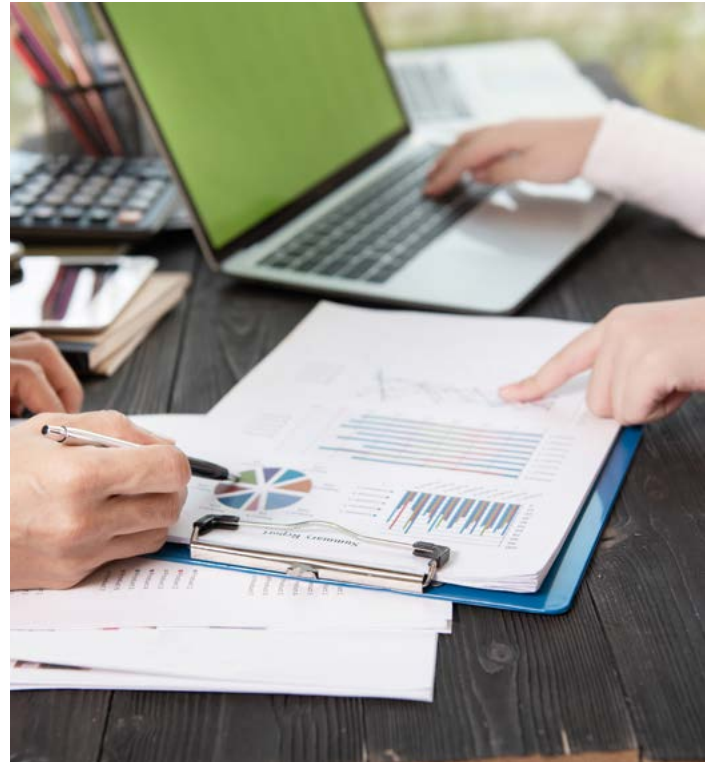
As of December 2023, the financial system comprised 26 institutions, including 22 universal banks and 4 microfinance banks.

The performance of the banking market was characterized by a focus on innovative products and services, mainly digital, to meet the ever-growing demand of customers.

As reported by the Central Bank of Venezuela (BCV), as of the third quarter of 2023 (the latest available data), 7,719 billion transactions had been executed through the financial system. Of this total, 99.2% were executed through electronic and/or digital channels, highlighting the increased use of point-of-sale terminals (2,773 billion), followed by interbank mobile payments (1,532 billion), to the detriment of in-person branch transactions, which accounted for only 41 million operations.

Total assets reached Bs. 329,415 billion, reflecting an increase of 152.6% over December 2022. This growth was mainly due to a surge in net loans (+299.4%), followed by an increase in cash and due from banks (+163.4%) and investment securities (+107.3%). Consequently, the relative importance of the net loan portfolio/total assets rose to 15.5%, 5.7 percentage points higher than the previous year's level of 9.8%.

The gross portfolio experienced an exceptional year-on-year increase of 299.6% (Bs. 39,582 billion) and a 6-month increase of 84.0% (Bs. 24,102 billion), reaching Bs. 52,792 billion. This notable expansion was attributed to, among other factors, an increase in credit card limits and improved access to loans granted by some institutions for the acquisition of new cars, as part of the banking sector's ongoing efforts to meet the needs of key sectors.



Despite an increase in the credit intermediation ratio to 37.78% by the end of 2023, from 28.39% in 2022, insufficient funding is still one of the main factors that affect private manufacturing in the country. This is attributed to the challenges posed by maintaining a high legal reserve requirement.

The economic slowdown experienced throughout much of the year triggered a slight impairment in the quality of the portfolio, pushing the delinquency rate up to 0.83% compared to 0.46% in 2022. This was offset by an adequate level of coverage for immobilized portfolio (358.56%).



## VENEZUELAN BANKING SYSTEM

IN THE SECOND HALF OF 2023

Customer deposits continued increasing, ending the year with a balance of Bs. 139,733 billion, which represents a year-on-year growth of Bs. 93,202 billion (200.3%). This exceptional growth was primarily attributed to the momentum of domestic currency accounts, which constituted 92.9% of the total.

■ The Shareholder's Equity of the system experienced a change of 124.7% (Bs. 38,116 billion) in 2023, amounting to Bs. 68,676 billion.

The Statement of Income of the financial system shows a net profit of Bs. 8,414 billion. This is driven by two factors: a substantial rise in other operating income amounting to Bs. 18,908 billion (+325.5% over the second half of 2022) and a significant growth in the loan portfolio of Bs. 13,436 billion (+361.2%) by year-end. This growth has led to a greater reliance on other operating income.

The banking sector's Average Return on Assets (ROA) has remained below 10% in the last six-month periods, averaging 6.87% in the second half of 2023, considering the high level of non-productive assets, which is around 38% with an upward trend; while the Average Return on Equity (ROE) was 27.01%.

The financial system also exhibits high concentration in loans and deposits, with five institutions accounting for 75% in both areas. This concentration hinders the sector's ability to generate income for further growth and weakens borrowers' loan repayment capacity.

Another factor that undoubtedly hinders the growth of the portfolio is linked to the high levels of informal



labor in the country, with approximately 40% of the working-age population. This limits the opportunities to access loans, either for developing economic activities or acquiring consumer goods or both.

The Venezuelan banking sector is ready at all levels to address the needs of the country and contribute to its development. It has the workforce, a risk management framework adapted to current conditions, robust corporate governance and processes, cutting-edge technology, continuous monitoring of market conditions, and a keen eye on the evolving business landscape, with its multiple scenarios, the evolution of which will guide the strategies to be implemented in the short and medium term.

Projections for the banking sector in 2024 indicate a favorable performance, as long as oil licenses stay valid, the economy makes a gradual comeback, and the population's purchasing power improves. However, a contraction in the size of Venezuela's real sector has led to a decline in production and sales volumes, with the exception of essential goods and services.



## BANESCO BANCO UNIVERSAL

IN THE SECOND HALF OF 2023

BanESCO's total assets closed the period at Bs. 22,710 billion, after experiencing a semianual variation of Bs. 8,367 billion (58.3%) and a year-on-year variation of Bs. 15,200 billion (202.4%). This variation is mainly caused by the significant rise in cash and due from banks (+169.8% over December 2022), with a balance of Bs. 11,002 billion (48.4% of total assets), due to legal reserve requirements. The net loan portfolio (28.8% of total assets) also contributed to the positive trend, experiencing a 2.76 percentage point growth compared to the close of 2022.

During the second half of 2023, the gross loan portfolio registered a significant increase of Bs. 2,343 million (+54.0% compared to the first half of 2023), reaching a total balance of Bs. 6,692 billion by December. A total of 4,536 loans were disbursed during this period, with a focus on the Commercial Sector, Restaurants, and Hotels (37.67%), followed by Agriculture, Fishing, and Forestry (31.17%), and the Manufacturing Industry (19.68%). This growth resulted in a net loan intermediation ratio of 41.94%, exceeding the system average (36.65%) by 5.29 percentage points. Throughout this period, the Bank maintained a strong portfolio quality (0.19% delinquency rate) and a loan loss reserve ratio to non-performing loans of 1,135.5% that exceeds the market average (358.6%).

As to liabilities, deposits from our over **4 million customers** amounted to Bs. 15,606 billion in December 2023 (+260.2% increase compared to December 2022). Demand deposits accounted for 94.5% of this total (Bs. 14,747 billion), 36.0% of which corresponded to foreign-currency deposits.



BanESCO Banco Universal, C.A. maintained a robust capital position of Bs. 3,437 billion at year-end 2023, as a result of a 69.7% increase, a Tier 1 Leverage Ratio of 19.00%, and a Capital Adequacy Ratio of 32.68%, which exceeds regulatory requirements.

Based on BanESCO's Statement of Income for the second half of 2023, net income amounted to Bs. 329 million. When added to the amount earned in the first half of year, it amounts to an annual net profit of Bs. 1,603 billion, which represents an increase of Bs. 1,238 billion compared to 2022 (+339.5%). The main reason was the substantial growth in other operating income, which amounted to Bs. 4,434 billion in 2023, closely followed by income generated from credit operations, totaling Bs. 3,431 billion.

The 2023 fiscal year concluded with strong results. Thanks to the joint efforts of all BanESCO Citizens, we successfully met all the goals set and maintained performance indicators as projected.



## FINANCIAL HIGHLIGHTS

	FIRST HALF 2022	SECOND HALF 2022	FIRST HALF 2023	SECOND HALF 2023
(Stated in Million Bs)				
<b>TOTAL ASSETS</b>	2,112	7,510	14,343	22,710
▮ Cash and Due from Banks	1,241	4,077	7,118	11,002
▮ Security Investments	79	265	498	1,326
▮ Credit Portfolio	389	1,957	4,253	6,545
▮ Gross Portfolio	408	2,001	4,349	6,692
<b>DEPOSITS FROM CLIENTS</b>	1,548	4,332	8,683	15,606
<b>TOTAL STOCKHOLDERS' EQUITY</b>	189	2,025	3,251	3,437
<b>NET INCOME</b>	31	334	1,273	329
<b>RATIOS (%)</b>				
▮ Loan Portfolio Provisions / Non Accrual Loans	133,762.96	61,098.42	958.79	1,135.49
▮ Non Accrual Loans / Gross Loan Portfolio	0.00	0.00	0.23	0.19
▮ Net Results / Average Assets *	3.93	12.90	23.22	10.84
▮ Net Results / Average Equity *	61.00	82.10	88.27	49.96
▮ Liquidity	80.18	94.12	81.98	70.50

\* Annualized Percentages





## STATEMENT ON CREDIT RISK REPORTS

In the second half of 2023, the Bank's Credit Risk management adhered to strategic guidelines, ensured risk-aligned practices, and stayed within Board-approved limits. Additionally, credit growth remained strong, exceeding minimum legal requirements for directing credit to the Single National Productive Portfolio and Microloans, while delinquency levels held fairly steady despite the economic uncertainty.

In this regard, the quality of the loan portfolio experienced a decline in delinquency levels, from 0.23% (June 2023) to 0.19% (December 2023), driven by the increased dynamism observed in certain essential sectors.

During the same period, loan loss reserve coverage slightly increased from 958.79% to 1,135.49%. This occurred amidst uncertainty, both nationally and internationally, which may impact the short-term performance of the national economy.

The persistent uneven growth across sectors, regions, and purchasing power prompted the Bank to



continue strengthening its monitoring activities during the six-month period. By closely tracking payment behavior of different segments and metrics and generating timely alerts regarding payment patterns, the Bank proactively managed potential changes in loan characteristics, thus ensuring their continued appropriate management.

## APPROVAL OF ACTIVE OPERATIONS THAT EXCEED THE PERMITTED PERCENTAGE ON THE EQUITY OF THIS INSTITUTION

In accordance with number 3 of Article 30 from the Law on Institutions from the Banking Sector, in the matters of active operations, at the end of the second semester, the Board of Directors decided on

the approval of three (3) credits, that by individual or group risk, in the same monthly period, exceeded five percent (5%) of the bank's equity.



# COMPARATIVE FINANCIAL STATEMENTS FOR THE LAST TWO (2) YEARS AND APPLICATION OF NET INCOME



**CHAIRMAN OF THE BOARD**  
Juan Carlos Escotet R.  
**CHIEF EXECUTIVE OFFICER**  
Marco Tulio Ortega V.

**MAIN DIRECTORS**  
Juan Carlos Escotet R.  
Marco Tulio Ortega V.  
Miguel Ángel Marciano C.  
Emilio Durán Ceballos  
Carlos Eduardo Escotet A.  
Carlos Alberto Escotet A.

**STATUTORY AUDITORS**  
Emilio A. Ladera M.  
Antonio Ramón Lobo Z.

**EXTERNAL AUDITORS**  
Adrianza, Rodríguez, Céfalo & Asociados  
(MAZARS)

**EQUITY Bs. 3.436.646.939,96**

December 31, 2023 (Stated in Bs.)

ASSETS	December 2023	December 2022
<b>CASH AND DUE FROM BANKS</b>	<b>11.002.215.444</b>	<b>4.077.355.709</b>
Cash	5.327.694.413	1.279.177.218
Central Bank of Venezuela	3.842.662.752	2.280.399.989
Local Banks and Other Financial Institutions	264.777.266	5.426.250
Foreign and Correspondent Banks	1.567.114.592	511.254.678
Head Office and Branches	0	0
Pending Cash Items	172.456	1.196.940
(Provision for Bank Accounts)	(206.035)	(99.366)
<b>INVESTMENTS IN SECURITIES</b>	<b>1.325.869.883</b>	<b>265.120.594</b>
Investments in Central Bank	707.739.114	0
Investments in Trading Securities	0	0
Investments in Securities Available for Sale	11.465	7.202
Investments in Securities Held to-maturity	156.749.759	56.761.758
Limited Availability Investments	461.369.545	208.351.624
Other Security Investments	0	0
(Provision for Security Investments)	0	0
<b>LOAN PORTFOLIO</b>	<b>6.544.735.725</b>	<b>1.957.386.333</b>
Outstanding Credits	6.678.993.209	1.999.492.044
Restructured Credits	0	1.853.408
Past Due Credits	12.965.610	72.066
Credits in Litigation	0	0
(Provision for Credit Portfolio)	(147.223.094)	(44.031.185)
<b>INTEREST AND COMMISSIONS RECEIVABLE</b>	<b>78.654.568</b>	<b>16.381.784</b>
Interest receivable from cash and due from banks	0	0
Interest receivable from security investments	582.769	298
Interest receivable from credit portfolio	78.150.886	16.172.233
Commissions Receivable	927.389	235.327
Interest Receivable on Other Accounts Receivable	0	0
(Provision for Interest Receivable and Other)	(1.006.470)	(26.074)
<b>INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES</b>	<b>16.624.435</b>	<b>3.227.724</b>
Investments in subsidiaries and affiliates	16.624.435	3.227.724
Investments in branches	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0
<b>PROPERTY RECEIVED IN LIEU OF PAYMENT</b>	<b>5.093</b>	<b>78.262</b>
<b>PROPERTY IN USE</b>	<b>816.238.088</b>	<b>363.777.725</b>
<b>OTHER ASSETS</b>	<b>2.925.802.709</b>	<b>826.982.744</b>
<b>TOTAL ASSETS</b>	<b>22.710.145.945</b>	<b>7.510.310.875</b>

LIABILITIES AND EQUITY	December 2023	December 2022
<b>LIABILITIES</b>	<b>15.605.618.998</b>	<b>4.332.225.597</b>
<b>DEPOSITS</b>	<b>14.746.648.753</b>	<b>4.028.278.915</b>
Deposits in Current Accounts	14.746.648.753	4.028.278.915
Non-Remunerated Checking Accounts	6.300.100.031	1.682.282.437
Remunerated Checking Accounts	2.886.634.396	769.430.243
Current accounts under exchange agreement N° 20	0	0
Demand Deposits and Certificates	251.086.612	114.550.228
Current Accounts Exchange System Free Convertibility	5.308.827.714	1.462.016.007
Special Funds in Trusts Free Convertibility System	0	0
Other Demand Liabilities	98.990.941	58.040.166
Obligations for Money Desk Operations	0	0
Savings Deposits	756.475.417	245.073.745
Time Deposits	3.503.887	832.771
Securities Issued by the Institution	0	0
Restricted Deposits from Clients	0	0
Right of Ownership and Participation on Security Investments	0	0
<b>OBLIGATIONS WITH BCV</b>	<b>0</b>	<b>0</b>
<b>DEPOSITS AND OBLIGATIONS WITH BANAVIH</b>	<b>0</b>	<b>0</b>
<b>OTHER FINANCING OBTAINED</b>	<b>367.940.021</b>	<b>168.552.168</b>
Liabilities with local financial institutions up to one year	367.940.021	168.552.168
Liabilities with local financial institutions more than one year	0	0
Liabilities with foreign financial institutions up to one year	0	0
Liabilities with foreign financial institutions more than one year	0	0
Other Liabilities up to one year	0	0
Other Liabilities more than one year	0	0
<b>OTHER FINANCIAL OBLIGATIONS</b>	<b>0</b>	<b>0</b>
<b>INTEREST AND COMMISSIONS PAYABLE</b>	<b>3.134.236</b>	<b>594.488</b>
Expenses payable due to deposits from clients	3.134.236	594.488
Expenses payable due to obligations with BCV	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0
Expenses payable due to other financing obtained	0	0
Expenses payable due to other financial obligations	0	0
Expenses payable due to obligations convertible to capital	0	0
Expenses payable due to subordinated debt	0	0
<b>ACCUALS AND OTHER LIABILITIES</b>	<b>3.296.805.750</b>	<b>983.845.071</b>
<b>SUBORDINATED DEBT</b>	<b>0</b>	<b>0</b>
<b>OTHER LIABILITIES</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>19.273.498.005</b>	<b>5.485.217.324</b>
<b>OPERATIONAL MANAGEMENT</b>	<b>0</b>	<b>0</b>
<b>STOCKHOLDERS' EQUITY</b>	<b>3.436.646.940</b>	<b>2.025.093.551</b>
<b>LIABILITIES AND EQUITY</b>	<b>22.710.145.945</b>	<b>7.510.310.875</b>
<b>CONTINGENT DEBTOR ACCOUNTS</b>	<b>349.238.738</b>	<b>92.566.996</b>
<b>TRUST ASSETS</b>	<b>225.625.054</b>	<b>64.005.702</b>
<b>OTHER TRUST ASSIGNMENTS</b>	<b>0</b>	<b>0</b>
<b>DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (HOUSING MUTUAL FUND)</b>	<b>3.332.222</b>	<b>688.663</b>
<b>OTHER DEBTOR ACCOUNTS (HOUSING MUTUAL FUND)</b>	<b>0</b>	<b>0</b>
<b>OTHER DEBTOR MEMORANDUM ACCOUNTS</b>	<b>48.856.652.231</b>	<b>23.438.327.813</b>
<b>OTHER DEBTOR BOOK ACCOUNTS</b>	<b>0</b>	<b>0</b>
<b>ASSETS OF TRUST ENTITIES FOR OPERATIONS IN SOVEREIGN CRYPTO ASSETS</b>	<b>0</b>	<b>0</b>

STATEMENTS OF EARNINGS (STATED IN Bs.)

