



SEMESTER REPORT SECOND HALF

2012



Banesco
BANCO UNIVERSAL

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A. ECONOMIC-FINANCIAL POSITION

We proudly present the financial performance of our Organization to all our audience: over 38 thousand shareholders, over 6 million customers, over 13 thousand collaborators, our suppliers, friends, and related individuals.

In the second half of 2012, we ratified our leading position in the national private bank. We ranked third in granting loans (Bs. 65,724 million), microloans (Bs. 3,697 million), customers' deposits (Bs. 109,055 million), third-party resources (Bs. 116,376 million), total assets (Bs. 123,582 million) and shareholders' equity (Bs. 10,474 million).

We ratified our support to the productive activities of the country through financing, which reflects a 58.86% intermediation, that is, we lend approximately 6 out of every 10 bolivars the entity receives in deposits. As of December 31, the intermediation exceeded the system average by 8.45 percentage points.

Committed to the wellbeing of more and more citizens, at the close of the second half of year, we recorded Bs. 7,321 million under the Housing and Habitat Benefit System; thus, Banesco maintained its leading position with a 28.92% share.

Regarding Tourism, we placed Bs. 1,156 million, the highest volume in the system (a 15.35% share).

In the financing to small- and medium-size companies, microloans amounted to Bs. 3,697 million, ranking first among private banks. The agricultural portfolio was at Bs. 10,585 million, which represents 13.90% of the banking.

Loans to manufacture closed at approximately Bs. 4,306 million, based on the balance as of December close.

The significant growth of our portfolio has been defined by the ongoing risk management that has allowed us to maintain a healthy portfolio with 0.49% default only—below

the market average (0.39 percentage points), and a coverage level (provision for loan portfolio) of 472.7%.

We recorded a 55.8% increase in our total assets over the same period in 2011, closing at Bs. 123,582 million. This figure is the result of the increase in our earning assets, loan portfolio and investment securities throughout the last six months.

Banesco was the bank with the highest growth of customers' deposits during the six-month period (+Bs. 32,890 million), thus increasing its market share from 12.95% to 13.83%.

These short introductory lines are not enough to show all our achievements. However, I would like to refer to our Business Social Responsibility work, which has made us invest Bs. 286,504,502 since 1998, in different projects and initiatives aimed to provide education and health to more Venezuelans.

In the following pages, you will find further details of the activities conducted by Banesco community during the last six months of the year. We are aware that our achievements respond to the efforts and commitment of our Banesco people.

We ratify before you our promise to continue working to achieve new and higher quality standards.

Juan Carlos Escotet Rodríguez
Chairman of the Board of Directors

THE VENEZUELAN ECONOMY IN 2012

Actual Sector

Preliminary figures from the Central Bank of Venezuela (BCV) point to a local economy growth of 5.5% during 2012, which is its best performance in the past 5 years.

Central Government spending was a major driver in terms of business activities with a 30.2% increase compared to 2011, reaching Bs. 472 thousand million. Government disbursements contributed to the 10.5% growth in the aggregate domestic demand due to an increase in final consumption expenditure by the Government (6.2%), and a significant increase in gross fixed capital formation (15.8%) in the light of a rise in the demand for residential and non-residential works in the public sector. Fiscal stimulus was likewise reflected on private final consumption, which in a favorable environment rose to 7.3%.

The economic activity with best overall performance (+32.9%) was financial and insurance entities as a result of greater monetary liquidity, which jointly with economic growth translated into a higher business volume. The construction sector grew 16.8% as a result of State works within the framework of Gran Misión Vivienda Venezuela (Venezuela's Great Housing Mission) and PDVSA investments. The trading sector grew 9.2% due to greater household consumption.

Despite a sound economic performance, mining was the only GDP activity that showed a reduction (-5.3%), whereas the manufacturing sector experienced a slowdown from a 3.8% growth in 2011 to 2.1% in 2012, as manufacturing by public companies (-6.7%) dropped considerably, mostly in the metal sector and among private companies of the food and beverage sector.

Monetary Sector

Fiscal expansion was a main factor behind the significant growth in monetary aggregates, which were also boosted by greater financing by financial institutions and a lower demonetization generated by the restrictions in foreign currency offering and the prevalence of a same exchange rate.

BCV preliminary figures point to a 60.3% growth in monetary liquidity (M2) during 2012, which implies an even greater increase than that currently recorded (50.6%) for 2011. By component, sight deposits increased 67.8%, accounting for 68.3% of M2, followed by transferable savings deposits at 48.9%, and the less liquid component, quasi-money, which reached only 13.9%. The balance of

coins and bills currently in circulation increased 54.9%, driving the public preference for cash at year-end to 10.0%.

Despite the increased assets from financial institutions through placements in loan and investment portfolios, their surplus liquidity levels averaged Bs. 40.0 thousand million, closing at Bs. 79.0 thousand million by year-end, notwithstanding the issuer efforts in December to raise the balance of absorption instruments.

Surplus liquidity pressure on the lending rates continued as borrowing rates remained almost unchanged in 2012. The average lending rate reached 16.39%, which accounts for a reduction of 0.96 percentile points compared to 2011, with business activities and services generating greater impact on the overall rate, with a decline of 2.33 and 2.51 percentile points, respectively.

Inflation rate for 2012, measured based on the National Consumer Price Index (NCPI), was 20.1%, i.e. a marked slowdown compared to 27.6% in 2011. Main factor behind this was the entry into force from April 2012 of the Law of Fair Costs and Prices, which provided for a reduction in the prices of 19 personal care and home maintenance products, thus leading to significantly lower inflation among the categories under which such items are classified, from 25.0% to 9.6% (household goods), and from 30% to 9.0% (sundry goods and services). Thus, inflation for non-regulated items reached 23.6% and only 15.1% for regulated items.

External Sector

In 2012, the oil prices remained high in view of the optimism for the development of the global economic activity and the concerns for supplies due to geo-political tensions in Middle East. The average price of Venezuela's oil export basket was 103.4 US\$/b, slightly above last year's price (101.1 US\$/b).

Preliminary figures of the Central Bank of Venezuela (BCV) indicate that oil exports reached US\$ 92.2 thousand million, while nonoil exports reached US\$ 3.7 thousand million, for a total of US\$ 95.9 thousand million. On the other hand, the increase in the domestic demand generated an increased in imports by US\$ 9.5 thousand million in 2012, thus reaching US\$ 56.3 thousand million, an all-time record for the Venezuelan economy. Hence, the trade balance and the checking account recorded a surplus of US\$ 39.6 thousand million and US\$ 14.6 thousand million, respectively.



PRELIMINARY
FIGURES OF THE
CENTRAL BANK OF
VENEZUELA (BCV)
INDICATE THAT OIL
EXPORTS REACHED
US\$ 92.2
THOUSAND
MILLION

The capital account recorded a deficit of US\$ 12.4 thousand million—an improvement over the outflows recorded in 2011, which amounted to US\$ 24.8 thousand million. The main reason of the deficit balance is still the account “other investments” because of the maintenance of external assets by the public and private sectors (US\$ 18.1 thousand million). Hence, there was a deficit in the balance of payments for US\$ 987 million, after considering that the item of errors and omissions recorded a net balance of US\$ 3.2 thousand million.

The Foreign Currency Administration Commission (CADIVI) assigned a total of US\$ 33.1 thousand million, recording an increase of 5.6% over the same period in 2011, when US\$ 31.4 thousand million were authorized. For the different modalities of import US\$ 26.0 thousand million were authorized, which corresponds to US\$ 18.2 thousand million for ordinary imports, US\$ 5.1 thousand million for ALADI (Latinamerican Integration Association) agreement, and US\$ 2.8 thousand million for the Unified System for Regional Compensation (SUCRE) agreement. Of the remaining US\$ 7.1 thousand million, it is worth mentioning the assignment of US\$ 3.3 thousand million for purchases with Credit Cards and Cash.