	December 2023	December 2022
<b>FINANCIAL REVENUES</b>	<b>1.870.354.406</b>	<b>351.069.386</b>
Revenues from Cash and Cash Equivalents	12.163.657	931.278
Revenues from Security Investments	22.718.282	18.251.647
Revenues from Credit Portfolio	1.833.554.482	331.826.161
Revenues from Other Accounts Receivable	1.917.985	0
Income from investments in subsidiaries, affiliates and branches	0	0
Revenues from Head Office and Branches	0	0
Other Financial Revenues	0	0
<b>FINANCIAL EXPENSES</b>	<b>197.953.303</b>	<b>53.800.447</b>
Expenses Due to Deposits from Clients	162.000.605	49.323.803
Expenses Due to Obligations with BCV	0	0
Expenses Due to Obligations with BANAVIH	0	0
Expenses Due to Other Financing Obtained	35.952.698	4.476.644
Expenses Due to Other Financial Obligations	0	0
Expenses Due to Subordinated Debt	0	0
Expenses Due to Other Obligations	0	0
Expenses Due to Head Office and Branches	0	0
Other Financial Expenses	0	0
<b>GROSS FINANCIAL MARGIN</b>	<b>1.672.401.103</b>	<b>297.268.939</b>
Income from Recovered Financial Assets	1.786.977	7.217
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	56.572.773	21.962.646
Provision for Loan Portfolio and Other Accounts Receivable, Losses	56.516.636	21.890.414
Provision for Cash and Due from Banks	56.137	72.232
<b>NET FINANCIAL MARGIN</b>	<b>1.617.615.307</b>	<b>275.253.510</b>
Other Operating Income	2.652.650.679	778.431.472
Other Operating Expenses	283.708.900	68.064.107

	December 2023	December 2022
<b>FINANCIAL INTERMEDIATION MARGIN</b>	<b>3.986.557.086</b>	<b>985.620.875</b>
<b>TRANSFORMATION EXPENSES</b>	<b>2.989.674.507</b>	<b>546.568.742</b>
Personnel Expenses	759.303.397	131.098.090
Administrative and General Expenses	2.230.371.110	415.470.652
<b>GROSS OPERATING MARGIN</b>	<b>996.882.579</b>	<b>439.052.133</b>
Income from Adjudicated Goods	5.958.804	26.480.034
Income from Special Programs	0	0
Income from Sundry Accounts	10.515.695	5.841.450
Expenses Due to Realizable Property	30.674	1.053
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0
Expenses Due to Sundry Accounts	437.161.218	76.238.796
<b>NET OPERATING MARGIN</b>	<b>576.165.186</b>	<b>395.133.768</b>
Extraordinary Income	0	0
Extraordinary Expenses	5.018.491	1.041.333
<b>GROSS INCOME BEFORE TAXES</b>	<b>571.146.695</b>	<b>394.092.435</b>
Income Taxes	241.867.841	60.479.001
<b>NET INCOME</b>	<b>329.278.854</b>	<b>333.613.434</b>
<b>APPLICATION OF NET INCOME</b>	<b>0</b>	<b>0</b>
Legal Reserve	19.756.700	20.016.800
Statutory Utilities	305.000	305.000
Board of Directors	19.756.700	20.016.800
Officials and Employees	0	0
Other Capital Reserves	305.000	305.000
<b>ACCUMULATED INCOME</b>	<b>309.217.154</b>	<b>313.291.634</b>
LOD Contribution	6.792.188	4.053.669

NET INCOME DISTRIBUTION

Legal Reserve	0	60.999.999
Statutory Utilities (Board of Directors)	19.756.700	20.016.800
Reserve for Other Provisions	305.000	305.000
Restricted Surplus	166.630.438	136.306.717
Surplus to apply	142.586.716	115.984.917
<b>NET INCOME</b>	<b>329.278.854</b>	<b>333.613.434</b>





# REPORT OF DEMANDS AND COMPLAINTS OF CUSTOMERS OF THE BANKING SERVICES

SECOND HALF 2023

DECEMBER 2023

BanESCO counts on a technological tool named IRS (Integrated Request System), that allows to manage all the clients and customers' requests and complaints, through the different customer service channels (BanescOnline, Network of National Agencies, Call Center Service and Administrative Offices), offering a swift, effective and efficient response, aligned with the current legal framework.

## A) SUMMARY BY STATUS

In the second half of 2023, 1,979 claims and requirements were reported, for a total amount of Bs. 11,773,078, of which 1,752 were managed; ruling in favor of the client in 1,472, with a refund of Bs. 1,060,939. When evaluating the response times for

complaints and requirements reported by clients/users in the second half of 2023, and starting from the premise indicated by the regulatory entity, where a maximum date of 20 continuous days is established for their resolution, it is observed that the level of compliance in the service offer was 100.00%.

TABLE 1: SUMMARY OF COMPLAINTS AND REQUESTS REPORTED BY STATUS

	Managed					In Process		Level of Compliance in the Service Supply
	Admissible			Not Admissibles				
Report Month	No. of Complaints	Claim Amount (Bs.)	Reimbursed Amount (Bs.)	No. of Complaints	Claim Amount (Bs.)	No. of Complaints	Claim Amount (Bs.)	
► July	235	57,156	55,926	44	565,772	46	793,590	100.00%
► August	270	72,100	70,800	112	4,906,081	25	229,070	100.00%
► September	217	59,595	57,585	35	1,332,942	64	320,284	100.00%
► October	280	743,704	741,604	38	1,254,402	42	32,730	100.00%
► November	258	79,002	76,627	27	484,596	25	6,831	100.00%
► December	212	59,117	58,397	24	649,468	25	126,638	100.00%
Total II Half	1,472	1,070,674	1,060,939	280	9,193,261	227	1,509,143	100.00%

## B) SUMMARY BY TYPE OF FINANCIAL INSTRUMENT

TABLE 2: SUMMARY BY TYPE OF FINANCIAL INSTRUMENT

Report Month	Credit Card (CC)		Debit Card (DC)		Savings		Checks		Customer Service	
	No. of Complaints	Claim Amount (Bs.)	No. of Complaints	Claim Amount (Bs.)	No. of Complaints	Claim Amount (Bs.)	No. of Complaints	Claim Amount (Bs.)	No. of Complaints	Claim Amount
► July	5	1,501	320	1,415,018	—	—	—	—	—	—
► August	2	3,700	403	5,201,316	—	—	2	2,235	—	—
► September	4	4,143	310	1,706,443	—	—	2	2,235	—	—
► October	3	2,746	355	2,026,889	1	230	1	970	—	—
► November	—	—	308	570,199	1	230	—	—	1	—
► December	4	6,087	256	829,136	—	—	—	—	1	—
Total II Half	18	18,177	1,952	11,749,001	2	460	5	5,440	2	0

Relationship of the Type of Financial Instrument and Code in the database: Credit Card (30), Debit Card (31), Savings (33), Check (34), Customer Service (50).



## CLIENT AND BANK USER DEFENDER

The Banking Customer and Bank User Defender is an official appointed by the Bank to review processes and resolve complaints, as well as claims filed by customers and users derived from banking practices and actions considered inappropriate or not resolved in time by the Banking Customer and Bank User Service Unit. This a formal body which is objective and independent in nature and has complete autonomy in terms of the criteria and guidelines to be applied.

At the end of the second half of 2023, the **Banking Customer and User Defender** handled 652 cases. From this number, 241 requests for reconsideration were admitted, totaling Bs. 12,430,964.

The declined cases (411) were duly answered, explaining the reason of dismissal. These cases were forwarded to the Customer Service Unit, which follows up on them until they are closed.

The main requirements addressed were:

- Inconveniences with Pago Móvil (P2P) / Payments Made
- Inconveniences BanescoOnline / Other Payments / Taxes
- Cash Withdrawals Not Dispensed by an ATM
- Transaction rejected due to unfinished negotiation
- Failed or Duplicate Purchase at Point of Sale with Maestro Banesco Card
- Unrecognized Debits/Presumed Fraud Banesco Maestro Debit Card.

BanESCO Banco Universal, C.A., responsible with its customers and stakeholders, has a section on its website dedicated to the Banesco Client and User Defender, in which interested parties will find all the necessary information to submit formalities to this body.





## CAPITAL ADEQUACY RATIO POSITION

Pursuant to provisions of Resolution 305.09, dated July 9, 2009, published in Official Gazette No. 39,230 of July 29, 2009, the following principles and procedures are established in order to calculate the capital adequacy ratio:

### CAPITAL ADEQUACY RATIO:

This is calculated by dividing the amount of Accounting Equity plus Operating Management by the Value of Total Assets. The ratio when multiplied by one hundred (100), will not be less than nine percent (9%), as published in Official Gazette No. 40,509, dated October 01, 2014.

Likewise, through Circulars SIB-II-GGR-GNP-10189, dated April 07, 2016 and SIB-II-GGR-GNP-24974, dated November 22, 2017, the Superintendency of Banking Institutions (SUDEBAN) grants regulatory exception to determine the Accounting Capital Adequacy Index, provided for in Article 6 of said Resolution No. 305.09, in the following terms:

#### SIB-II-GGR-GNP-10189 (DATED APRIL 07, 2016)

a) Exclude from Total Assets, as defined in Article 2 of the aforementioned Resolution, the balance of the following items:

- Bonds and debentures issued by the Central Bank of Venezuela
- Deposits in the Central Bank of Venezuela
- Available funds from the bank in the Central Bank of Venezuela (Including the legal reserve)
- Bonds and debentures issued by the stated owned company Petróleos de Venezuela, S.A. (PDVSA).

b) Include in the accounting capital, in accordance with the definition set forth in the aforementioned Article 2, the amount corresponding to:

- Generic provision for loan and microloan portfolio
- Countercyclical provision for loan and microloan portfolio

The amount to be included for the aforementioned provisions will be the amount corresponding to the percentages established in the regulations issued by the Superintendency for this purpose.

#### SIB-II-GGR-GNP-12738 (DATED APRIL 27, 2016)

Banking institutions must include in the determination of primary capital (Level I), the amount corresponding to the generic and countercyclical provision.

The sum to be included for the aforementioned provisions will be the amount corresponding to the percentages established in the regulations issued by the Superintendency for this purpose.

#### RESOLUTION NO. 025.17 (DATED MARCH 28, 2017)

The “Rules Regarding the Application of the Revaluation of Assets in Banking Institutions” were established whereby the Superintendency of Banking Institutions instructs that the amount of the Revaluation “may not exceed the total Primary Capital (Level I) of the Institution considering the parameters established in the Rule that regulates the calculation of the Total Capital Adequacy Ratio. Likewise, Art. 6 states that recording the amount of assets revaluation under Assets will be made in the accounts and subaccounts established in the Accounting Manual for Banking Institutions, with a balancing entry in the account 351.00 Equity caption “Adjustment for Revaluation of Assets”.



## CAPITAL ADEQUACY RATIO POSITION

### TOTAL EQUITY ADEQUACY RATIO (LEVEL I)

Is the ratio of Primary Equity (Level I) to the total amount of assets and contingent operations weighted by risk levels. This shall be no less than 6%.

Based on the disposition and the results obtained in December 2023 and June 2023, the percentages achieved are as follows:

### TOTAL EQUITY ADEQUACY RATIO

Consists of the sum of the value of Primary Equity (Level I) plus Supplementary Equity (Level II), divided by the total amount of assets and contingent operations, weighted by risk levels. The quotient, when multiplied by one hundred (100), shall not be less than twelve percent (12%).

Description	Dec. 2023	Jun. 2023
Capital Adequacy Ratio	19.00%	29.83%
Total Capital Adequacy Ratio	32.68%	48.66%
Tier 1 Capital Adequacy Ratio	30.48%	45.15%

## PARTICIPATION IN THE COUNTRY'S PRODUCTION SECTOR

AS OF DECEMBER 31, 2023

The largest participation of the Credit Portfolio is in the Wholesale and Retail Trade, Restaurants and Hotels Sector with 37,67%, followed by the Agricultural, Fishing and Forestry Sectors with 31,17% and the Manufacturing Industry with 19,68%.

Economic Activities	Outstanding	Restructured	Past Due	In Litigation	Total	% Composition
► Agriculture, Fishing and Forest	2,085,967,459	—	51,784	—	2,086,019,243	31.17%
► Hydrocarbons and Mining Exploitation	54,724	—	-	—	54,724	0.00%
► Manufacturing Industry	1,315,145,691	—	1,656,093	—	1,316,801,784	19.68%
► Electricity, Gas and Water	70,798	—	12,427	—	83,225	0.00%
► Construction	39,034,321	—	36,132	—	39,070,453	0.58%
► Trade, Restaurants and Hotels	2,509,948,659	—	10,592,261	—	2,520,540,920	37.67%
► Transport, Storage and Communications	112,865,759	—	58,616	—	112,924,375	1.69%
► Financial Establishments, Real State and Services Provided to Companies	588,484,259	—	325,890	—	588,810,149	8.80%
► Community, Social and Personal Services	27,421,539	—	232,407	—	27,653,946	0.41%
<b>Total Portfolio</b>	<b>6,678,993,209</b>	<b>—</b>	<b>12,965,610</b>	<b>—</b>	<b>6,691,958,819</b>	<b>100.00%</b>



## ELECTRONIC CHANNELS AND BANK AGENCIES

As of December 2023 close, Banesco had a wide network of physical and electronic distribution channels whereby the Bank offers a wide range of products and services:

- 202 Service Points (Agencies, Banesco Express)
- 159.173 Points of Sale
- 409 ATMs (156 Monofunctional y 253 Multifunctional)



## EXTERNAL AUDITOR'S REPORT

The financial statements of the Bank corresponding to the second half of 2023, included in this report, were audited by the external auditors of the Institution, Adrianza, Rodríguez, Céfalo & Asociados (Members of the International Firm Mazars) and confirmed the fairness of such financial statements.

## LIQUIDITY, LEVERAGE, EFFICIENCY AND PROFITABILITY INDICATORS

Principal Financial Indicators	Dec. 2023	Jun. 2023	Dec. 2022	Jun. 2022
<b>1. EQUITY</b>				
▶ Equity + Operative Management / Total Assets	19.00%	29.83%	39.85%	11.97%
▶ Non-Productive Assets / Equity + Operative Management)	407.83%	278.28%	242.99%	837.50%
<b>2. ASSETS QUALITY</b>				
▶ Loan Portfolio Provisions / Gross Loan Portfolio	2.20%	2.20%	2.20%	4.68%
▶ Non Accrual Loans / Gross Loan Portfolio	0.19%	0.23%	0.00%	0.00%
<b>3. MANAGEMENT *</b>				
▶ Personnel Expenses + Operative Expenses / Average Productive Assets	77.13%	66.48%	97.20%	130.37%
▶ Personnel Expenses + Operative Expenses / Financial Income	123.36%	86.12%	192.20%	442.78%
<b>4. EARNINGS *</b>				
▶ Net Results / Average Assets	10.84%	23.22%	12.90%	3.93%
▶ Net Results / Average Equity	49.96%	88.27%	82.10%	61.00%
<b>5. LIQUIDITY</b>				
▶ Availability / Customer Funds	70.50%	81.98%	94.12%	80.18%
▶ Availability + Investment in Securities / Customer Funds	75.04%	82.56%	94.12%	80.18%

\* Annualized, calculated based on average balance





# INTERNAL AUDITOR'S REPORT ON THE INTERNAL CONTROL OF BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023

## I. INTRODUCTION

Pursuant to the provisions of Article 28 of the Decree Law on the Partial Amendment to the Banking Institutions Law (LISB), published in Extraordinary Official Gazette No. 6154 of November 9, 2014, and reprinted in Ordinary Official Gazette No. 40557 of December 8, 2014, in adherence to the prudential regulations issued by the Superintendency of Banking Institutions (SUDEBAN) published in Official Gazette No. 40484 of August 27, 2014, specifically articles 1 and 16 of Resolution 064.14 "General Standards on the Internal Audit Unit of Banking Institutions," we have prepared this summary of the efforts, work performed, and activities carried out by the Internal Audit Unit at Banesco Banco Universal, C.A., during the period from July 1, 2023 to December 31, 2023, to be submitted to the Audit Committee and the Board of Directors for review.

Banesco Banco Universal, C.A. has established a fully operational Internal Audit Unit that discharges its assurance and consulting duties independently and objectively. The Unit is equipped with the necessary powers and resources to plan and execute its activities, and timely report the results obtained in evaluating the effectiveness of risk management, control, and governance processes. Its primary mission is to enhance and protect the value of the Organization by delivering high-quality work and fostering a proactive and continuous improvement approach.

The Vice President of Internal Audit is assigned the role of Internal Auditor, as provided for in Resolution 064.14 "General Standards on the Internal Audit Unit of Banking Institutions," and reports directly to the Board of Directors of Banesco Banco Universal, C.A., ensuring both functional and administrative accountability.

The Internal Audit Unit is established under Resolution 064.14, with assigned personnel who meet the necessary qualifications, competencies, knowledge, and experience to effectively fulfill their internal audit duties.

An official and operational Manual has been established and is in active use, which defines the principles, policies, standards, and procedures that govern the Internal Audit function. This Manual ensures compliance with applicable national regulations and prudential standards, the Organization's internal policies and standards, and international standards and best practices. It is periodically reviewed, or whenever significant regulatory or functional changes occur, and is submitted to the Audit Committee for its consideration. The Audit Committee then recommends approval thereof to the Board of Directors.

## II. OPERATING CRITERIA

The Internal Audit Unit applies a risk-based approach, which is implemented through a cross-sectional analysis of the value chain of the processes evaluated.

When conducting its activities, the Internal Audit Unit applies the following criteria:

- The structure and operation of the Internal Audit Unit adheres to Resolution 064.14 "General Standards on the Internal Audit Unit of Banking Institutions."
- The standards set forth by SUDEBAN are followed to fulfilled the assurance duty, as well as the applicable regulations governing the banking activity.





# INTERNAL AUDITOR'S REPORT ON THE INTERNAL CONTROL OF BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023

- The International Professional Practices Framework (IPPF), which establishes the principles and standards for the practice of the Internal Audit function, is used as a reference.
- Assurance evaluations are conducted on first- and second-line processes based on the schedule established in the Annual Internal Audit Operational Plan.
- The Annual Internal Audit Operational Plan undergoes evaluation by the Audit Committee, which subsequently recommends its presentation to the Board of Directors for formal approval.
- Monthly reports are prepared to the Audit Committee and the Board of Directors on the progress of the execution of the Operational Plan and the results obtained in each completed audit.
- There is continuous reporting to the Comprehensive Risk Management Unit on the observations arising from the evaluation of processes and units that involve direct or indirect risk generation. A semiannual report is also sent to the Risk Committee.
- Audit tests are designed to evaluate the effectiveness of the Internal Control Environment, aiming to provide reasonable assurance that risks are adequately managed, thus contributing to the continuous improvement of the processes.
- Mitigation and control strategies defined by the areas responsible for the management of identified risks are followed up, and each strategy implemented is verified, thus ensuring the closure of the assurance cycle.

## III. MANAGEMENT SCOPE AND COVERAGE

Internal Audit's assurance evaluations include the validation of three (3) key elements of the Internal Control System:

- Efficiency of the internal control environment when evaluating the execution and performance of control activities included in the processes to determine whether the risks are reasonably managed in line with the corporate strategy and the operation of the Organization corresponds to the defined corporate structure;
- Compliance with legal provisions regulating the banking activity by evaluating whether the policies, standards and procedures are adjusted to the provisions established in current laws and the prudential regulations contained in resolutions, circulars and official notices issued by SUDEBAN and further competent bodies; and
- Gap closure management by verifying documentation and supporting documents evidencing the correct implementation of action plans defined by the responsible units to address identified internal control observations.

The audits conducted in the second half of 2023 covered the following aspects:

### 1. RISK MANAGEMENT

- Effectiveness of the Comprehensive Risk Management processes for closing the gaps identified in internal reviews, external audits and regulatory inspections



# INTERNAL AUDITOR'S REPORT ON THE INTERNAL CONTROL OF BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023

## 2. PREVENTION AND CONTROL OF ML/TF/FPWMD

Execution of audits planned in the “Annual Evaluation and Control Program” as provided for in Resolution 083.18 “Standards on Management and Control of Risks Related to Money Laundering, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction Applicable to Banking Institutions,” which included:

- Compliance with the Annual Training Program
- Adequacy of the ML/TF/FPWMD Risk Management processes
- Structure and performance of the Comprehensive Risk Management System (SIAR)
- Effectiveness of the process for receiving, analyzing, and addressing official notices from regulatory agencies
- Compliance with the “Know-Your-Customer” Policy, by verifying the controls established for data registration and file creation of the clients who open financial accounts (both in domestic and foreign currency), as well as the preparation of credit operation files

## 3. INFORMATION TECHNOLOGY, DATA SECURITY AND CONTINUITY

- Evaluation of the technological platforms that enable the Unified Mobile Banking services, BanescOnline (BOL), BanescOnline Empresas (BOLE), and MoneyGram (remittances)
- Assessment of the SAP application that enables accounting and operational processes
- Evaluation of technology processes related to (i) Server management, (ii) Incident and problem handling, (iii) Testing and environment management, and (iv) Exchange control and releases

## 4. CREDIT

- Adherence to the application, analysis, documentation, settlement, and control processes of the loan portfolio
- Reconciliation of the loan portfolio and credit cards of the Published Balance with the General and Subsidiary Ledgers
- Accounting reconciliation and operational management of standby guarantees in foreign currency

## 5. TREASURY

- Reconciliation of accounting records and balances for securities, both owned and held for third parties, in domestic and foreign currency
- Validation of the reasonableness of accounting and operational processes associated with Treasury performance
- Completeness and integrity of the generation and submission of Transmission Files (AT) and Treasury regulatory forms

## 6. CASH AND DUE FROM BANKS / CUSTOMERS' DEPOSITS

- Physical count of domestic and foreign currency cash in the main vault to validate the fairness of book account balances in relation to the physical cash in custody, including an evaluation of cash management processes
- Effectiveness of the Cash Planning process
- Assessment of the accounting and operational management of (i) Foreign Currency Cash Custody Service, (ii) Foreign Currency Buy-Sell Service, (iii) Green Account, and (iv) Tax Collection Service and Business Allies



# INTERNAL AUDITOR'S REPORT ON THE INTERNAL CONTROL OF BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023



## 7. ACCOUNTING AND FINANCIAL PROCESSES

- Balance and reconciliation of remittance transactions processed through the MoneyGram platform
- Balance and reconciliation of credit card and debit card Dispute and Representation accounts

## 8. MARKETING CHANNELS

- Assessment of Point of Sale (POS) marketing management
- Adherence to Resolution 049.20 “Regulations governing point-of-sale services and contracting from suppliers engaged in their marketing”

## 9. OTHER ASPECTS

- Customer Service Management
- Reasonableness of the Global Reporting Initiative (GRI) sustainability report
- Performance assessment of Corporate Social Responsibility (CSR).

## IV. INTERNAL CONTROL ASSESSMENT RESULTS

In the period from 07/01/2023 to 12/31/2023, a total of thirty-nine (39) assurance audits of the Operational Plan were completed, and the results were as follows:

AUDIT QUALIFICATION		
Excellent	19	49%
Satisfactory	16	41%
Minimum Required	4	10%
	39	100%

IDENTIFIED FINDINGS		
High	13	12%
Moderate	41	38%
Low	53	50%
	107	100%

DEFINED ACTIONS		
Implemented	132	62%
In Process	80	38%
	212	100%

The implementation of assurance program tests during the audits led to the identification, communication and formalization of **one hundred and seven (107) observations** that mainly concern the management and execution of the processes.



# INTERNAL AUDITOR'S REPORT ON THE INTERNAL CONTROL OF BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023

The implementation of assurance program tests during the audits led to the identification, communication and formalization of one hundred and seven (107) observations that mainly concern the management and execution of the processes.

The responsible units outlined two hundred and twelve (212) mitigation and control actions to address the root cause of the observations reported by Internal Audit, thus enabling timely resolution thereof.

The audits performed in the second half of 2023 revealed the following findings:

- The main policies and standards are defined, formalized and disclosed, and are in line with corporate strategies and guidelines.
- The core processes are formalized and the units responsible for implementing them are equipped with the necessary human, technological, and material resources.
- Reporting channels are effectively followed through the formal corporate bodies outlined in the governance structure.
- Formal risk identification, assessment, management, and monitoring processes are in place. Additionally, formal procedures for continuous tracking of action plans defined for gap closure are established.
- Formal control activities are an integral part of the processes.
- Compliance with the Organization's applicable regulatory framework is at a reasonable level.
- Recommendations from regulatory agencies arising from visits and inspections are timely addressed.

## V. CONCLUSION

The results obtained in the assurance audits performed during the second half of 2023 revealed that policies, standards, and procedures that support internal control, risk management, and governance are followed.

The observations reported by Internal Audit were timely addressed through the definition of action plans aimed at managing the root cause, limiting the impact of their materiality and/or recurrence.

Based on the foregoing and in accordance with the coverage and scope of the reviews conducted during the second half of 2023, it is concluded that Banesco Banco Universal, C.A. maintains an internal control environment that is suitable for its characteristics and dimensions, enabling the reasonable management of inherent risks and facilitating the effective preventive management of their materialization.

It is crucial to monitor the ongoing mitigation and control initiatives until their implementation is complete. In addition, the units responsible for the design, implementation, and control of first- and second-line processes must maintain and reinforce continuous evaluation and improvement strategies to facilitate the timely detection of emerging risks resulting from changes that may occur in the different internal and external factors that impact the Organization.



## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

SHAREHOLDERS' MEETINGS	
DATE OF RECEIPT	OFFICIAL NOTICES
09/18/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-05974:</b> Sudeban gives its opinion on the Independent Limited Assurance Report referred to in Resolution 083.18, submitted as a supporting document for the Ordinary General Shareholders' Meeting called for 09/25/2023.
09/20/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-06119:</b> Sudeban gives its opinion on the supporting documents submitted for the Ordinary General Shareholders' Meeting called for 09/25/2023.
09/22/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-06163:</b> Sudeban gives its opinion on the supporting documents submitted for the Extraordinary General Shareholders' Meeting called for 09/25/2023.
09/22/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-06178:</b> Sudeban gives its opinion on the supporting documents submitted for the Extraordinary General Shareholders' Meeting called for 09/25/2023.
10/10/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-06618:</b> Sudeban gives its opinion on the communication without number, in response to Official Notice No. SIB-II-GGIBPV-GIBPV6-03918 of 06/16/2023, containing remarks on the Extraordinary Shareholders' Meeting held on 06/20/2023.
11/02/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-07134:</b> Sudeban gives its opinion on the remarks made regarding the supporting documents of the Ordinary General Shareholders' Meeting held on 09/25/2023.
11/03/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-07171:</b> Sudeban has no objection to the Bank's response to Official Notice No. SIB-DSB-OPCLC-05974, regarding the findings of the regulatory agency upon reviewing the supporting documents of the Ordinary General Shareholders' Meeting held on 09/25/2023.
11/14/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-07373:</b> Sudeban gives its opinion on the Bank's response to the remarks made by the regulatory agency regarding the supporting documents of the Ordinary General Shareholders' Meeting held on 09/25/2023.
11/17/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-07518:</b> Sudeban gives its opinion on the Bank's response to the remarks made by the regulatory agency on the supporting documents submitted for the Extraordinary General Shareholders' Meetings held on 03/27/2023 and 09/25/2023.
11/17/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-07517:</b> Sudeban has no objection to the communications whereby the Bank sends duly registered Minutes of Shareholders' Meetings.





## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

SHAREHOLDERS' MEETINGS	
DATE OF RECEIPT	OFFICIAL NOTICES
11/17/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-07534:</b> Sudeban gives its opinion on the Bank's response to the remarks made by the regulatory agency on the Extraordinary General Shareholders' Meeting held on 09/25/2023.
12/14/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-08250:</b> Sudeban has no objection regarding the Minute of the Ordinary General Shareholders' Meeting held on 09/26/2019.
12/21/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-08409:</b> Sudeban gives its opinion on the Bank's response to the remarks made by the regulatory agency on the supporting documents of the Ordinary General Shareholders' Meeting held on 09/25/23.
12/29/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-08670:</b> Sudeban has no objection regarding the Minute of the Extraordinary General Shareholders' Meeting held on 09/25/2023.

INSPECTIONS	
DATE OF RECEIPT	OFFICIAL NOTICES
07/06/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-04326:</b> Sudeban forwards the Special Technology Risk Assessment Report with the findings from the special inspection conducted from 03/01/2023 to 06/27/2023.
09/14/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05883:</b> Sudeban gives its opinion on the Action Plan developed by the Bank to mitigate the weaknesses found in the Technology Risk Inspection.
11/03/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-07151:</b> Sudeban requests monthly updates on the progress achieved and/or any deviations (if any) concerning the observations of SEG3 and SEG4 in the Action Plan developed to mitigate the weaknesses found in the Technology Risk Inspection.





## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

OTHERS	
DATE OF RECEIPT	OFFICIAL NOTICES
07/25/2023	<b>OFFICIAL NOTICE SIB-II-GGR-GA-04776:</b> Sudeban authorizes the transfer of Los Niveles Agency (0073).
07/28/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-04876:</b> Sudeban authorizes the Bank to perform the operation known as "Improvements to the C2P service of IST Switch 7.7" scheduled for 08/02/2023.
07/28/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-04873:</b> Sudeban authorizes the Bank to perform the operation known as "Upgrade of Patches and DNS ATM Contingency-Production & Firmware IST Production".
08/01/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-04940:</b> Sudeban makes a statement regarding the delivery of the one hundred and one (101) digital copies of customer files, as requested in the Action Plan, Official Notice SIB-DSD-OPCLC-00849.
08/01/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GSRB-04921:</b> Sudeban gives its opinion on the Bank's response to the observations made to the Independent Auditors' Semi-Annual Limited Assurance Reports on compliance with Resolutions 136.03 and 136.15, corresponding to the Financial Statements as of 12/31/2023. It also requires the Risk Culture and Business Continuity Plan for 2023.
08/04/2023	<b>OFFICIAL NOTICE SIB-II-GGR-GA-05000:</b> Sudeban gives its opinion on the communication of 03/03/2023, whereby the Banks requests authorization to launch the financial service called "BanesConnecta".
08/08/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05110:</b> Sudeban gives its opinion on the request for authorization to perform the operation known as "Plan to Launch the 7x24 Availability Project for Critical Services."
08/10/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05144:</b> Sudeban authorizes the performance of the operation known as "Upgrade of the IBM i Operating System (V7R3 to V7R4) of the Mainframe Computer."
08/15/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-05274:</b> Sudeban issues the 2023 Factor-Based Risk Assessment Report (EBRF) on the Products and Services sub-factor, in terms of ML/TF/FPWMD.
08/22/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05394:</b> Sudeban authorizes the Bank to perform the operation known as "Plan to change the encryption of VPN's Local Network (issuer/debit acquiring/Biopago) between Banesco and CrediCard."
08/22/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-05406:</b> Sudeban issues a statement on the request to extend the amortization period from four (4) to twenty (20) years for the disbursements made by external consultancies related to the implementation of the September 2022-July 2026 Banesco BU Card Core Replacement Project.



## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

OTHERS	
DATE OF RECEIPT	OFFICIAL NOTICES
08/22/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05405:</b> Sudeban gives its opinion on the Bank's response to the remarks made by the regulatory agency regarding the Action Plan to address the findings of the Special Technology Risk Inspection.
09/15/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05905:</b> Sudeban authorizes the Bank to perform the operation known as "Certification of the Contingency Environment for the Migration of the IBM i Operating System from V7R3 to V7R4."
09/18/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-05983:</b> Sudeban authorizes the Bank to perform the operation known as "Migration due to obsolescence of the ASA-5550 Firewall to the FP 4145 DC Firewall, which supports the OPEN2/ATM switch service and credit card transactions to MasterCard."
09/25/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-06211:</b> Sudeban gives its opinion on compliance with the legal reserve requirement and the liquidity position.
09/27/2023	<b>OFFICIAL NOTICE SIB-II-CCSB-06225:</b> Sudeban issues a statement on the Bank's communication in response to Official Notice No. SIB-II-CCSB-04267 of 06/29/2023, regarding the results of the inspection to the Service Quality area, to the Work of the Bank Client and User Ombudsman, and to the Bank Customer and User Service Unit.
10/05/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-06477:</b> Sudeban authorizes the Bank to perform the operation known as "Upgrade of the Oracle database, from RDBMS 11g to RDBMS 19c, of the IST Switch 7.7 application."
10/13/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-06687:</b> Sudeban authorizes the Bank to reschedule the operation known as "Monthly Maintenance Plan for the Fix (Program Temporary Fix 'PTF') application."
10/16/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GSRB-06697:</b> Sudeban gives its opinion on the Semi-Annual Reports regarding Resolutions No. 136.03 and 136.15 – First half of 2023.
10/27/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-07010:</b> Sudeban issues the Validation Report of the "2023 Risk Self-Assessment" in terms of AML/CFT/FPWMD.
11/01/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-07112:</b> Sudeban authorizes the Bank to perform the operation known as "Upgrade of the Oracle database, from RDBMS 11g to RDBMS 19c, of the IST Switch 7.7 application."
11/27/2023	<b>OFFICIAL NOTICE SIB-II-CCSB-07740:</b> Sudeban gives its opinion on the Management Report sent by the Bank Client and User Ombudsman, corresponding to the first half of 2023.



## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

OTHERS	
DATE OF RECEIPT	OFFICIAL NOTICES
11/28/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-07766:</b> Sudeban gives its opinion on the Bank's response to the findings identified in the Factor-Based Risk Assessment Report (2023 EBRF) on the Products and Services sub-factor, in terms of AML/CFT/FPWMD.
11/30/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-07814:</b> Sudeban acknowledges receipt of the Board of Directors' Certification and the documentation related to the correction of the findings identified in the 2023 Risk Self-Assessment, in terms of AML/CFT/FPWMD.
12/04/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-07931:</b> Sudeban request information pertaining to the launch of the "7x24 Availability Project for Critical Services."
12/08/2023	<b>OFFICIAL NOTICE SIB-DSB-OPCLC-08156:</b> Sudeban has no comments on the Action Plan developed in response to the Factor-Based Risk Assessment (2023 EBRF) for the Products and Services sub-factor in terms of AML/CFT/FPWMD.
12/14/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GSRB-08239:</b> Sudeban gives its opinion on the communication sent by the Bank in response to the observations made to the Semi-Annual Reports regarding Resolutions No. 136.03 and 136.15 - First half of 2023.
12/26/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-08507:</b> Sudeban issues authorization to carry out the activity called "Maintenance Window in the mobile payment service 'Servicio Pago Móvil' (P2P), Banesco Móvil and BanescOnline for the Year End 2023."
12/29/2023	<b>OFFICIAL NOTICE SIB-II-GGIR-GRT-08713:</b> Sudeban issues authorization to carry out the activity called "Time Synchronization on the AIX Adquiriencia IST POS RFC C29361 Infrastructure."
12/29/2023	<b>OFFICIAL NOTICE SIB-II-GGIBPV-GIBPV6-08729:</b> Sudeban gives its opinion on the Bank's communication requesting a review of the regulatory agency's refusal to authorize the amortization of external consulting expenses for the Core Card System implementation.



## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

OTHERS	
DATE OF RECEIPT	CIRCULARS
07/06/2023	<b>CIRCULAR SIB-II-GGR-GNP-04388:</b> Sudeban defers the submission of the supplementary information related to the consolidated and/or combined financial statements for the first half of 2023.
08/04/2023	<b>CIRCULAR SIB-DSB-CJ-OD-04984:</b> Sudeban reiterates the obligation to include fiscal stamps and the established rate or fee in the requests or petitions addressed to the Superintendency.
09/01/2023	<b>CIRCULAR SIB-DSB-CJ-OD-05580:</b> Sudeban suspends the administrative measures imposed on Servicios Rapidpago, C.A., which will be able to resume providing services related to Points of Sale.
09/01/2023	<b>CIRCULAR SIB-DSB-CJ-CNTF-05552:</b> Sudeban withdrew the authorization of Pay Lux, C.A. to operate as a Point-of-Sale Provider.
09/04/2023	<b>CIRCULAR SIB-II-GGIR-GRT-GGR-GNP-05410:</b> Sudeban issues guidelines on the opening of Digital Accounts and the Acceptance of Electronic Contracts.
09/04/2023	<b>CIRCULAR SIB-II-GGR-GNP-05409:</b> Sudeban provides information on the requirements for opening accounts for natural persons.
09/13/2023	<b>CIRCULAR SIB-II-GGR-GNP-GIDE-05872:</b> Sudeban instructs the submission of the following Ats (data transmission files): Foreign Exchange Intervention through the BCV; AT47 Purchase and Sale Operations through the Foreign Exchange Desk; and AT48 Other Foreign Currency Purchase and Sale Operations of the Integrated Financial Information System (SIF).
09/13/2023	<b>CIRCULAR SIB-II-GGR-GNP-GIDE-05873:</b> Sudeban notifies that the update of the Electronic Form Consolidated Position of Depositors (SIB-FE-0001) is available on the banking extranet.
09/13/2023	<b>CIRCULAR SIB-II-GGR-GNP-GIDE-05871:</b> Sudeban announces that the Technical Specifications Manual AT45 Details of Liquidated Credits of the Integrated Financial Information System (SIF) is now available on the banking extranet.
09/22/2023	<b>CIRCULAR SIB-II-GGR-GNP-GIDE-06154:</b> Sudeban announces the update of the Technical Specifications Manuals for the Integrated Financial Information System (SIF): AT03; AT04; AT08; AT24; AT25; AT26; AT27; AT29; AT32; AT33; AT41; AT43; AT44.



## COMMUNICATIONS FROM THE SUDEBAN

CONCERNING PROVISIONS, REMARKS, RECOMMENDATIONS  
OR INITIATIVES ON THE OPERATION OF THE INSTITUTION

SECOND HALF 2023

OTHERS	
DATE OF RECEIPT	CIRCULARS
10/25/2023	<b>CIRCULAR SIB-DSB-CJ-CNTF-06766:</b> Sudeban canceled the registration granted to Ex-Clé Soluciones Biométricas, C.A. to operate as a Point-of-Sale Provider.
10/26/2023	<b>CIRCULAR SIB-II-GGR-GNP-06925:</b> Sudeban decided to extend the deadline for the application of the regulatory exception for the submission of Form "A" Balance Sheet for Publication, established in Chapter V "Financial Statements" of the Accounting Manual for Banking Institutions.
11/01/2023	<b>CIRCULAR SIB-II-GGR-GNP-07108:</b> Sudeban issues guidelines for measuring the Credimujer productive sector of the Single National Productive Portfolio.
11/09/2023	<b>CIRCULAR SIB-DSB-CJ-PA-07193:</b> Sudeban confirms the ban on Banca Seguros activities.
11/09/2023	<b>CIRCULAR SIB-DSB-CJ-OD-06956:</b> Sudeban releases the banking calendar for 2024.
11/24/2023	<b>CIRCULAR SIB-II-GGIR-GRT-GGR-GNP-07717:</b> Sudeban releases Instructions on the Freezing of Production Environments.
11/27/2023	<b>CIRCULAR SIB-II-GGIR-GRT-GGR-GNP-07736:</b> Sudeban issues guidelines for the Implementation and use of Contactless Proximity Technology.
11/30/2023	<b>CIRCULAR SIB-II-GGR-GNP-07847:</b> Sudeban decided to modify the Accounting Manual for Banking Institutions, in order to establish the book accounts to record loans granted to the Credimujer sector of the Single National Productive Portfolio.
12/15/2023	<b>CIRCULAR SIB-II-GGR-GNP-08302:</b> Sudeban defers the submission of the supplementary information related to the consolidated and/or combined financial statements for the second half of 2023.
12/29/2023	<b>CIRCULAR SIB-II-GGIR-GRT-GGR-GNP-08724:</b> Sudeban issues guidelines on the use of cloud computing services.
12/29/2023	<b>CIRCULAR SIB-II-GGIR-GRT-GGR-GNP-08723:</b> Sudeban issues guidelines on the use of quick response (QR) code technology in payment methods.
12/29/2023	<b>CIRCULAR SIB-II-GGR-GA-GNP-08674:</b> Sudeban issues guidelines for market launch of financial products or services, their advertising and promotion.





# RELEVANTS INFORMATION TO STAKEHOLDERS



## SUMMONS

### BANESCO BANCO UNIVERSAL, C.A.

#### ANNOUNCEMENT ORDINARY SHAREHOLDERS' MEETING

By resolution of the Board of Directors and in accordance with the provisions of Articles 10, 12 and 27.2 of the Corporate By-laws, shareholders of Banesco Banco Universal, C.A. are summoned to meet at the Annual Meeting of Shareholders to take place on March 18, 2024, at 8:00 a.m., in the Fernando Crespo Suárez Auditorium, 3rd floor of the Ciudad Banesco Building, located in Main Avenue of Bello Monte, between Lincoln Street and Sorbona Street, in the City of Caracas, for the purpose of addressing the following matters:

**FIRST:** Discuss and decide, prior submission of the report of the shareholders' representatives, on the approval of the financial statements, prepared by independent public accountants, corresponding to the business semester ended on December 31, 2023.

**SECOND:** Discuss and decide on the allocation to be made to the profits as of December 31, 2023.

**THIRD:** Consider and resolve the remuneration applicable for the year 2023 of the Main Commissioner and his Alternate, appointed at the Ordinary Shareholders' Meeting held on March 28, 2022.

**FOURTH:** Authorize the Board of Directors to acquire the Bank's own shares for consideration and sell them when it deems appropriate.

**JUAN CARLOS ESCOTET RODRIGUEZ**

CHAIRMAN OF THE BOARD

SUBSCRIBED AND  
PAID CAPITAL  
BS. 61.000.000,00

**NOTA:** The information referred to in this call will be available in the Bank's Shareholders Unit, located on the Main Floor, Quadrant "B" of the "Ciudad Banesco" Building.