The Transaction System for Foreign Currency Denominated Securities (SITME) allocated US\$ 10.3 thousand million—US\$ 1.5 thousand million more than last year (+14.9%) at an average daily amount of US\$ 42.8 million.

BANKING SYSTEM

The banking system closed 2012 with 35 institutions, 25 of which are private, that is, 71.4%. 3,621 agencies and 80,643 employees nationwide were counted.

The great results in the financial system are closely related to the ongoing growth of the economic activity for nine consecutive quarters, particularly the performance of the financial and insurance institutions (+32.9%), benefited by the high levels of liquidity and expansion of public spending.

The presence of above factors and the effectiveness of placement percentages required to satisfy the financing demand of the priority sectors contributed to boost the credit intermediation, thus complying with the regulations on such matter.

The main achievements in the period are as follows:

- ▶ Greater activity of the loan portfolio, which recorded a growth of 50.03% during the last twelve months, thus closing December 2012 with loans totaling Bs. 397,607 million, a performance that is in agreement with the boost of the economic activity during the year; hence, with the highest financing demand by the different productive agents.
- ▶ In the last twelve months, the banking system experienced an increase in loans of over 804 thousand, thus closing 2012 with 10,894,959 loans, 65.7% of which were due in more than 360 days. Furthermore, 97.0% of such loans were classified as current, which confirms that the bank portfolio is currently healthy.
- ▶ This favorable trend in loan granting, together with high availability and investment securities led to an increase in system assets of Bs. 927,899 million, i.e. 57.56% more than that recorded during the second half of 2011.
- ▶ Investment securities closed at Bs. 250,112 million, reflecting an increase in relative terms of 76.23% compared to the 2011 closing, with a portfolio that is 76.2% composed of securities issued by the State. Besides efficient intermediation management, system indicators showed an improved quality portfolio, reducing default levels from 1.44% in December 2011 to 0.88% at 2012 year-end, ensuring a steady and sufficiently-loose provision level at the gross fixed assets portfolio (352.67%).
- ▶ Compliance at the banking system with the placement percentages required for targeted portfolios stood out, with 43.66% of the funds aimed at the different production sectors in the country and the remaining 56.34% targeted to the business and consumption sector.
- ▶ Bank financing among the different production sectors was reassured through portfolio diversification and, thus, lower risk concentration. Certain activities, such as wholesale & retail, hospitality (32.4%), agricultural, fishery and forestry activities (13.4%), among others, reached a remarkable level.
- ▶ As for system liabilities, an interannual variation of 63.20% in the balance of customer deposits was recorded, reaching Bs. 788,819 million in December 2012, mainly due to the stimulus given to current accounts (+69.08%).
- ▶ The above matches the significant increase in the number of financial system depositors during the year then ended, amounting to 32,208,845, thus exceeding by more than 4 million the December 2011 record.
- ▶ The income statement shows a net benefit for the second half of 2012 of Bs. 16,999 million, which added to the result obtained during the first half of the year exceeds 29 thousand million bolivars, generated to a larger extent from improved financial margins, that led not only to higher operating margins, but to performance levels that are best aligned to the investment levels required for optimal operation of the banking services.

BANESCO BANCO UNIVERSAL

Today, as part of this annual report corresponding to the second half of 2012, Banesco Banco Universal shows major achievements that reinforce our important position in the national banking system, which has not only been translated into simple balance sheets but into many different benefits for the communities we interact with as a socially responsible company, which deserves a separate chapter.

In Banesco we are committed to our customers, natural persons and legal entities, and therefore we are constantly reviewing and improving our product and service offer for purposes of being competitive and in line with the short-, mid- and long-term financial needs of our customers, by incorporating unique financing plans, specially aimed to professionals and entrepreneurs. Thanks to this offer of products and services and the relationship with our customers, we are able to report the results that by the second half of 2012 place Banesco as a leading organization in the national financing market.