Caracas, february 21, 2024

RIF: J07013380-5

#### ANNOUNCEMENT EXTRAORDINARY SHAREHOLDERS' MEETING

By resolution of the Board of Directors and in accordance with the provisions of Articles 10, 12 and 27.2 of the Corporate By-laws, shareholders of Banesco Banco Universal, C.A. are summoned to meet at the Annual Meeting of Shareholders to take place on March 18, 2024, at 8:30 a.m., in the Fernando Crespo Suárez Auditorium, 3rd floor of the Ciudad Banesco Building, located in Main Avenue of Bello Monte, between Lincoln Street and Sorbona Street, in the City of Caracas, for the purpose of addressing the following matters:

**FIRST:** Appointment of the Bank's Board of Directors.

**SECOND:** Designate the Customer and Bank User Ombudsman and his Substitute.

**JUAN CARLOS ESCOTET RODRIGUEZ**

CHAIRMAN OF THE BOARD

**NOTA:** The information referred to in this call will be available in the Bank's Shareholders Unit, located on the Main Floor, Quadrant "B" of the "Ciudad Banesco" Building.

Caracas, february 21, 2024

RIF: J07013380-5



## CORPORATE GOVERNANCE

BANESCO BANCO UNIVERSAL, C.A.

**B**anesco Banco Universal, C.A., is an institution domiciled in the city of Caracas, Bolivarian Republic of Venezuela, authorized to perform all financial intermediation operations and related services, with no limitations other than those established in the Decree with Rank, Value and Force of Law of Institutions of the Banking Sector.

### ORGANIZATIONAL STRUCTURE OF BANESCO BANCO UNIVERSAL

#### BODIES AND MECHANISMS OF THE CORPORATE GOVERNANCE SYSTEM

The Bank's Corporate Governance structure derives from the Bank's bylaws, the Banking Sector Institutions Law, the Code of Commerce, the regulations issued by the Superintendency of Banks (hereinafter, SUDEBAN) and the decisions made by the Board of Directors, aligned with current trends, in order to apply the best national and international practices and standards in this area.

The Bank maintains a governance structure composed of the Shareholders' Meeting, the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the Thematic Committees (Management and Executive), the different Executive Divisions of the Bank, as well as the Compliance Officer and the Internal Auditor.

#### SHAREHOLDER'S MEETINGS

This represents the universality of shareholders and has the supreme management of the company. It is convened on an ordinary basis, within 90 days following the close of each half year, and on an extraordinary basis, at such time as the Board of Directors deems convenient to the interests of the company.



It may be held at request of a group of shareholders accounting for at least 20% of the share capital. Its acts and resolutions are binding for the Bank and all shareholders.

The Shareholders' Meeting shall have the following powers, among others: (i) Determine the number of Directors that will make up the Board of Directors; (ii) Appoint the members of the Board of Directors and fix their remuneration; (iii) Appoint the Main Commissioner and his Alternate and fix their remuneration; (iv) Discuss, approve or modify the Financial Statements submitted to it, in view of the Commissioner's report; (v) To issue and amend the Company's Bylaws; (vi) To decide on the early dissolution, extension, merger with another company, sale of corporate assets, change of corporate purpose, increase, reduction or reinstatement of capital stock and amendment of the Bylaws in the aforementioned matters; (vii) To decide on the declaration of dividends and the form of payment thereof, in the amount, with the frequency and



## CORPORATE GOVERNANCE

BANESCO BANCO UNIVERSAL, C.A.

at the time it deems convenient, in accordance with the Law and the Bank's Bylaws; viii) To decide on the creation of reserves or special sections submitted for its consideration by the Board of Directors; ix) As well as, to know and decide on any other matter within its competence, in accordance with the Law and the Company's Bylaws.

### BOARD OF DIRECTORS

This governing body is responsible for the general management of the business and operations. It also counts on the broadest managerial and directive powers, included the approval of the Corporate Social Responsibility.

The Board of Directors is made up of qualified individuals, with broad experience in different areas of the banking business, with recognized solvency and honesty.

It is responsible for the definition and strategic guidance of the Organization, approves business principles and policies and regulates the autonomy of executive decisions. In addition, it monitors the Bank's operational and functional areas, evaluates and compares the business projections and results of each fiscal year compared to those of previous years.

The appointment of its members is made in accordance with the LISB and other provisions issued by SUDEBAN and the Bank's bylaws.

This governance body is also responsible for knowing and approving the policies for managing the various risks to which the Organization is subject, including economic, environmental and social risks, after re-

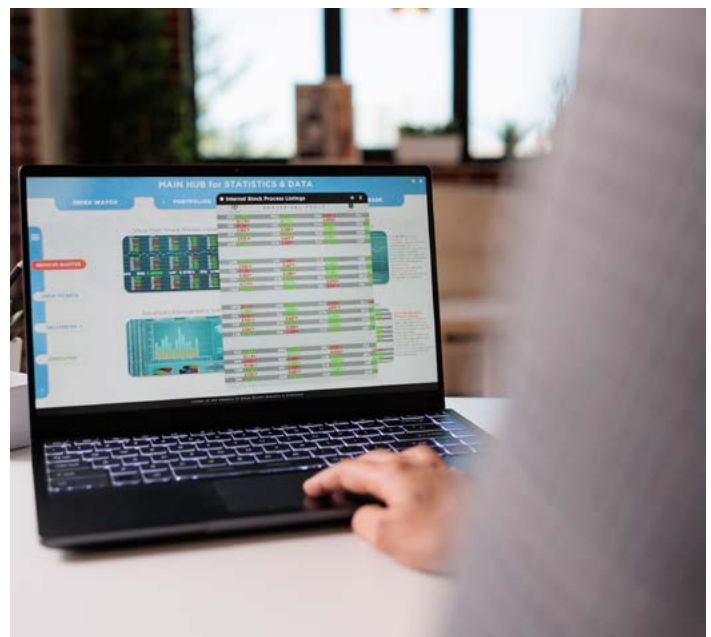
viewing the reports and analyses carried out by the Risk Unit and the Risk Steering Committee.

### CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors exercises the broadest legal representation of the Bank before all authorities and any other public or private persons or entities. Said official presides over the deliberations held by the Board of Directors. Absences of the President shall be covered by the Vice-President of the Board of Directors.

### CHIEF EXECUTIVE OFFICER

This official is appointed by the Board of Directors and it is responsible for the daily management and operation of the Bank and its internal services, and must report periodically to the Board of Directors on the financial situation of the Company and the results of its operations. Additionally, such official must comply with and perform such other duties as may be assigned by the Board of Directors.





## CORPORATE GOVERNANCE

BANESCO BANCO UNIVERSAL, C.A.

### GENERAL MANAGER

It is the executive body reporting to the Executive Presidency that accompanies it in the management, supervision and integral operation of the Bank.

### EXECUTIVE COMMITTEE

The Committee is responsible for ensuring the correct execution of the Bank's goals; the approval of the most relevant issues related to the administration of movable and immovable assets; the follow-up and control of business plans and their financial results; the approval of new products, services and channels and improvements in their functionalities, seeking continuous improvement of processes; the definition of policies for the prevention of financial crimes, information security and business continuity.

### COMPLIANCE OFFICER

This is an official that reports to the Board of Directors exclusively to the prevention and control of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction (ML/FT/FPADM), in charge of the supervision and control of the LC/FT/FPADM Prevention

and Control Unit. The main functions of this official are the following: a) Promote and supervise the compliance with the policies, procedures, provisions and controls related to the Prevention and Control of Money Laundering and Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as approved by the Board of Directors of the Regulated Entity; b) Design together with the Unit for the Prevention and Control of LC/FT/FPADM the Annual Operating Plan; c) Submit annual and quarterly reports to the Board of Directors of the Bank, which among other aspects contain the progress of the Annual Operational Plan, the Annual Training Program on LC/FT/FPADM Prevention and Control, its recommendations for the improvement of the adopted procedures; d) Send to the National Financial Intelligence Unit (UNIF) the Suspicious Activity Reports deemed necessary, as well as the answers to the requests for information related to the matter that this and other competent authorities require, within the terms established by the laws and communications requesting information; e) Maintain institutional relations with this Superintendency/ UNIF; as well as with other competent authorities, non-governmental organizations and institutions dedicated to the prevention, repression and control of LC/FT/FPADM; f) Develop communication strategies aimed at informing and raising awareness among customers and employees on issues related to the subject matter, among others.

### INTERNAL AUDITOR

This officer is responsible for ensuring that the Bank's operations and procedures adhere to the Law, prudential regulations, the Institution's internal process manuals and the accounting principles approved by







## CORPORATE GOVERNANCE

BANESCO BANCO UNIVERSAL, C.A.

the Superintendency of Banks. Additionally, this official is in charge of overseeing the proper functioning of the internal control systems; ensuring compliance with the resolutions of the Annual General Meeting of Shareholders, the Board of Directors and the Superintendency of Banking Institutions; signing the financial statements, jointly with the legal representative and the general accountant; internally coordinating the analysis of the Institution's different operations and, acting jointly with the Audit Committee, reporting to the Board of Directors on the results of the different audits performed in order to improve the processes and be able to correct any breach that may arise. Its functions are attributed in the LISB and other sub-legal regulations issued by the banking regulator.

### THEMATIC DIRECTIVE COMMITTEES

These are the bodies supporting the exercise of the responsibilities of the Board of Directors. Their purpose is to promote compliance with corporate policies and the transparency of the business managed by management.

### LIABILITIES AND ASSETS COMMITTEE

This body is directly responsible for the management of market and liquidity risks (price, interest and exchange rate) together with capital adequacy. It periodically analyzes the degree of exposure to risks and defines short and medium-term financial strategies for the risks assumed in accordance with the foreseeable evolution of the markets. The main objective is to manage the Bank's assets and liabilities from a financial, commercial and risk perspective, anticipating market threats and opportunities, in order to optimize results and achieve compliance with the goals set forth in the financial planning..

### AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the efficiency of the Internal Control System based on the results obtained in internal and external audits, reporting and giving opinions on the reports, audits and inspections carried out and verifying that the observations made have been resolved.

The information provided by the **Audit Committee** promotes the internal control culture in the Organization and contributes to improving the management and efficiency of operations, as well as strengthening policies, standards and procedures in line with the current regulatory framework.

The Audit Committee is derived from the Bank's Bylaws, the LISB and the Rules issued by SUDEBAN. Its structure complies with current regulations and international best practices, allowing for transparent management based on the highest professional and ethical principles that frame the relationship with shareholders, clients, employees and other stakeholders of the Institution.

### CENTRAL CREDIT COMMITTEE

By express delegation of the Board of Directors, its purpose is to approve requests for credit operations, up to an amount equivalent to the maximum established in the Banking Sector Institutions Law or in any other legal or regulatory text that may regulate the amount in the future. maximum of credit operations that Banking Institutions can grant individually to specific persons or groups of persons linked to each other, including those that individually exceed five percent (5%) of the assets of the Institution.



## CORPORATE GOVERNANCE

BANESCO BANCO UNIVERSAL, C.A.

### ETHICS, DESIGNATION AND REMUNERATION COMMITTEE

It is a body with powers of information, supervision, advice and approval with the purpose of accompanying the Board of Directors in the performance of its responsibilities related to the management of appointments, remunerations, human management strategies and compliance with the Code of Ethics and Conduct of the Organization.

### RISK COMMITTEE

It is responsible for guaranteeing the existence and implementation of a set of objectives, policies, procedures and actions aimed at the administration, identification, measurement and mitigation of the risks to which the Bank is exposed, so that the risk profile is the desired by it, thus supporting the Board of Directors in achieving the strategic planning of the Organization and achieving its objectives.

### TECHNOLOGY COMMITTEE

Its main function is to ensure that technological implementations are aligned with the Bank's strategies and objectives, with a global and horizontal vision of the business, using resources responsibly and identifying and managing risks.

### EXECUTIVE THEMATIC COMMITTEES

#### COMMUNICATIONS AND MARKETING COMMITTEE

Its objective is to design and coordinate the Bank's marketing and communications strategies, aligned with the strategic plan and business goals, as well

as those related to brand studies, campaigns, promotions of the different products and services, communications plan and the Responsibility and Sustainability policy.

### PROJECTS AND INVESTMENT COMMITTEE

This body is responsible for monitoring the execution of projects and investments, from the creation of the portfolio to the completion of the projects, ensuring that they are aligned with the Bank's strategy and the fulfillment of the portfolio's promise of value. It is also responsible for ensuring that the portfolio of projects and investments to be presented to the Executive Committee for approval (annual or special), in compliance with the conditions that justify the allocation of resources in relation to: (i) impact in the achievement of the strategy; (ii) value generated to the bank; (iii) continuity and business risk; (iv) compliance with regulations; (v) feasibility of the sum to be invested and the capacity of needed execution; (vi) reasonableness and viability of the business cases for each of the approved investments; and (vii) Ensure control and monitoring of the Portfolio of Approved Projects and Investments, in the execution of the projects and the return on investment (value promise).

### PROCUREMENT AND BUDGETARY MANAGERIAL COMMITTEE

It is the body responsible for executing the Bank's budget management and procurement processes, from the formulation of the budget to the contracting of goods and services, guaranteeing the efficiency levels of the expenditure, as well as the selection of the best option offered in the market, in order to achieve the strategic objectives of the Organization.



## COMMISSIONER'S REPORT BANESCO BANCO UNIVERSAL, C.A.

SECOND HALF 2023

FEBRUARY 20, 2024

### TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF BANESCO BANCO UNIVERSAL, C.A.

In our capacity as Statutory Auditors, appointed at the Extraordinary General Shareholders' Meeting of the Bank, held on March 28, 2012, pursuant to the provisions of the Bylaws of the Institution and the Interprofessional Standards for the discharge of Statutory Auditor duties, and as provided for in articles 287, 309 and 311 of the Code of Commerce, we hereby inform that we have audited the statement of financial position as of December 31, 2023, and the related statements on income and application of net income, changes in Shareholders' equity and cash flows for the six-month period then ended. These statements accompany the reports of Independent Auditors of Adrianza, Rodríguez, Céfalo & Asociados (Members of Mazars International), issued on February 2, 2024, which should be made part hereof for all intents and purposes.

### FINANCIAL STATEMENTS RESPONSIBILITY OF THE BANK'S MANAGEMENT AND GOVERNANCE OFFICERS

The Management of Banesco Banco Universal, C.A. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards and instructions issued by the Superintendency of Banking Institutions (SUDEBAN). Likewise, the Bank's Management is responsible for implementing internal controls deemed relevant for the preparation of financial statements free from material misstatements, whether due to fraud or error.

In the preparation of the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as appro-

priate, relevant going concern matters, and using basis of accounting applicable to a going concern, unless Management intends to liquidate the Bank or cease operations, or otherwise, there is no other more viable option.

Management is responsible for overseeing the financial reporting process of the Bank.

### STATUTORY AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the approval of these financial statements based on our audit. The audit was conducted in accordance with the scope we deemed necessary, which is substantially narrower than the scope of an audit conducted in accordance with International Standards on Auditing, aiming to express an opinion on the basic financial statements taken as whole. Our audit covered the financial operations presented in the Financial Statements submitted for consideration by the Meeting: Statement of Financial Position as of December 31, 2023, Statement of Income, Statement of Changes in Shareholders' Equity and Cash Flow for the period then ended. Likewise, it included the review of the minutes of meetings of the Board of Directors and the Risk Committee, the Internal Audit Committee, Internal Audit Reports, and the review of matters concerning the Prevention and Control of Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction, and the correspondence received from and sent to the Superintendency of Banking Institutions (SUDEBAN). Hence, it is worth mentioning that the opinions we expressed herein on the financial position of Banesco Banco Universal, C.A., as of December 31, 2023, are mainly based on the audit conducted by Adrianza,



## COMMISSIONER'S REPORT

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Rodríguez, Céfaló & Asociados (Members of Mazars International), the independent auditors of the Bank for the same period. Their reports, issued on February 2, 2024, should be considered a part hereof, namely:

- I. Financial Statements as of December 31, 2023 and Independent Auditors' Report
- II. Combined Financial Statements of Trusts as of December 31, 2023
- III. Independent Limited Assurance Report on Standards for Appropriate Comprehensive Risk Management - Resolution No. 136.03 (January 1 to December 31, 2023)
- IV. Independent Limited Assurance Report on Standards for Appropriate Comprehensive Bank Liquidity Risk Management - Resolution No. 136.15 (July 1 to December 31, 2023)
- V. Report on Agreed-Upon Procedures for Non-Financial Information (July 1 to December 31, 2023)
- VI. Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction (July 1 to December 31, 2023)
- VII. Special Report on the Financial Statements as of December 31, 2023
- VIII. Memorandum of Recommendations on Accounting and Internal Control Procedures as of December 31, 2023.

In addition, the opinions expressed in this report are based on the following documents:

- I. Q3 and Q4 2023 Compliance Officer's Management Report
- II. Compliance Officer's 2023 Annual Management Report
- III. Banesco Banco Universal, C.A. Bank Client and User Ombudsman Report for the six-month period ended December 31, 2023.

### RECOMMENDATION

Based on our audit and the opinion of the Independent Auditors of Adrianza, Rodríguez, Céfaló & Asociados (Members of Mazars International), the Financial Statements in question present fairly, in all material respects, the financial position of Banesco Banco Universal, C.A. for the six-month period ended December 31, 2023, the income of its operations, changes in Shareholders' equity and cash flow for the six-month period then ended, in accordance with Generally Accepted Accounting Principles established by the Superintendency of Banking Institutions (SUDEBAN) for the Venezuelan banking system. Based on the foregoing, we recommend approval thereof.

### EMPHASIS OF MATTER

While we do not modify our opinion, we draw attention to the following matters, which are explained in more detail in the notes to the accompanying financial statements:

- The Bank, as a financial institution in the Venezuelan banking sector, prepares and presents its financial statements in compliance with the accounting framework established by the Superintendency



## COMMISSIONER'S REPORT

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of Banking Institutions, which exhibits substantial and pervasive differences with respect to generally accepted accounting principles in Venezuela. The Bank has outlined the most significant valuation and disclosure criteria in Note 2 to the accompanying financial statements.

- The Central Bank of Venezuela (BCV) has issued legal reserve standards for the banking sector, which may impact financial intermediation and results. The Bank has identified the most significant aspects in this regard in Notes 1 and 3 to the accompanying financial statements.

### OTHER MATTERS TO REPORT

- The Bank maintains control mechanisms to monitor compliance with Article 307 of the Code of Commerce. The Bank only declares and pays dividends to Shareholders on the basis of net profits earned.
- The Reserves, Provisions, and Statutory Accruals are reasonable and compliant with the governing regulations. Therefore, the managers have fulfilled the duties imposed by the Law, the Bylaws and the Current Legal System.
- Banesco Banco Universal, C.A., has implemented the corresponding audit programs in order to comply with the instructions given in Circular No. HSB-200-1155 of February 24, 1984, issued by the Superintendency of Banks and Other Financial Institutions, currently the Superintendency of Banking Institutions (SUDEBAN), as stipulated in Circular No. HSB-200-5355 of September 13, 1984.

- Throughout the audited period, we received no complaints from Shareholders, nor were we informed by any of them of any circumstances that, in our opinion, could weaken or have the potential to weaken the financial position of the institution.

- As part of our audit, we reviewed the communications exchanged with the Superintendency of Banking Institutions (SUDEBAN) during the six-month period ended December 31, 2023. In this regard, the following is noteworthy:

1. Letter No. SIB-II-GGIBPV-GIBPV5-02735 to Su-deban, dated July 13, 2023, regarding Account 819.992 - Provision for accrued and unearned interest on securities issued by PDVSA
2. Letter No. SIB-II-GGIBPV-GIBPV5-04151 to Su-deban, dated August 4, 2023, whereby the Bank submitted Accounting Vouchers and Supporting Documents for Agricultural Loans Settled - July 2023
3. Circular No. SIB-DSB-CJ-OD-05580 from SU-DEBAN, received on September 1, 2023, whereby the Superintendency rescinds the administrative sanctions imposed on Servicios Rapidpago, C.A., enabling the company to continue providing Point-of-Sale related services
4. Official Notice No. SIB-II-GGIR-GRT-06687 from SUDEBAN, dated October 13, 2023, whereby the Superintendency authorizes the Bank to reschedule the operation known as "Monthly Maintenance Plan of the Fix application (Program Temporary Fix 'PTF')"





## COMMISSIONER'S REPORT

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5. Letter No. SIB-II-GGIBPV-GIBPV6-06119 to SUDEBAN, dated November 3, 2023, whereby the Bank submitted the Audit Report containing the action plan defined to address the external auditors' observations included in the Memorandum of Recommendations for the first half of 2023

6. Official Notice No. SIB-II-GGIR-GRT-07931 from SUDEBAN, dated December 4, 2023, whereby the Superintendency request information pertaining to the launch of the Project called "Disponibilidad 7x24 Servicios Críticos" (7x24 Availability for Critical Services)

During the six-month period ended December 31, 2023, the following general Shareholders' meetings were held:

General Meeting of Shareholders	Notes	Date
Ordinary	1	September 25, 2023
Extraordinary	2	September 25, 2023
Extraordinary	3	September 25, 2023

**1. Items Discussed: First:** Discuss and resolve, upon review of the Board of Directors' report and the Statutory Auditors' report, on the approval of the Financial Statements presented by the External Auditors of the Bank for the six-month period ended June 30, 2023. **Second:** Discuss and resolve on the allocation of profits earned as of June 30, 2023.

**2. Items Discussed: First:** Discuss and resolve on the convenience of increasing the Bank's capital stock by the decree, allocation, and payout of stock dividends. **Second:** Discuss and resolve

on the adjustment of the par value of the Bank's shares from one ten-millionth of a Bolivar (Bs. 0.0000000001) to one Bolivar (Bs. 1.00) per share.

**Third:** Modify article 5 of the Bank's Bylaws regarding Capital Stock according to the resolution on the previous item.

**3. Items Discussed: Sole Item:** Appointment of the members of the Board of Directors of the Bank.

We attended the Ordinary Shareholders' Meeting and the Extraordinary Shareholders' Meeting held on March 27, 2023, as Main Statutory Auditor and Alternate Statutory Auditor.

During the six-month period ended December 31, 2023, the Board of Directors held the following meetings:

Board of Directors Meeting	Date
1,527	July 11, 2023
1,528	July 26, 2023
1,529	August 29, 2023
1,530	September 27, 2023
1,531	October 31, 2023
1,532	November 23, 2023
1,533	December 21, 2023

Upon reviewing the minutes of the Board of Directors' Meetings for the second half of 2023, we observed all the items discussed and approved at each meeting and we confirmed that the members of the Bank's Board of Directors and its secretary were present at each of the meetings listed above.



## COMMISSIONER'S REPORT

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### REVIEW OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023

Following the Independent Auditors' review of the Bank's Financial Statements as of December 31, 2023, we deemed necessary to mention the following aspects:

#### REGULATORY SYSTEM

##### CASH AND DUE FROM BANKS

"Cash and Due from Banks" comprises cash amounts in domestic and foreign currency, held at call with the Central Bank of Venezuela (BCV) and with local and foreign banks, amounting to Bs. 11,002,215,444. This includes US\$ 207,422,689, equal to Bs. 7,440,127,180, as of December 31, 2023. Cash and due from banks are subject to the purpose or use required or permitted by current regulations, as described below:

##### A. LEGAL RESERVE

The Bank must hold a minimum legal reserve with the BCV of 73% of its net local-currency obligations and 31% of its net foreign-currency obligations. Under Resolution No. 22-01-01, issued by the BCV, obligations arising from foreign currency deposits received within the national financial system are exempt from the calculation of the legal reserve requirement. The BCV deducts from the calculated reserve position transactions with other banking institutions, amounts paid upon the acquisition of hedging instruments for its clients, amounts resulting from foreign exchange sales under the exchange rate intervention mechanism, and accumulated financial costs arising from any deficits that may have occurred, if any.

Banking institutions with a reserve deficit are required to pay the BCV a financial cost calculated daily by the BCV. In the six-month period ended December 31, 2023, the Bank recognized Bs. 121,783,220 for this concept, which is presented in "Miscellaneous operating expenses."

The legal reserve required by the BCV amounts to Bs. 3,163,762,089, which is presented in the balance sheet as "Banco Central de Venezuela" under "Cash and due from banks."

##### B. EXCHANGE INTERVENTION, FOREIGN EXCHANGE DESK AND RETAIL

In compliance with foreign exchange regulations, the Bank, as an exchange dealer, maintains cash and due from banks in foreign currency intended for the Foreign Exchange and Free Convertibility System (SMCLC), the balance of which is as follows:

Availability for foreign exchange operations (Bs.)	31-12-2023
Cash: for exchange table and retail operations (US\$ 6,102,447)	218,891,125
Central Bank of Venezuela (BCV): Exchange Intervention (US\$ 1,460,844)	52,399,600
	271,290,725

##### C. CASH AND DUE FROM BANKS IN FOREIGN CURRENCY

Under Exchange Agreement No. 1, "Cash and due from banks" includes funds from customers' deposits in foreign currency, which are reflected in the "Cash" and "Banks and foreign correspondents" accounts.



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### INVESTMENT SECURITIES

#### A. PLACEMENTS IN THE CENTRAL BANK OF VENEZUELA AND INTERBANK TRANSACTIONS

Interbank placements represent overnight transactions with other local financial institutions, presented at par value for a total of Bs. 707,739,114, which is close to their fair value, bear interest at an annual rate of 15%, and are due in January 2024.

During the six-month period ended December 31, 2023, interbank placements generated "Financial Income" of Bs. 12,128,437, presented as "Income from Investment Securities" within the "Financial Income" section of the statement of income.

#### B. HELD-TO-MATURITY INVESTMENT SECURITIES

*"Held-to-Maturity Investment Securities"* correspond to national and foreign public debt securities, which the Bank has the firm intent and ability to hold to maturity.

The Bank holds securities issued or guaranteed by the Venezuelan Government or its entities, presented as "Held-to-Maturity Investments" at amortized cost, maturing in 2027 and 2037, the cumulative gains of which remain unpaid by the issuer. On May 22, 2020, by Official Notice No. SIB-II-GGIBPV-GIBPV5-02735, SUDEBAN authorized the Bank to record in the subaccount named "Other Control Accounts" the accrual of gains receivable related to securities issued by Petróleos de Venezuela, S.A. (PDVSA) beginning with the coupon payment due on April 12, 2020, and to recognize the income upon receipt of pay-

ment of the coupons. Consequently, as of December 31, 2023, the Bank maintains returns receivable on investment securities amounting to Bs. 35,234,890, presented in memorandum accounts.

During the six-month period ended December 31, 2023, the Bank recognized income of Bs. 18,843,068 from the amortization of discounts in held-to-maturity investment securities, presented as *"Valuation gain on investment securities,"* under *"Other operating income"*.

#### C. RESTRICTED INVESTMENTS

Restricted investments are primarily represented by term deposits held in foreign financial institutions to guarantee operations related to licensing agreements for the non-exclusive and royalty-free use of the VISA, MasterCard, and American Express credit card trademarks.

During the six-month period ended December 31, 2023, time deposits generated financial income of Bs. 10,518,001, presented as "Income from investment securities" under "Financial Income".

The trust of the Social Contingency Fund held with Banco Exterior, C.A. was established pursuant to the provisions of the Banking Institutions Law to guarantee workers the payment of their labor claims in the event of the bank's liquidation.



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### D. CONCENTRATION OF OPERATIONS AND OTHERS

The Bank maintains the safekeeping of securities issued or guaranteed by the Venezuelan Government with the BCV and Caja Venezolana de Valores, C.A. Securities related to placements and trusts held in national and foreign banks are safeguarded by the respective banks.

During the six-month period ended December 31, 2023, there were no transfers between investment categories

### LOAN PORTFOLIO

The Loan Portfolio mainly consists of loans granted to individuals and private entities, including commercial loans, microloans, and CPUN loans, denominated in bolivars adjusted to the IDI value (BCV Investment Index), and consumer loans in nominal bolivars.

#### A. LOAN PORTFOLIO CLASSIFICATION

As of December 31, 2023, the balance of the Loan Portfolio includes Bs. 694,575,700, corresponding to changes in UVC loans recognized in "Adjustments to equity," net of provisions associated with changes in the Loan Portfolio.

The **immobilized portfolio**, on which interest is not accrued, represented by past-due loans and loans in dispute, amounts to Bs. 12,965,610.

Unrecognized interest on this portfolio during the six-month period amounts to Bs. 37,772, which is presented in memorandum accounts.

### MANDATORY PORTFOLIO

#### SINGLE NATIONAL PRODUCTIVE PORTFOLIO (CPUN)

During the second half of 2023, the Bank recognized Bs. 134,963,324 in the "Revenues from Loan Portfolio" account as income from a 20% special charge upon settlement of the agricultural loan from the CPUN portfolio. As of December 31, 2023, the CPUN includes Bs. 239,524,472 from the original amount of the special charge and its corresponding credit variations determined under BCV guidelines, recognized in "Adjustments to Equity."

#### MICROFINANCE PORTFOLIO

As of December 31, 2023, it was observed that the microfinance portfolio consists of 1,408 debtors, who were granted 1,490 loans at a maximum interest rate of 16%, adhering to the 3% minimum requirement and maintaining a 4.34% of the portfolio.

#### PROVISION FOR LOAN PORTFOLIO

The provision for Loan Portfolio comprises both generic and countercyclical provisions totaling Bs. 118,995,689. Additionally, the Bank maintains a voluntary generic provision, which is established based on its own risk estimates of Bs. 7,147,679 to cover potential losses in the loan portfolio.

### INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

The Bank recognized net gains from equity share in affiliates of Bs. 4,287,022, presented in "Other Operating Income" for Bs. 5,882,141 and in "Other operating expenses" for Bs. 1,595,119. At the six-mon-



## COMMISSIONER'S REPORT

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th period end, this net gains from equity share were transferred to *"Restricted surplus"*, in accordance with prudential regulations.

### PROPERTY AND EQUIPMENT

On October 26, 2022, by Official Notice No. SIB-II-GGIBPV-GIBPV6-07855, SUDEBAN authorized the Bank to revalue assets up to the amount of Bs. 240,000,000. Consequently, during the six-month period ended December 31, 2022, the "Buildings and Facilities" account was increased by that amount with credit to the "Adjustments to Equity" account, under "Shareholders' Equity". Pursuant to current banking regulations, the balance of the Revaluation Surplus cannot be capitalized or use for any reason whatsoever. This revaluation is charged to depreciation over the remaining useful life of the asset and is below the fair value of the property as determined by the appraiser.

The Bank made disbursements of Bs. 96,648,545, primarily related to improvements made to the branch network and main headquarters, which are presented as "Works in Progress," and transferred Bs. 108,102,362 from this account to "Buildings and Facilities" and Bs. 31,619,471 to "Leasehold Improvements," as these projects were fully completed.

The Bank acquired furniture and equipment for Bs. 237,013,332, primarily consisting of computer and data storage equipment.

The Bank recognized depreciation expenses of Bs. 29,388,399, which are presented in the statement of income, under "General and administrative expenses." This includes depreciation expense on the revalued amount for a total of Bs. 3,469,861, which applies to the six-month period ended December 31, 2023.

### OTHER ASSETS

"Advances to Suppliers" are mainly related to disbursements to consultants for the development of technological projects, infrastructure, and suppliers of goods and services, among others.

"Other Prepaid Expenses" are mainly represented by insurance policies, advertising and agency rentals, among others.

"Other Deferred Expenses" consist mainly of technological developments totaling Bs. 400,869,701. In the six-month period ended December 31, 2023, the Bank removed from its balance sheet the costs associated with a technological project amounting to Bs. 275,173,675, net of accumulated amortization of Bs. 32,160,974, which was charged to *"General and Administrative Expenses"* in the statement of income.

Amortization of deferred expenses amounts to Bs. 98,102,423.

*"Immediate credit transactions"* and *"Other electronic channel transactions"* are carried out through the payment systems of the BCV's Electronic Clearing House or through Visa, MasterCard and AMEX credit cards pending settlement or clearing. These items are cleared on the first business day after the closing.

The Bank records provisions on other assets based on the recoverability and aging analysis.

### CUSTOMERS' DEPOSITS

Customers' deposits include Bs. 759,857,442 from government entities, which represent 4.87% of total deposits.

Customers' deposits include US\$ 148,004,356, equal to Bs. 5,308,827,714, from transactions in





## COMMISSIONER'S REPORT

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the country presented as *"Current accounts under the Free Convertibility Exchange System"*. Under Exchange Agreement No. 1 and under the guidelines set by SUDEBAN in its Circular No. SIB- II-GGR-GNP-00335 of January 18, 2023, resources from customers' deposits in foreign currency that are not sold to grant UVC loans must be maintained in *"Cash and Due from Banks"*.

"Customers' deposits" generated interest expense of Bs. 162,000,605.

### OTHER FINANCING OBTAINED

During the six-month period ended December 31, 2023, the Bank recorded expenses for other financing obtained of Bs. 35,952,698, presented under "Finance Expenses" in the statement of income.

### ACCRUALS AND OTHER LIABILITIES

*"Accounts payable for services"* mainly arise from the following transactions inherent to the banking activity: (a) accounts payable to clients for trading and securities custody operations in the secondary market and the corresponding accrued interest payable of US\$ 25,576,825 equal to Bs. 917,425,425; (b) accounts payable for the processing of payment services to suppliers, payroll, direct debits and transfers through electronic channels of Bs. 727,580,780; and (c) accounts payable to clients for processing credit and debit cards in the Bank's point-of-sale at commercial establishments, amounting to Bs. 478,112,951. Accounts payable related to services and payment methods are settled in the early days of the month following the closing date.

"Items to be applied" mainly include taxes collected and payable to the National Treasury of Bs. 113,690,869, which are paid in the early days of the month following the closing date.

### SHAREHOLDERS' EQUITY

#### PAID-IN CAPITAL

The capital stock amounts to Bs. 61,000,000,000, fully subscribed and paid, represented by 610,000,000,000,025,000,000 registered common shares at a par value of Bs. 0.0000000001 each.

On June 30, 2023, SUDEBAN issued Resolution No. 029.23, which modifies Resolution No. 014.22 of March 10, 2022, regarding the minimum capital stock that banking institutions must maintain in order to incorporate and operate in the country. In this sense, it provides that the minimum capital stock must not be less than the highest amount resulting from the following indicators:

- The equivalent of 1,200,000 times the official exchange rate of the highest value currency published by the BCV, if they have their main seat in the Metropolitan Area of Caracas, as well as in the cities of Guarenas, Guatire, San Antonio de los Altos, Carrizal, Los Teques, Los Valles del Tuy, and in the state of La Guaira; at least 1,000,000 times the official exchange rate of the highest value currency published by the BCV, if they are located in any jurisdiction of the country and SUDEBAN qualified them as a regional universal bank.
- The equivalent of 3% of Total Assets, as reflected in the financial statements as of the end of the fiscal year ended December 31 of the immediately preceding year.



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The minimum capital stock required for operation will be adjusted annually, during the first half of each year. Banks with capital stock falling short of the minimum requirement must make cash contributions from their own shareholder funds, which cannot be less than 60% of the amount to be increased. The remaining amount can be covered by capitalizing retained earnings, up to 40% of the required capital increase. As of December 31, 2023, the required capital stock, calculated as such, amounts to Bs. 225,309,326.

### NON-CAPITALIZED EQUITY CONTRIBUTIONS

In June 2023, in view of the capital increase approved by the Shareholders at an Extraordinary General Meeting held on June 20, 2023, the Bank received cash contributions from its shareholders amounting to Bs. 99,000,000, which are presented in the “*Non-capitalized Equity Contributions*” group, awaiting approvals from the banking regulatory and supervisory agencies for their reclassification as capital stock.

### CAPITAL RESERVES

#### LEGAL RESERVE

The Bank is required to transfer a minimum of 20% of its net income for each period to the legal reserve until it reaches 50% of the capital stock. Upon reaching this limit, not less than 10% of the net income for each six-month period must be allocated to increase the legal reserve fund until it reaches 100% of the capital stock. During the six-month period ended December 31, 2022, the Bank transferred Bs. 60,999,999 to the legal reserve, thus reaching said limit.

### OTHER MANDATORY RESERVES

The Bank must establish a Social Contingency Fund equal to 10% of its capital stock by setting up a trust in cash with another national banking institution. This percentage is achieved through semiannual contributions equal to 0.5% of the capital stock less the amount of interest generated by the trust, as provided for by SUDEBAN in Resolution No. 305.11 of November 28, 2011.

During the six-month period ended December 31, 2023, the Bank transferred Bs. 305,000 to other mandatory reserves for this concept and recognized the interest accrued on this trust for Bs. 3,755.

### ADJUSTMENTS TO EQUITY

Accumulated exchange gains or losses included in “Adjustments to Shareholders’ Equity” accounts may be used under the provisions of current prudential regulations and prior authorization by SUDEBAN. The revaluation surplus cannot be used under any circumstances.

### UNDISTRIBUTED EARNINGS

At Ordinary Meetings held on September 25, 2023, the shareholders approved a declaration of cash dividends of Bs. 340,000,000, with charge to undistributed earnings as of December 31, 2023.



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### FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND OTHER MEMORANDUM ACCOUNTS

#### CONTINGENT DEBTOR ACCOUNTS - OFF-BALANCE-SHEET FINANCIAL INSTRUMENTS

The Bank maintains automatic lines of credit issued to meet the financial needs of its clients, subject to prior credit risk assessment, which represent loan commitments of Bs. 349,238,738 and are presented as "Contingent Debtor Accounts".

These automatic draw credit lines are considered non-binding as the Bank retains full and absolute discretion to revoke these commitments in the event of credit impairment. Therefore, Management believes there is no immediate credit risk and, consequently, no provisions for contingent risks are generated.

#### TRUST ASSETS

Trust funds held by public entities account for 29.98% of the total trust assets, one of which representing 18% of the total trust assets.

As per the contractual stipulations, interest earned on trust investments is either credited to the current accounts of the Bank's trustors or beneficiaries or capitalized, as per their instructions. Proceeds from social benefit trusts are held until the closing of the fiscal year of the trustor's fund. At the closing date, the interest is credited or capitalized to the account of the trustor or beneficiary.

As per Article 72 of the Banking Institutions Law, banking institutions are required to provide semian-

nual reports on the funds invested and managed on behalf of trustors.

- **Maximum Limit for Total Trust Funds:** In accordance with Resolution No. 083.12, published in Official Gazette No. 39941 of June 11, 2012, the total amount of trust funds presented under "Trust Assets" may not exceed five times the total assets of the trustee institution, less the balance of the "Contributions for Capital Increases" account. As of December 31, 2023, the total of the trust funds does not exceed the aforementioned assets.
- **Loan Portfolio:** The "Loan Portfolio" comprises active loans granted to beneficiaries of social benefit trust agreements for Bs. 7,252,392, which are secured by contributions that constitute the trust assets.

#### DEBIT ACCOUNTS RELATED TO OTHER TRUSTS (HOUSING AND HABITAT BENEFIT SYSTEM)

The Decree Law on the Housing and Habitat Benefit System and its rules of operation establish the plans, programs, projects, works, and actions required for the construction of housing and habitat, mainly aimed at families receiving different types of housing assistance on a massive scale. The Housing Savings Funds mainly comprise mandatory monthly savings of workers and mandatory monthly contributions from employers to the account of each worker in the public and private sectors. Loans acquired under this condition accrue a preferential annual interest rate, and all funds not granted in financing, arising from housing savings contributions, must be held in trust funds.



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As of December 31, 2023, the Bank maintains investment trusts with the National Bank of Housing and Habitat (Banco Nacional de Vivienda y Hábitat - BANAVIH) for Bs. 3,331,578, representing the unused funds from deposits under the Law on the Housing and Habitat Benefit System.

### OTHER DEBTOR MEMORANDUM ACCOUNTS

**Guarantees Received:** It is mainly represented by sureties from individuals and legal entities and guarantees from other financial institutions amounting to Bs. 32,195,658,604 and Bs. 1,105,338,332, respectively.

**Custodies Received:** It includes securities held in custody for clients by the Bank, as a securities intermediary, consisting of hedging securities issued by the BCV as part of money market auctions, which will be held in custody to maturity: stocks, bonds, and other securities, and foreign currency custody services for clients.

**Other Control Accounts:** Accounts that in Management's opinion contribute to stronger internal control and do not represent contingent risks for the Bank.

They consist mainly of letters of credit pending release, foreign currency balances from 2015, pending allocation and being processed with the National Foreign Trade Center (CENCOEX), securities due and written-off, and accrued interest receivable past due.

### CONTINGENCIES

#### JUDICIAL CONTINGENCIES

As of December 31, 2023, there are civil and commercial lawsuits amounting to Bs. 6,840,954,232 corresponding to claims for material and moral damages filed against the Bank. The Bank has timely and sufficiently presented its arguments at all instances and stages of the process, and the rulings are likely to be favorable to the Bank. As of December 31, 2023, the Bank's provision amounts to Bs. 2,634,767, which is presented under the "Accruals and Other Liabilities" caption.

#### BALANCES IN FOREIGN CURRENCY

During the six-month period ended December 31, 2023, the Bank recorded unrealized exchange gains on the valuation of foreign currency balances for a net amount of Bs. 1,132,805,907 and realized gains, mainly from exchange operations in its role as an exchange dealer, totaling Bs. 789,230,530. These gains are presented in the "Adjustments to Equity" account under the equity caption. As authorized by SUDEBAN, in the six-month period ended June 30, 2023, the Bank transferred exchange gains of Bs. 227,674,628 from the aforementioned equity account to income. These gains are presented as "Other Operating Income" and as a deduction from the exchange gains for the six-month period in the statement of changes in shareholders' equity.

Current legal regulations provide that universal banks must maintain their net foreign currency positions within the limits established by the BCV. On April 8, 2019, by Circular No. VOI-GOC-DNPC-004, the BCV temporarily exempted the overall net active or long foreign currency position from any maximum limit.



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### OTHER OBSERVATIONS CONCERNING THE REGULATIONS ON THE APPROPRIATE COMPREHENSIVE BANK LIQUIDITY RISK MANAGEMENT - RESOLUTION NO. 136.15

#### LIQUIDITY RISK POLICIES AND PROCEDURES

1. Based on the Independent Limited Assurance Report on Standards for Appropriate Comprehensive Bank Liquidity Risk Management under Resolution No. 136.15, for the second half of 2023, we observed that the *"Liquidity Risk Manual"* includes standards, policies and procedures for the comprehensive liquidity risk management and administration, specified in Article 6 of Resolution No. 136.15, as asserted by Management and observed by the independent auditors:

- a) The *"Liquidity Risk Manual"* presents methodologies for measuring indicators to evaluate, monitor, manage, and report on situations that pose potential sources of liquidity risk.
- b) The *"Liquidity Risk Manual"* presents methodologies for measuring indicators and valuation criteria considering the maturities of its assets and liabilities, including the calculation of the Net Stable Funding Ratio (NSFR), which takes into account off-balance sheet positions.
- c) The *"VPAIR's Organization and Administration Systems Manual"* outlines the liquidity risk management systems, parameterized to load information generated from operations.
- d) The *"VPAIR's Organization and Administration Systems Manual"* outlines the duties of the Executive Management of Market and Liquidity Risk

Models, which is responsible for issuing periodic information on the management of risks arising from the analysis conducted on financial assets and liabilities that is presented to ALCO and the Risk Committee, as per the minutes of said Committees.

- e) The Bank implements a liquidity contingency plan, which describes the framework for handling scenarios of potential adverse liquidity events.
  - f) The *"Liquidity Contingency Plan"* outlines the mechanisms for monitoring liquidity risk alerts based on the severity or moderation of indicators to measure, monitor, and control the liquidity risk. The indicators are classified into (i) regulatory variables, (ii) internal behavior of the institution, and (iii) market environment. Each variable is measured on a scoring scale, and the combination of these variables will indicate an overall risk score.
  - g) The *"Liquidity Risk Manual"* outlines the procedure to address limit breaches, thus involving ALCO, the Risk Committee, and the Board of Directors in this process.
2. Based on the Independent Limited Assurance Report on Standards for Appropriate Comprehensive Bank Liquidity Risk Management under Resolution No. 136.15 for the second half of 2023, we observed that the independent auditors reviewed the Risk Committee and Board of Directors' minutes and that the *"Liquidity Risk Manual"* was reviewed during the second half of 2023 and approved in their meetings held on November 27, 2023 and December 21, 2023,





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respectively. The updated manual incorporated the following: (i) Measurement of liquidity indicators in USD, (ii) analysis of loans granted under funds of freely convertible accounts, (iii) calculation of legal reserve requirement, (iv) monitoring of bank deposit volatility, (v) bank rating model for granting lines of credit in international financial institutions, and (vi) interest rate risk.

### BOARD OF DIRECTORS

As a result of the procedures that the Independent Auditors carried out during the second half of 2023, they observed that the responsibilities of the Board of Directors, particularly regarding liquidity risk management, are outlined in the "Liquidity Risk Manual." These responsibilities are in line with those stated by Management and those provided for by Article 8 of Resolution No. 136.15. Furthermore, the Board of Directors participates in the liquidity risk management process. The discharge of its duties is documented in the minutes of the Board of Directors' meetings numbered 1528 to 1533, held on July 26, August 29, September 27, October 31, November 23, and December 21, 2023, respectively.

### REPORTS TO SUDEBAN - AT-28 "LIQUIDITY"

As a result of the procedures that the Independent Auditors carried out during the second half of 2023, upon reviewing supporting documents that validate data transmission for the second half of 2023, they observed that the AT-28 "Liquidity" report was submitted to SUDEBAN within the stipulated timeframes and received satisfactory confirmation.

### OTHER OBSERVATIONS PERTAINING TO THE STANDARDS FOR APPROPRIATE COMPREHENSIVE RISK MANAGEMENT – RESOLUTION NO. 136.03

#### RISK COMMITTEE

As a result of the procedures that the Independent Auditors carried out during the second half of 2023, they observed that the most recent Risk Committee update by the Board of Directors was approved at meeting number 1526 held on June 29, 2023, and that the Risk Committee is made up of officials from risk-prone areas, as follows: three members of the Board of Directors and the President of the Bank (all with voting rights), the head of VPAIR, the Compliance Officer for the Prevention of Money Laundering, Terrorist Financing, and the Financing of the Proliferation of Weapons of Mass Destruction, the General Manager, and the Executives in charge of business areas related to risk-taking (participating with voice but without vote), pursuant to Article 4 of Resolution No. 136.03.

They observed that the duties of the Risk Committee are documented in the "VPAIR Organization and Administration Systems Manual" and are in line with those stated by Management and provided for in Article 5 of Resolution No. 136.03.

During the second half of 2023, six (6) Risk Committee meetings were held, one per month, as per the minutes of the meetings numbered 220 to 225, duly signed by its members, held on July 25, August 28, September 25, October 23, November 27, and December 18, 2023, respectively.



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### OTHER OBSERVATIONS PERTAINING TO BANESCO BANCO UNIVERSAL, C.A. CLIENT AND USER OMBUDSMAN REPORT AS OF DECEMBER 31, 2023.

As per the Report on Agreed-Upon Procedures for Non-Financial Information, the independent auditors performed procedures and observed that:

1. The Bank submitted SUDEBAN the AT13-Claims reports for the second half of 2023, within the timeframe.
2. Upon reviewing the claim files in the selected sample, the independent auditors verified that the information agrees with the data reported in the AT13-Claims reports for the corresponding month. They further confirmed that the claims were accurately classified as “admissible” or “inadmissible” and that the claim resolution was issued within the timeframe.
3. We observed that the information concerning the number of monetary and service requests admitted during the six-month period ended December 31, 2023 was presented to the Board of Directors, as evidenced by the minutes of the meeting held on January 31, 2024. The figures presented were in line with those included in the Customer and Bank User Ombudsman Report for the corresponding six-month period. Furthermore, evidence was provided regarding the submission of recommendations to be implemented by the department in subsequent six-month periods. Likewise, we observed that the corresponding Customer and Bank User Ombudsman Report as of December 31, 2023 details the progress made on the recommendations submitted to the Board of Directors and the actions taken to ensure appropriate service rendering across the bank branch network, as SUDEBAN instructed by official notices No. SIB-

II-CCSB-07740 of November 27, 2023, and No. SIB-II-CCSB-04267 of June 29, 2023.

### DESIGN AND STRUCTURE OF THE COMPREHENSIVE MANAGEMENT SYSTEM OF RISKS RELATED TO MONEY LAUNDERING, TERRORIST FINANCING, AND FINANCING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Based on the procedures carried out and the results obtained by the Independent Auditors, it is evident that:

1. They requested the “ML/TF/PWMD Risk Management Policies and Procedures Manual” (hereinafter, the “Manual”), read the minutes of the Board of Directors of the second half of 2023, and observed that the Board of Directors approved the latest update to the Manual, as recorded in the minutes of Board’s meeting No. 1527, held on July 11, 2023.
2. They checked the general organizational chart of the Bank and the ML/TF/FPWMD Profile Assessment Report, and observed that they both include the structure for the prevention and control of ML/TF/FPWMD.
3. They reviewed the Manual and observed that the organizational structure of the Comprehensive System is included and documented in Chapter II “Comprehensive ML/TF/FPWMD (SIAR’s LC/FT/FPADM) Risk Management System,” as follows:
  - a) The structure of the Manual is described with all its stakeholders and is consistent with the requirements of Resolution No. 083.18. It was observed that it includes the executive stakeholders provided for in its article 14, namely: (i) the Board of Directors, (ii) the President, (iii) the Chief Compliance Officer, (iv) the Unit, and (v) the Area Compliance Officers.



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- b. The Chief Compliance Officer is a senior official who reports directly to the Board of Directors, as provided for in Article 17 of Resolution No. 083.18. There is no evidence of hierarchical conflicts between the reporting levels and those outlined in the regulations.
- c. A review of the overall organizational chart and the December 2023 payroll revealed no evidence that the Chief Compliance Officer is assigned to areas other than ML/TF/FPWMD risk management.
- d. The SIAR structure meets the minimum number of employees required under the regulations.

### OTHER COMPREHENSIVE SYSTEM COMPONENTS

#### ANNUAL OPERATING PLAN

Through the Procedures carried out by the Independent Auditors during the second half of 2023, they observed that the Annual Operating Plan for 2023 was approved by the Board of Directors, as certified in the Minutes of Meeting No. 1533 held on December 21, 2023, in order to comply with Article 28 of Resolution No. 083.18.

They obtained the AOP Compliance Report for the third quarter, included in the Compliance Officer's quarterly management report, which shows the percentage of progress made towards each of the objectives outlined in the AOP, as required by Article 30 of Resolution No. 083.18. The Third Quarter 2023 Report indicates an overall cumulative compliance of 76.39%, achieved through: (i) 100% completion of 19 activities from the annual training program; (ii) progress in developing communication strategies aimed

at employees and clients; (iii) 75% completion of the ACRM Monitor Plus System Migration Project to Version 5.0; (iv) 70% progress on the acquisition of the adverse media screening tool to check customers; (v) 75% completion of remote audits to evaluate the constitution of client files; (vi) 100% completion of employee file audits; (vii) 100% completion of service provider file audits; (viii) 75% completion of in-person knowledge measurement of employees in high-risk areas on AML/CFT/FPWMD matters; (ix) 100% completion of the gap closure plan corresponding to the 2022-2023 annual risk assessment; and (x) 20% progress on the ML/TF/FPWMD annual risk assessment.

#### CODE OF ETHICS

The Bank has a "Code of Ethics" that includes ethical and behavioral aspects related to the prevention and control of ML/TF/FPWMD, as required by Article 31 of Resolution No. 083.18. The Independent Auditors observed that the Code of Ethics remained unchanged during the second half of 2023, and its last update was the one approved by the Board of Directors in the minutes of meeting No. 1501 of September 29, 2021.

#### INSTITUTIONAL COMMITMENT

Through the procedures that the Independent Auditors carried out during the second half of 2023, they reviewed the Institutional Commitments to prevent ML/TF/FPWMD, which they received in digital format and were individually signed in November 2023 by the active members of the Board of Directors, both primary and alternate, appointed by the Extraordinary Shareholders' Meeting held on September 25, 2023, for the 2023-2026 term, and duly authorized by SUDEBAN.



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### POLICIES, STANDARDS AND PROCEDURES MANUAL

As per the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, the Independent Auditors reviewed the minutes of the Board of Directors' meetings and confirmed that the Manual was updated during the six-month period. The latest version in effect, corresponding to No. 31, was approved by the Board of Directors, as per the minutes of meeting No. 1528 of July 26, 2023.

### "KNOW YOUR CLIENT" POLICY

Based on the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, issued by the independent auditors, it was evidenced that they reviewed the Manual and observed that it outlines the procedures related to the start of business relationships and the updating of customer data, as well as the constitution of files. Such procedures include the obligation to maintain individual records and files of clients, which contain the information and documents specified in Articles 45 to 52 of Resolution No. 083.18. It is indicated that the client files may be updated taking into account the ML/TF/FPWMD risk level: (i) High Risk Level: Every 18 months; (ii) Medium Risk Level: Every 24 months; and (iii) Low Risk Level: Every 36 months.

They requested the template of the applicable "Client Identification Form" and observed that the model contains the required information in the single format for natural and legal persons provided by the regulatory agency in its Circular No. SIB-DSB-UNIF-17656 of October 30, 2018, as provided for in Article 52 of Resolution No. 083.18.

Upon reading the Manual, they observed that it provides under Chapter IV, section 4.5 details on the due diligence to be followed for clients, based on their "High, Medium and Low" risk level. Likewise, the Bank has the sub-process document named "*Applying Due Diligence to Clients*." The text states that the minimum due diligence requirements are as follows: Standard Due Diligence (SDD) for all customers, Enhanced Due Diligence (EDD) for medium-risk customers, and Ongoing Due Diligence (IDD) for high-risk customers in the areas of ML/TF/FPWMD, as provided for in Article 45 of Resolution No. 083.18.

### "KNOW YOUR EMPLOYEE" POLICY

Based on the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, issued by the independent auditors, it was evidenced that they requested the Manual and observed that Chapter V contains the "*Know Your Employee Policy*," which refers to the procedures for selecting, hiring, and managing employees in order to contribute to the prevention, detection, and sanctioning of crimes related to ML/TF/FPWMD. It was established that the immediate supervisor will be responsible for closely monitoring any changes in the income, conflicts of interest, expenses, and debt level of employees. If any of such changes are observed, the supervisor must request supporting documentation for the situation, which must be reported to the AML/CFT/FPWMD Unit, considering as a reference the list of unusual behaviors indicated in the Manual.

A random sample of 15 employee files of new hires was examined, revealing that 100% of them had completed the required data verification, reference checks, and declarations of knowledge, as required



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under Article 71 of Resolution No. 083.18. Management stated that new employees receive introductory training before starting their work duties, which is supported by attendance lists and the respective Declaration of Knowledge. Subsequently, they are incorporated into the training sessions established in the Annual Training Program.

### HUMAN RESOURCES TRAINING AND DEVELOPMENT POLICIES

Based on the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, issued by the independent auditors, it was evidenced that they reviewed the "Annual Training Program" for 2023, which details the objectives, activities, timeframe, measurement units, goals, resources, officers, costs, and contingency measures for each activity related to ML/TF/FPWMD. The Manual is segmented based on the duties and responsibilities of the type of position to which the training is intended: (a) New hires; (b) SIAR stakeholders: members of the Board of Directors, the Chief Compliance Officer, members of the Unit, and Area Compliance Officers; (c) Personnel assigned to high-risk areas, namely: Executive Vice Presidency of Human Capital, Trust Management, Executive Vice Presidency of Corporate Governance and Legal Matters, Vice Presidency of Integral Security, Vice Presidency of Credit and Collection, Vice Presidency of Commercial Lending, Vice Presidency of Internal Auditing, Specialized Banks, Executive Vice Presidency of Technology, Vice Presidency of Comprehensive Risk Management, Vice Presidency of Procurement

and Administration, Vice Presidency of Procurement and Administration, and Branch Network.

### AUDITS - ANNUAL INTERNAL AUDIT EVALUATION AND CONTROL PROGRAM AND INTERNAL AND EXTERNAL AUDIT REPORTS

Based on the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, issued by the independent auditors, it was evidenced that they requested and received the **Annual Evaluation and Control Program to be implemented by the Internal Audit Department** to ensure that audit schedules include a review of the area of Prevention and Control of Money Laundering, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction (ML/TF/FPWMD), as required under Resolution No. 083.18.

### PERIODIC REPORTS

Based on the Independent Limited Assurance Report on the Management of Risks Related to Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction for the second half of 2023, issued by the independent auditors, it was evidenced that they read the "*Money Laundering, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction Risk Management Policies and Procedures Manual*," and observed that the procedures for detecting unusual transactions and reporting suspicious activities are detailed in Chapter VI.





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Upon reviewing the supporting documents to validate data transmission for the periodic reports corresponding to the six-month period, they observed that the reports were submitted within the timeframes and met the technical specifications for each report.

In view of the foregoing, we recommend that the shareholders approve the financial statements of Banesco Banco Universal, C.A., for the six-month period ended December 31, 2023, as presented by the Board of Directors. We also recommend the approval of the management of the Bank's administrators for the six-month period ended December 31, 2023. We urge them to implement the recommendations outlined in the independent auditors' reports, as well as the observations and instructions issued by the Superintendency of Banking Institutions through official notices and circulars in the exercise of its legal regulation and control powers.



**Emilio A. Ladera M.**

*Main Commissioner*

C.P.C. 56.653

**Antonio Lobo Zambrano**

*Alternate Commissioner*

C.P.C. 9.431



# CORPORATE MANAGEMENT REPORT

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## HUMAN CAPITAL

### TALENT AND TRAINING DEVELOPMENT

In 2023, we developed training experiences aimed at enhancing the skills, knowledge, and abilities essential for Banesco Citizens to fulfill their job duties, with a focus on the use of tools and methodologies that strengthens the business. To ensure comprehensive support for our employees, different strategies were implemented, both in-person and online, as well as virtual methods. In addition to technical knowledge and attitudinal aspects, we also addressed the regulatory requirements specific to banking activities. The most relevant initiatives are as follows:

- A total of 32,456 individuals participated in both in-person and online activities, with 99 webinars conducted on topics related to Occupational Safety and Health, Risk Culture, Productivity, and the Use of Technological Tools that streamline daily work.
- A total of 14 conferences were conducted on topics such as leadership, productivity, agility, digital transformation, and emotional intelligence, with an attendance of 2,497 participants. The goal of these conferences was to encourage employees to reflect on and adopt habits and behaviors that promote the culture of the Organization.
- A series of 143 workshops were held on customer experience, diverse collaborative tools, human resource evaluation and selection tools, project management tools, digital transformation, clearing, file management and document quality, teamwork, the use of specific technological tools, emotional management, payroll calculation, logistics and warehouse management, product and service reinforcement, and the art of stress-free productivity.
- With emphasis on regulatory requirements, workshops were conducted for employees responsible for compliance, risk identification and assessment, handling and storage of hazardous materials and substances, the new technical standard for occupational safety and health from Inpsasel (National Institute of Occupational Prevention, Safety and Health), and a theoretical and practical workshop on AML/CFT/CFPWMD.
- With the aim of meeting Occupational Safety and Health regulations, 26 training actions were carried out in 2023, comprising virtual courses and capsules, online seminars, workshops, inductions, in-person programs and certifications, with a total of 15,706 participants.





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- Embracing the potential of new educational technologies to enhance self-development skills, new courses were added to our virtual learning platform, attracting 30,444 participants. The most noteworthy courses are:
  - Knowledge Capsules: Banesco Customer Service Protocols; The Net Satisfaction Index (NSI); Do You Know the Importance of an Emergency Plan?; Could You Easily Handle a Fire Extinguisher?; Heatstroke
  - Disability as Part of Diversity at Banesco
  - Module I: Banesco Commercial Systematics
  - Module II: Know Your CRM Tool
  - Product and Service Reinforcement I and II
  - Moving the Bank Forward Together
  - Sales Competence
  - Emotional Intelligence 2023
  - Occupational Health
  - Online Refresher Course on AML/CFT/FPWMD (Agencies, Specialized Banks and Centralized Areas 2023)
  - Reinforcement on the review of credit application required documents
  - Mastering Emotions - Parts I and II
  - Strategic Supplier Management
  - Accounting Principles for Financial Analysis
  - Strategic Thinking
  - Let's decode the meaning of the Lopcymat
  - Reinforcement Capsule for Validation and Formation of Economic Groups
  - Cybersecurity
- Sales management was one of the key focus areas this year, leading to the development of training initiatives aimed at strengthening sales skills, product knowledge, customer experience, and technological tool proficiency. The goal was to incorporate the best practices and elevate the skillset of front-office employees. Additionally, training sessions were conducted on various products and services to enhance customer service and provide better advice based on the needs of the clients.
- Focused on the use of the Organization's internal knowledge, 314 employees were trained as internal facilitators. Equipped with teaching and learning tools, they were able to generate spaces to multiply their capabilities and were recognized as experts in their areas of performance, thus joining the group of workers who have been participating in this role since previous years.







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- Aiming to enhance youth employment opportunities, this year the Bank welcomed 191 Inces (National Institute for Training and Socialist Education) apprentices, engaging them in both theoretical and practical training in the areas of General Financial Clerk and Business Secretary. Additionally, we received 42 interns from Fe y Alegría Schools, offered university internship opportunities to students from diverse higher education institutions, and continued to expand the Young Talents Program, which provides a first-time employment opportunity to students in their final years of study or to recent graduates.

Through these training and development programs in different formats, we accomplished the following in 2023:

- 453,998 man-hours invested in training activities, 69,964 man-hours of which were completed in an in-person/online modality and 384,034 hours virtually
- 32,725 participants engaged in online (synchronous) and in-person learning activities
- 30,444 effective participations under the virtual modality.

### ORGANIZATIONAL CULTURE AND ENVIRONMENT MANAGEMENT

In the second half of 2023, we maintained our commitment to fostering our Corporate Values: **Responsibility, Quality, Confidentiality, and Innovation**. To reinforce the understanding and differentiation of unethical actions, practical case studies and communication capsules were developed, involving the distribution of 18 communications.

In line with these efforts, the “Semana Huella” (Impact Week) was held in October to reinforce corpo-

rate values and compliance with the Code of Ethics, promoting a positive environment, teamwork, and personal development. In-person and online events were also organized, highlighting conferences such as “*Huellas que Transforman*” (Ripples of Change) and “*Hay un héroe en todos nosotros*” (Unleash Your Inner Hero). In addition, recreational activities were organized to promote team integration and specific activities to experience the corporate values, such as the “*Pasarela del Código de Vestimenta*” (Dress Code Runway), an internal fashion show where employees modeled compliance with our corporate image.

As part of the “*Escuela de Valores*” (School of Values) initiative, motivational talks were conducted, targeting employees and their children, with an emphasis on fostering civic responsibility. Sports and cultural events were organized, complemented by the production of podcasts, institutional videos, and communications. The “*Lunes de Activación*” (Activation Mondays) tradition persisted, exploring themes related to civic and corporate values, reinforcing our commitment to comprehensive development and the promotion of an organizational culture rooted in robust and civic values.

Simultaneously, the 2023 quarterly recognition program named “*Héroes que dejan Huella*” (Heroes Making a Difference), “*Agencias Memorables*” (Memorable Agencies), and “*Agencias Destacadas en Sistemática Comercial*” (Outstanding Agencies in Commercial Systematics) remained in place, recognizing nearly 800 talents in these categories.

During the July-November 2023 period, activities were carried out to strengthen the organizational culture and instill expected behaviors. Events like the webinars entitled “*Mi Cliente Favorito*” (My Favorite Client), “*El Cliente Centro de Nuestra Acción - Expe-*



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*riencia Memorable 2023*" (The Client at the Center of Our Action - Memorable Experience 2023, "*Reuniones Efectivas*" (Effective Meetings), "*Experiencia Memorable: Manteniendo el 1er Lugar*" (Memorable Experience: Staying in First Place), "*Taller Servicio y Liderazgo - Sistemática y Área Comercial*" (Service and Leadership Workshop - Systematics and Commercial Area), and "*Personas Altamente Productivas*" (Highly Productive People), had an impact on 1,379 employees nationwide, significantly contributing to the development of key behaviors, attitudes, and knowledge for organizational success.

It is essential to emphasize the efforts made to assess the employees' level of commitment to the Organization through the quarterly Engagement measurement conducted in September. With an 85% participation rate among the Bank's workforce, the results obtained led to the implementation of an action plan aimed at closing identified gaps.

### LIFE QUALITY

Throughout the second half of the year, we continued to create spaces for general well-being for our Banesco Citizens nationwide, focusing on recreation, enjoyment, and leisure. These initiatives reinforced our organizational culture and provided benefits that contributed to improving their quality of life, with the aim of promoting the best use of free time.

The activities carried out in the second half of the year are as follows:

**Ongoing Activities:** Daily activities focused on the quality of life, aimed at enhancing both physical and mental health, as well as the learning and development of skills.

- **Yoga:** A dedicated area designed to enhance overall well-being, manage stress and physical ailments, with the participation of 350 employees.
- **Dance Therapy:** To the rhythm of music, we help reduce stress and anxiety, alleviate muscle aches, and burn calories in a fun and different way, benefiting 550 people.
- **Functional Exercises:** Designed to enhance joint mobility, dynamic flexibility, and body posture, these exercises contribute to improving movement speed and agility, while also developing strength (power, hypertrophy, endurance, and toning). Led by qualified trainers, it is one of the most popular activities, with 610 participants during the second half of 2023.
- **Theater:** Under the guidance of an exceptional director, we offer an activity that fosters personal development, acting as a tool for anxiety management and encouraging uninhibited expression, ultimately enhancing self-confidence. Moreover, it offers entertainment opportunities for colleagues and family members through engaging theatrical productions. Attendance totaled 219 participants.
- **Musical Group:** Designed for employees with musical and dance abilities, a group of participants meet every week to cultivate their talents and master new techniques. The number of participants significantly increased in this six-month period compared to prior years, averaging 128 employees per month.
- **Casino Salsa:** Employees relished a weekly salsa dancing afternoon, enabling them to learn this discipline, which offers multiple health advantages, with an average participation of 50 persons per session.





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### BANESCO VOLUNTEERING

During this half of year, these activities, focused on social responsibility and environmental protection were carried out:

- **Visits to Hogar Santo Domingo:** Every first Thursday of the month, we visit the Hogar Santo Domingo, a home for the elderly located in Bello Monte, providing these grandparents with an afternoon filled with music, games, and most importantly, a lot of love and companionship.
- **Beach Care and Conservation:** On the occasion of World Beach Day, we joined the Venezuelan Sustainable Development Foundation (FDSV) for a beach cleanup in the Central Coast region, emphasizing the importance of maintaining a clean environment.
- **Fundación Hospital Ortopédico Infantil:** The BanESCO Theater Group presented a play. Our volunteers gave the children their performance in a play named “La Carpintería de Don Eustoquio” (Mr. Eustoquio’s Carpentry Shop).

Likewise, during the second half of 2023, in partnership with companies and the Bank’s social responsibility area, we joined teachers and principals in welcoming students back for the new school year at the “Fe y Alegría” Schools in La Silsa and La Rinconada.

### SPECIAL ACTIVITIES

As part of the themed celebrations, aimed at creating spaces for employees’ recreation and entertainment, the following activities were held:

- **Children’s Day** - A wide range of recreational, sporting, and cultural activities for the whole family to enjoy, with an attendance of 1,500 people.
- **Summer Break** - We offered activities, such as day camp, fun cooking workshops, a pet adoption day, a visual and comprehensive health campaign, and concluded these six-week vacation with a family dance bingo and the participation of 2,296 employees and family members.
- **Regional Integration Workshops** - In line with the FONA (National Anti-Drug Fund) Project, two Integration Workshops were organized in Puerto La Cruz and Barquisimeto, where teams from both regions were brought together to participate in activities focused on values, teamwork, resilience, empathy, leadership, among others, thus reinforcing the BanESCO Culture.

To mark the end of year, **our BanESCO Christmas** offered employees activities like a visit from Santa (with photos and surprises), a music video performed by employees of the Organization, a Christmas fair, gaita afternoons, and plays.

- In December, we opened an entertainment area for colleagues to enjoy, featuring a variety of board games, ping pong, pool, video games, and more, welcoming 2,210 people during this holiday season.



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### PERSONNEL SERVICES

- **Contributions and Legal Obligations:** During the second half of 2023, we made payments for teller contributions, school supplies and toy benefit, social benefits guaranty, daycare and meal benefits, and ISLR (income tax) variation processes, in compliance with the collective bargaining agreement and the laws in force.
- **Credit Cards:** In November 2023, we conducted a mass process to increase credit limits and grant “Mi Primera TDC” (My First Credit Card) to our employees.
- **Funeral Service:** In the second half of the year, we continued to offer this benefit to the BanESCO community through the savings account, completely free of charge for the Bank’s employees, their spouses, parents (with no age limit), children up to 30 years of age, and unmarried siblings up to 30 years of age in the absence of children (maximum of 3 siblings).
- **Health Insurance Policy:** Effective September 1, 2023, we implemented a new health insurance policy for employees and their beneficiaries with enhanced coverage for hospitalization, surgery, and maternity care in both basic and excess plans, in addition to telemedicine services, home care, a dental plan, an ophthalmology plan, and home prescription delivery for the entire family group.
- **Personnel File Update:** In line with our “Know-Your-Employee” Policy, the digital files were updated.
- **Conflict of Interest Declaration:** In adherence to our Code of Ethics, all employees declared their Conflict of Interest.



### CORPORATE SOCIAL RESPONSIBILITY

During the second half of 2023, BanESCO's Corporate Social Responsibility policy focused on two key areas: promoting the objectives set forth by the 2030 Agenda for Sustainable Development and implementing planned projects in the areas of health, education, and financial inclusion.

Social investment for the six-month period reached Bs. 97,566,549.31, with 82.62% dedicated to the well-being of the employees of the Institution, while 11.38% was allocated to the implementation of several initiatives by our Social Partners and Allies, exceeding the requirements of the Social Responsibility and Sustainability policy.

We made contributions to 12 of our Social Partners and Allies to boost projects in their fields of expertise, such as equipment for a computer lab, scholarships,



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infrastructure, child nutrition, contributions to music education, sponsorship of cultural events, refurbishment of medical units, and participation in a startup accelerator.

Ten workshops were conducted on human rights and inclusion, stress-free productivity, cancer prevention, and leadership for the professional teams of our Social Partners and Allies.

In the area of environmental conservation, Banesco donated the resources obtained from recycling paper, cardboard, and ferrous scrap metal at Ciudad Banesco to three Allies.

We sponsored the 10-k race and 5-k walk to benefit SenosAyuda, a Social Ally, to raise awareness about early diagnosis and treatment of breast cancer.

During this period, we donated 90 computers and 423 pieces of office furniture and supplies to organizations that provide care to vulnerable communities.

The **Banesco Editorial Fund** welcomed five new books that explore culinary journalism, the history of Venezuelan soccer, poetry, and the work of young artisans. All are available for free download on Banesco's official website.

The Banesco Digital Library has expanded its presence to schools within the Asociación de Damas Salesianas (Salesian Ladies Association) and the Red de Casas Don Bosco (Don Bosco House Network). Students attending these schools will enjoy unrestricted access to the complete content of the Banesco Editorial Fund, even without internet connectivity.

With the aim of promoting the Sustainable Development Goals outlined in Agenda 2030, we carried on with workshops, organizing six sessions that reached 419 people. Furthermore, we created seven educational campaigns across internal media, social networks, and mass media.

### MICROENTREPRENEUR TRAINING PROGRAM

During the second half of 2023, the Microentrepreneur Training Program certified a total of 5,486 entrepreneurs with ideas or established businesses, through in-person and virtual classes nationwide.

The second edition of the Participatory Budget for Entrepreneurs expanded its reach to three regions: Lara - Carabobo; Mérida - Zulia and Capital District - Miranda. During these calls, three winners were chosen specializing in artisanal pastry, popular bakery, and marketing of sustainable biological inputs.







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## A MEETING POINT

Allied institutions found Ciudad Banesco to be the ideal venue for hosting their socially impactful events, such as the Fipan International Volunteer Day, the Volunteer Dividend Leader Summit for the Community, and the 17th “For the Love of Art and Venezuelan Children” Auction to benefit Fundana.

To ensure the comprehensive well-being of Banesco Citizens, an oncological screening campaign was conducted using mobile clinic units of the Anticancer Society. This initiative attended to 326 individuals (240 women and 86 men) and carried out relevant studies for the early detection and diagnosis of this disease.

## CORPORATE VOLUNTEERISM

In this period, Banesco remained firmly committed to promoting corporate volunteerism and employee participation in social initiatives, alongside our Social Partners and Allies, on environmental protection, civic training, and co-responsibility, as a sustainability principle.

The volunteer work marked the start of the new academic year 2023-2024 for Fe y Alegría students at the school Unidad Educativa Virginia de Ruiz in La Silsa and Escuela Técnica La Rinconada. Volunteers also brought joy to Hospital Ortopédico Infantil with a children’s play to entertain the children and their families in the waiting room.

Four visits were made to Hogar Residencial Santo Domingo, bringing different activities and essential supplies to the elderly residents, and finally, the visit of Santa Claus.



Banesco and its Group companies –Nativa, Todoticket, and Banesco Seguros– supported the initiative of the World Beach Day by cleaning up a beach in the Central Coast region of La Guaira state.

During the holiday season, Banesco volunteers went to the community of La Vega to bring gifts and snacks to the children in the area, in partnership with the AMÄI Foundation. While the children of Fundana were treated to a visit from a storyteller who read the tale of “La Caperucita Criolla” (The Little Venezuelan Riding Hood) –a book sponsored by the Banesco Editorial Fund– and participated in games and other activities with the volunteers.

Banesco’s dedicated volunteers were honored at the **2023 Fipan International Volunteer Day**, held in the Fernando Crespo Suárez Auditorium of Ciudad Banesco.

A public ceremony followed, honoring the most distinguished volunteers for their remarkable dedication during the year.



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## MARKETING

Regarding Marketing campaigns, we redoubled efforts to keep our clients informed about all the latest developments in products and services. Additionally, we emphasized behaviors that promote safety and prevention. We generated approximately 205 communication campaigns to enhance awareness of our products, support customer service management, and boost CSR initiatives through our channels.

Below is a detailed look at the campaigns executed during the second half of 2023:

### WE KEEP CONNECTING VENEZUELAN ABROAD THROUGH OUR REMITTANCE SERVICES

We give Venezuelans abroad the opportunity to send remittances directly to the BanESCO accounts of their family and friends through MoneyGram, offering benefits for all: immediate account deposits, enhanced security, and competitive market rates.

### WE CONTINUE TO PROMOTE HOW TO PREVENT MONEY LAUNDERING, TERRORIST FINANCING, AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

We regularly communicate with our customers about these risks and emphasize the importance of protecting their accounts from third-party manipulation for illicit purposes.

### THROUGH BANESCOTOKEN WE OFFER ENHANCED SECURITY AND CONVENIENCE FOR THE TRANSACTIONS OF OUR CLIENTS

The BanESCOToken app protects and simplifies the use of authentication passwords for our clients.



### WE PROMOTE OUR PERMANENT TICKET PREMIADO (WINNING TICKET) PROGRAM

We encourage the use of our POS terminals through the Ticket Premiado campaign. With this campaign, we offer our customers the chance to win prizes by swiping their own debit and credit cards through BanESCO POS terminals. The campaign was promoted on social media and cable TV.

### WE MAINTAINED THE PENSIONERS' CAMPAIGN

We continue to promote the use of Digital Banking among our pensioner audience, encouraging them to use electronic channels for their transactions without the need to visit a physical bank. This effort contributes to spreading awareness about the advantages and benefits we offer.

### WE STRENGTHENED COMMUNICATION WITH OUR POINT-OF-SALE BUSINESS ALLIES

We also drove POS sales in collaboration with our Business Allies, as well as repair sessions in partnership with our ally, Nativa.





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WE CONTINUE TO PROMOTE UTILITIES BILL PAYMENTS THROUGH BANESCONLINE, BANESCOMÓVIL, AND MULTIPAGOS

We use the social networks to encourage our clients to conveniently and securely pay utilities and services through the BanescoOnline, BanescoMóvil, and Multi-pagos platforms.

WE CONTINUE TO PROMOTE BANESCOPAGOS CAMPAIGNS

We promoted in social networks the use of our BanescoPagos green button, for organizations or companies to pay utilities and services through our BanescoOnline portal.

WE CONTINUE TO PROMOTE THE BANESCO PLANS

We promote account opening for all Venezuelans. We want to grow with you, support you at every stage of your life and be part of your achievements, so we have plans for every moment of your life:

- My First Plan, for minors between the ages of 9 and 17, taking their first financial steps.

- Independent Plan, for young adults over 18, who want to be independent and have control over their finances.
- Take-Off Plan, for legal entities seeking to develop their projects or entrepreneurial endeavors.
- Growth Plan, to take your business to the next level.



JENNIFER MARTINEZ

¡Tu tarjeta de crédito creció!



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## SOCIAL NETWORKS

By the end of December 2023, our social network presence had grown to a community of over 1,724,656 followers across our official accounts on X (formerly Twitter), Facebook, Instagram, YouTube, and LinkedIn. We value these platforms as essential channels for connecting with our clients and the general public, not only to convey our messages but also to listen to their concerns almost in real-time.

A total of 13,723 inquiries related to products and services were addressed through social media channels during the second half of the year, bringing the **total number of cases addressed in 2023 to 26,557**.

Out of these cases, 5.10% were specific requests from Banesco clients, while 94.90% were general inquiries about products and services.

As to our social media presence, X (formerly Twitter) –through the @Banesco account– continues to hold the top spot among our social media platforms, reaching over 767,000 followers by December 2023. Apart from being a channel to address inquiries and requests, it also offers engaging content on personal finance, entrepreneurship, technology, anniversaries, history, sports, business, energy, and updates on the bank's products, services, or promotions.

Banesco's Facebook page has more than 276,000 followers, while its Instagram account has more than 304,000 followers. On LinkedIn, the brand has more than 152,000 followers. The videos posted on the YouTube channel "Banesco en Imágenes" (A Glimpse of Banesco) have more than 18 million views and 24,000 subscribers.

At the end of December 2023, Banesco's Blog reached over 9 million 500 thousand visits. In this site, in addition to corporate information on products and its Corporate Social Responsibility policy, the institution has exclusive content prepared by renowned journalists.





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## SEGMENT MANAGEMENT

At the end of December 2023, customers' deposits reached a balance of Bs. 15,606 billion. This growth of 79.74% compared to the previous six months propelled Banesco to an 11.17% market share, for which it maintains its position as the 2nd bank in the national financial system and the 1st private bank in the country; while in customers' deposits in foreign currency, it ranked 4th in the market (11.94% share) and 3rd among private banks.

This positioning is a result of our continuous effort to enhance our clients' experience and the development of many strategies that aim to create an offering tailored to meet all their financial needs and build value chains around our key clients and related parties. This translated into over 140,000 new accounts of individuals, 10% of which corresponded to payroll accounts, and 6,530 new accounts for legal entities.

The gross loan portfolio increased by Bs. 2,343 billion in the last six months to Bs. 6,692 billion (+54.0% over the first half of 2023), which places Banesco in 2nd position in the private banking sector and in 3rd place in the financial system, with a market share of 12.68%.

During this period, 4,536 credit operations were paid for an amount of Bs. 5,740 billion, 81.2% of which corresponded to Commercial Loans (Bs. 4,661 billion), followed by Agricultural Loans (14.7%) with Bs. 846 million and Microloans with 3.3% (Bs. 191 million).



## DIGITAL AND ELECTRONIC CHANNELS AND AGENCY NETWORK

During the second half of 2023, our clients executed over 1,509 billion transactions through the customer service channels that Banesco offers. This represents a 20.49% increase over the same period in 2022. The digital and electronic channels had a 99.9% share at the end of December.

### AGENCY CHANNEL

By the end of the second half of year, Banesco has 202 Service Points (Agencies and Teller Windows), through which 1,469,589 transactions were executed —a 4.66% increase in relation to the previous period (65 thousand more), boosted by the refurbishment of our service points to optimize service to the public, and the promotion of transactions in foreign currency, mainly Green Account.





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## E-BANKING CHANNEL

BanescOnline recorded an average of 2 million active customers per month, which represents 53% of the Bank's total client base, who consistently executed over 836 million transactions, reflecting a significant 33.46% increase compared to the second half of 2022. This translates into an increase of 209 million transactions. In addition, the following improvements were introduced:

- 24/7 Mobile Web Payment
- Immediate Collection
- Multiple Transfers
- Direct Debit Affiliation for paying customers
- Viewer of answers to security questions

Banescobank reached the top position in the ISN (Net Satisfaction Index) in the national banking system, with a score of 89.4%, surpassing its closest competitor by 11.5 percentage points.

## MOBILE PAYMENT CHANNEL

As of the second half of the year, the channel registered more than 3.1 million affiliated customers and 162 million transactions, exceeding 303 million operations throughout the year. In addition, around 138 thousand transactions were recorded in Pago Móvil Cuenta Verde (Green Account Mobile Payment).

## MOBILE BANKING CHANNEL

Over 73 million transactions were executed through Banescobank in the last six months, representing

a 20.6% increase compared to the same period in 2022.

The 24/7 service for Mobile Payments and Transfers in this channel stands out, as it contributes to maintain the top position in the ISN of the banking system, with a score of 88.6%, surpassing its closest competitor by 3.1 percentage points.

In addition, other improvements were incorporated, including: Immediate Collection, SAREN Online Collection, Notification to extend user's session, Alert for transfers with same amounts.





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## TELEPHONE BANKING CHANNEL

The Banesco Call Center received 3.1 million calls during the last six months, a decrease of 26.68% compared to the same period in 2022. The IVR (Interactive Voice Response) system effectively handled 89.5% of calls (2.7 million calls) and the remaining 10.5% (325 thousand calls) were handled by telephone agents. We maintain our 1st position in the ISN in the banking market.

## ATMs

We closed 2023 with an installed operating fleet of 409 ATMs nationwide (156 single-function and 253 multifunctional), processing 10.4 million transactions during the second half of the year.

## PAYMENT MEANS AND SERVICES

In the second half of the year, the Collection and Payment services recorded an 16.8% increase in transactions with respect to the same period of 2022, driven by Interbank Mobile Payment electronic operations (+18%). The volume processed in bolivars also maintained its growth trend (+387.7%).

As for Average Ticket, there was an increase of 317.45% over the second half of 2022, with Online Collection (+577.1%) and Interbank Transfers (+390.2%) standing out.

During the period, nine BanescoPagos Buttons were implemented, two clients were affiliated to Multipagos BanescoOnline and one to Online Collection:

- **Banesco Payment Buttons:** BTP, Mayorality of Guaicaipuro Municipality, INCES, Farmacias Adonay, Mayorality of José Félix Ribas Municipality, Seguros Universitas, Corpoelec, Veconinter, Vepuy Smart
- **BanescoOnline Multipagos:** Multiservicios Clean Factory, C.A., Telerastreo, C.A.
- **Online Collection:** NetUno

## DEBIT AND CREDIT CARDS

### CREDIT CARD ISSUING BUSINESS

The Credit Card business segment achieved a 321% growth in sales in the second half of 2023 compared to the prior year, and a delinquency rate of 0.06% at year-end.

Credit card maintenance initiatives have targeted various customer segments, delivering benefits to a total of 248,000 clients, with increased credit limit, and also granting 16,000 clients the ExtraCrédito Efectivo benefit, with access to the maximum legally permitted cash advance amount.

### CREDIT CARD ISSUING BUSINESS

Banesco Debit Cards reflected an increase in sales of 85% at the end of the second half of 2023 compared to the previous period, due to consistently adjusted Point-of-Sale transaction limits to be above the market, and the exchange options available through



¿Se bloqueó tu **Tarjeta de Débito** por olvido o intentos inválidos de la clave?  
¡No te preocupes!





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Cuenta Verde (Green Account), which has allowed us to strengthen the preference of our clients.

With a 96% of pensioner clients holding active debit cards, they can manage their pension funds in any business with Points of Sale and use digital means to make transfers, balance inquiries and movements. In addition, for customers with debit cards blocked due to forgotten PINs or invalid password attempts, Banescó proactively sends communication outlining the steps required to reactivate their cards.\

### PROMOTIONS AND ALLIANCES

The main objective of promotions and business alliances is to provide added value to our clients, strengthening the Banescó-Client loyalty relationship and encouraging the use of our products. We offer exclusive benefits based on their tastes and preferences, resulting in a residual effect even after the campaigns have concluded. The promotions during the second half of year were:

- **“Christmas Winning Ticket” Campaign:** Over 5,500 cardholders won prizes by having their purchases paid for, and more than 3,800 stores received the same amounts in their accounts that the cardholders received during the month
- **VIVA SUPERCENTRO Commercial Alliance:** A 20% discount on hardware, 10% on appliances and electronics, and 10% on footwear
- **Al Giorno Commercial Alliance:** A 10% discount on electronic items at their stores located in the San Ignacio and Sambil Chacao shopping malls, both in Caracas



**Paga con tu Tarjeta de Débito  
Banescó y TodoTicket**

**Aprovecha el 10% de descuento en las tiendas**

**AL GIORNO**

A partir del 21 de junio y hasta el 2 de julio, en las tiendas Al Giorno del CC San Ignacio y Sambil Chacao, podrás disfrutar del 10% de descuento en todos los productos.



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- **Reactivate your POS and your business! Campaign:**
  - Double Zero Black Month*: 2,959 business customers reactivated
  - Triple Zero*: 133 inactive business customers
- **Credit Card Limit Increase to 17,841 legal representatives of commercial affiliates**
- **Email: Attention Active Business Affiliates GC POS damaged or malfunctioning, Keep your Point of Sale running!**

### ACQUIRING BUSINESS

- **Total number of active POS (physical and virtual)** 159.173 POS.
- **Number of Transactions:** 406 millions.

Banesco Acquiring Business maintained its market leadership position in the second half of 2023, thanks to the reliability of our service and robust commercial settlement processes. We processed over 406 million transactions, bringing the total number of operations for the year to 739 million.

In 2024, Banesco will remain focused on maintaining the quality of its commercial portfolio. We will implement actions that foster closer ties with our clients, including onboarding, rate adjustments, portfolio reviews, and ongoing operations with the support of our sales force.

Likewise, we have implemented mechanisms to gather **feedback from our clients** and the concerns from our business affiliates for Banesco to address them.

In line with our commitment to innovating and meeting customer needs more quickly, we have streamlined the procedures and requirements for becoming a Banesco affiliate. We continue to invest in the steady growth of our commercial portfolio, and we offer the highest quality and most affordable point-of-sale terminals on the market, in partnership with our commercial allies.



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## COMPETITIVE INTELLIGENCE

BanESCO is starting to talk about hyper-personalization, a strategy that involves segmenting clients by audience type. This approach aims to offer new experiences focused on the individual and unique needs of each user, fostering positive emotional connections that drive loyalty and long-term retention.

We are currently engaged in migrating nearly all client services and interactions to the digital sphere in order to meet immediate customer needs and provide memorable experiences powered by cutting-edge technology.

Throughout the second half of 2023, we monitored our Net Promoter Score (NPS) to gain insights into customer perceptions of BanESCO and our competitors. By listening to our customers, we uncover a wealth of opportunities to address and close gaps associated with our products and services, based on continuous monitoring and evaluation of the services we offer. Additionally, we conduct Employee

Net Promoter Score (ENPS) surveys, recognizing our employees as our brand's main ambassadors. The feedback gathered enables us to develop strategies that strengthen employee engagement with the Organization, which will ultimately result in the strengthening of relationships with our clients.

Within the framework of client experience, BanESCO has continued to implement various strategies focused on improving its digital banking. We have recently activated the Multiple Transfers feature in BanescOnline, allowing clients to execute multiple transactions simultaneously in a single operation.

As part of our digital transformation, we incorporated collection services into our portals, which allowed self-management by our clients. On the other hand, we expanded the benefit offering to our foreign currency product.

Focusing on user experiences and humanizing the application of technology poses a significant challenge for businesses worldwide. At BanESCO, we are dedicated to designing efficient processes that positively impact our clients' experiences.

## BANESCO IN FIGURES

Number of Clients (as of December 2023)					
Segments	2023	2022	2021	2020	Variation 2023 vs. 2022
Natural Persons	3,755,739	3,535,346	3,705,427	3,682,009	6.2%
Legal Persons (SMEs)	13,339	14,689	11,632	12,395	-9.2%
Legal Persons (Agencies Network)	191,463	180,423	201,368	197,078	6.1%
Specialized Banks Natural Persons	15,557	16,641	15,413	33,311	-6.5%
Specialized Banks Legal Persons	9,124	10,152	10,742	10,958	-10.1%
Total	3,985,222	3,757,251	3,944,582	3,935,751	6.1%



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## RELATIONSHIP/EXPERIENTIAL MARKETING

We are allies in understanding the figures coming from several information management systems, deepening the knowledge of our clients, using both a transactional and relational approach. We offer timely information to all core areas of the Bank, with the purpose of optimizing the strategic decision-making of the Organization.

With information derived from Outbound Marketing, we support our Marketing team with client view analysis, which allows the development of tailored campaigns that present our products and services in line with the clients' needs and expectations.

During the second half of 2023, we reached out to 79.32% of our clients through email marketing campaigns. Our efforts resulted in an open rate of 31.4%, exceeding international standards for this business segment.

## MARKET STUDIES

Dialogue Interest Groups							
Natural Persons	2023		2022		2021		
Focus Groups/Interviews/Surveys	Nº	Participants	Nº	Participants	Nº	Participants	Segments
Customer Experience Studies	50	65,702	12	58,400	12	53,250	Natural Persons
Brand Studies	1	800	1	800	1	800	Natural Persons
Satisfaction Studies/Quality of Service	16	4,115	8	3,299	15	4,851	Natural Persons
Studies Internal Client/Banesto Employees	14	8,854	16	13,382	12	3,800	Internal Client/ Banesto Employees
Qualitative	1	12	3	55	0	0	Internal Client/ Banesto Employees
Legal Persons	2023		2022		2021		
Focus Groups/Interviews/Surveys	Nº	Participants	Nº	Participants	Nº	Participants	Segments
Customer Experience Studies	9	800	10	1,162	7	741	SMEs, Companies, Large Companies and Corporates
Qualitative Legal Companies	4	85	0	0	1	24	SMEs, Companies, Large Companies and Corporates
Studies Internal Client/Banesto Employees	3	511	3	458	0	0	Legal Persons
Satisfaction/Service Quality Studies	4	982	0	0	0	0	Legal Persons
New Initiatives	1	240	0	0	0	0	Legal Persons





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## INFORMATION TECHNOLOGY, BUSINESS PROCESSES, AND OPERATIONS

In Technology and Operations, we remain aligned with the strategies of different businesses. We create and maintain digital channels that address new challenges disruptively. This enables our financial applications to be adopted by more clients while maintaining control and security over their financial data. Additionally, we reinforce the execution of operations under conditions of security, availability, and reliability, ensuring continuity and stability of services and providing a superior customer experience.

### APPLICATION DEVELOPMENT AND MAINTENANCE

We are committed to enhancing the experience of our clients by refining our digital channels. We have adjusted our platform to include Mobile Payment, immediate transfers, and credit card payment functionalities, all available 24/7 through our online and mobile banking platforms. This enables customers to conduct financial transactions at anytime, anywhere. We also incorporated a portal that allows self-management of talent acquisition aimed at strengthening our employer brand.

In order to continue promoting the brand, BanescOnline now allows customers to make multiple transfers simultaneously (3). The pre-opening of an account for prospective customers was implemented in the My Applications portal, making collections more flexible and reducing the time spent at an agency. In the Banesco Center channel, the option of immediate at-

tention to clients according to the availability of the integral advisor was enabled.

In BanescOnline Empresa, clients can now view the security answers, thus facilitating access to the channel and the password recovery. In addition, our multi-company legal clients now have their account statements available in foreign currency, allowing them to control the movements of their accounts.

As part of the digital transformation, new options were enabled to pay for utilities and services through different collection payment methods, incorporating new clients in BanescoPagos, including, among others: Locatel, Cines Unidos, Toyopuerto and Grupo Canaima.

We continued expanding our **Payment Button**, incorporating nine clients in the second half of the year, among them CORPOELEC, Vepuy Smart C.A., Veconinter C.A., INCE and CentroBeco.

We offered our collection platform through online banking to NetUno, through Mobile Banking to SAREN and through the Multipagos portal to Movistar, Inter and Simple TV with their Postpaid account modality.

### OPERATIONS INFRASTRUCTURE

Our goals centered on optimization. We reclaimed, expanded, and repurposed technological platform capabilities, freeing up physical and electrical energy space, reducing investment costs, and generating savings on electricity maintenance and consumption costs. We also completed the installation and upgrade of the bank's private cloud platform, enhancing





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its CPU and memory capacities to support the projected growth in 2024. These enhancements ensure we have the necessary technological capabilities and high availability of our critical services.

We undertook a comprehensive upgrade and modernization of Banesco's backup, recovery, and communications infrastructure across its agencies and headquarters nationwide.

We completed the upgrade of operating systems to newer versions for the Communications, Database, and Core Banking platforms, to mitigate errors, eliminate security vulnerabilities, and follow the manufacturer's recommendations for troubleshooting.

## COMPREHENSIVE RISK MANAGEMENT

Banesco, recognizing risk management as a cornerstone of strategic growth, has established a robust framework that aligns with business strategy, ensures compliance with the control framework and risk appetite, and drives value creation for stakeholders. Therefore, the structure and functions of this framework adheres to the regulations issued by the Superintendency of Banking Institutions, and comprises specialized areas responsible for calculating, controlling, and monitoring inherent risk factors.

Recognizing the importance of informed risk management, Banesco has implemented advanced tools and methodologies tailored to the country's economic reality. This, coupled with ongoing training and development of human capital, has contributed to the growth of profitable investments, enhancing their overall quality.

This approach adheres rigorously to the guidelines and processes outlined in Resolutions No. 136.03 "Standards for Appropriate Comprehensive Risk Management" and No. 136.15 "Standards for Appropriate Comprehensive Bank Liquidity Risk Management" issued by the Superintendency of Banking Institutions (SUDEBAN). These resolutions emphasize the functional segregation of activities related to risk acceptance and those arising from the ongoing monitoring and supervision of their implementation.

### CREDIT RISK

As a result of these strategic actions, the net loan portfolio experienced a 53.88% growth compared to the previous six-month period. This allowed the bank to maintain a benchmark position in credit quality indicators, including a non-performing loan ratio of 0.19% and a loan loss reserve coverage ratio of 1,135.49%, compared to 0.23% and 958.79%, respectively, for the six-month period ended June 2023.

The growth of the loan portfolio remained framed within the criteria of risk appetite, client diversification and expected losses, prioritizing growth and compliance with the economic items contained in the Single National Productive Portfolio (CPUN) and in microloan activities, as key drivers to support domestic productive sectors.

### OPERATIONAL RISK AND BUSINESS CONTINUITY

As part of the ongoing evaluation of high operational risk processes, the following activities were carried out with the main purpose of minimizing monetary and reputational losses, within the management model, comprising: (i) Determination of the operational risk profile, which entails evaluating, anticipating, and



# CORPORATE MANAGEMENT REPORT

SECOND HALF 2023

mitigating possible operational risks and their impact on the business. As a result, 19 risk assessments were conducted for 48 processes. (ii) Fostering synergy in operational control and risk management through the Operational Risk Committee, which convened 80 times. These meetings resulted in the incorporation of 285 strategies into the Gap Closure Indicator (ICB), addressing a total of 208 risks. (iii) Cultivating and enhancing our risk culture, with the main purpose of instilling a deeper understanding of the significance of risk management among employees in the discharge of their duties, achieved through several communication strategies, and the training of 672 employees. (iv) Collection of materialized risks, with a total of 611 events, both internal and external, with financial or non-financial impact, incorporated into the internal database of the institution.

In the context of Business Continuity, by the end of the second half of 2023, a total of 197 partial tests of critical services and/or applications were conducted,

as established in the prioritization of critical activities exercise, known as Business Impact Analysis (BIA). The execution of these tests allowed for the evaluation of contingency plans, verification of proper running of the system, validation of the technological platform's robustness and the logistics for simultaneous activation of the main services and applications at the Alternate Data Center (CPDA). These efforts contribute to the continuous improvement and updating of contingency processes to guarantee service and support to our clients.

## MARKET AND LIQUIDITY RISK

Driven by the main purpose of minimizing the impact on the financial statements of the Bank, as a result of the fluctuation of market variables and the balance sheet structure, Banesco's Market and Liquidity Risk Management is firmly grounded in methodologies outlined by international standards and local regulations.

Regarding Market Risk, we upheld monitoring and control practices in accordance with the VaR (Value at Risk) methodology. This approach enables us to assess the maximum potential loss in investment portfolios when faced with adverse movements in risk factors, assuming a normal statistical behavior.

During the second half of the year, Banesco implemented control and alert mechanisms in the liquidity and exchange rate risk measurements, under international best practices. This implementation aimed to further strengthen the Bank's preventive risk monitoring mechanisms and the necessary anticipation for risk mitigation. Consequently, the consumption levels recorded in these indicators remained within the limits approved by the corresponding government authorities.





## SOCIAL BALANCE

ACCUMULATED 1998-DECEMBER 2023

Stated in Bs. at December 31, 2023

DESCRIPTION	2023	Accumulated 1998 December 2023
<b>SOCIAL INVESTMENT</b>		
<b>APPLICATION BANESCO RESOURCES</b>	<b>153,522,768.90</b>	<b>188,719,548.10</b>
Fe y Alegría	990,875.40	1,168,453.14
Microentrepreneurs Training Program	1,072,269.03	1,292,732.36
Simón Bolívar Music Foundation	814,111.95	839,023.16
Association of Venezuelan Catholic Education (AVEC)	89,611.80	116,959.32
Social Undertaking Project with the IESA	623,190.00	759,140.00
Universities and Other Institutions	6,099,110.67	7,569,475.77
Banesco Long Scholarships Life	186,246.58	224,732.34
Other Education Institutes and Organizations	368,661.73	413,740.05
Venezuelan Foundation against Child Paralysis	575,098.60	712,322.60
Other Health and Medical Care Organizations	1,545,337.06	1,903,703.79
FUNDANA	2,405,252.95	2,796,527.06
Civil Association Don Bosco Houses Network	1,068,542.90	1,367,106.13
Salesian Ladies Civil Association	364,312.87	403,746.12
Attendance to the childhood and people with special necessities	551,118.74	688,861.55
Editorial Projects	3,817,733.07	4,197,628.41
Other Contributions	3,136,235.07	3,739,570.72
Solidarity Campaign for Natural Catastrophes	0.00	40,482.52
Events for the Community	1,498,867.31	1,726,661.03
Participatory Budget	540,000.00	667,395.03
<b>Non-Contractual Social Benefits for Banesco Employees</b>	<b>126,908,493.60</b>	<b>157,216,559.80</b>
Dining Subvention	98,815,687.64	120,455,177.50
Medical Service	1,835,981.20	3,326,149.98
Medical Assistance for Extreme Diseases	2,535,649.85	3,736,325.79
Unsecured Loans for Housing	0.00	524.55
Transportation Between Offices	1,064,664.26	1,327,416.44
Collective Agreement	22,656,510.59	28,370,965.49
<b>Corporate Volunteering Contribution</b>	<b>867,699.63</b>	<b>874,727.25</b>
<b>TOTAL SOCIAL INVESTMENT MORE COMMITMENTS CONTRACTED</b>	<b>153,522,768.90</b>	<b>188,719,548.10</b>



### CHAIRMAN OF THE BOARD

Juan Carlos Escotet R.

### DIRECTORS

Juan Carlos Escotet R.  
Marco Tulio Ortega V.  
Miguel Ángel Marciano C.

Emilio Durán Ceballos  
Carlos Eduardo Escotet A.  
Carlos Alberto Escotet A.