As part of rendering accounts to the Shareholders' Meeting, we bring your attention to the following:

- ▶ Total Assets for 2012 closed at Bs. 123,582 million (13.32% market share), with an increase of Bs. 44,284 million compared to 2011 closing, which is mainly attributable to the significant boost in loan ranting, with over Bs. 64 thousand million in net loans. Such figures place us at the tone of the top private banks in the country, as reflected in the 58.86% of intermediation level and a 16.14% market share.
- ▶ Loans granted at 2012 closing totaled 1,865,107, which represents 17.1% of the total number of banking sector loans.
- ▶ During the six-month period, the mortgage portfolio increased over Bs. 479 million, closing at Bs. 5,932 million in December 2012, thus exceeding by more than 8% the amount of the prior six-month period, granting mortgage loans through own funds to more than 1,521 families for house acquisition. Over 6,900 loans were granted under Régimen Prestacional de Vivienda y Hábitat (Housing Benefits System), concentrating 12.44% of the mortgage loan market in the country.
- ▶ For the second half of 2012, Banesco closed with Bs. 10,585 million in agricultural placements having granted 1,380 loans during such period. 206 new customers were served in the year, which added to the 224 served in the first half of 2012, led to a total of 436 new customers, positioning us as the second largest private bank in the country to offer financing to this economic activity, with a 13.90% share of the entire banking system



and of 20.40% share among commercial and universal private equity banks.

- ▶ During the second half of 2012, loans to the tourism sector amounted to Bs. 1,156 million, i.e. an increase of over 25%, consolidating us at the top of the banking system throughout the year 2012 for that type of loans, with a 15.35% share of the commercial and universal banks market. This portfolio was aimed towards tourism infrastructure (45.4%), 22.7% to construction, and the remaining 31.9% was allocated to renovations, transportation, lodging, and widening.
- ▶ We channeled important resources to meet the growing microloan demand locally, with a portfolio increase of Bs. 3,698 million, thus consolidating as the largest private bank with an 18.00% share of the entire financing system.
- ▶ At 2012 year-end, the vehicles portfolio increased Bs. 4,746 million, which translates into 39,483 loans. Credits for vehicles show an increase of market share for the six-month period, from 22.10% to 24.54%, as a result of a 31.27% credit portfolio increase, positioning as the second largest private bank for this type of financing.
- ▶ We remained undisputed leaders in commercial loans, with a portfolio increase of approximately 9 thousand million bolivars during the second half of the year, taking our share to 16.70%, and closing the period at Bs. 27,414 million.



AT 2012
YEAR-END,
THE VEHICLES
PORTFOLIO INCREASED
Bs. 4,746 MILLION,
WHICH TRANSLATES
INTO 39,483
LOANS.



FUNDS MANAGED UNDER HOUSING BENEFITS SYSTEM AMOUNTED TO Bs. 7,321 MILLION, PLACING US AT THE TOP OF THE SYSTEM

- ▶ We capitalized the considerable efforts made over the years to meet the needs of the local manufacturing industry, granting loans for Bs. 4,306 million, equivalent to 10.87% of the market, which places us as the third largest private bank in the country.
- ▶ By disaggregating the portfolio per business activity, Banesco widely covers all local production areas, reflecting a highly diversified portfolio, leading the market of construction and commercial loans with a share of 23.2% and 22.8%, respectively, in addition to relevant positions at the service of the agricultural, fishing and forestry exploitation (13.9%) and the transport, storage and communication sectors (14.9%), among others.
- ▶ Regarding customer deposits, Banesco remained as one of the leading banks in terms of public preferences (Bs. 109,055 million), reflecting a variation of 43.2% compared to the prior period and 54.1% inter-annually, increasing the number of depositors to nearly 400 thousand, to 6,506,352 depositors at 2010 year-end, landing on the top of the banking system with a 20.2% share.
- ▶ We remained leaders in one of our traditional products, the current account, with 27.4% of all the depositors of the entire banking system (3,523,534).
- ▶ During the year 2012, our long, relevant trajectory in the trust fund business was reaffirmed with a reported growth of Bs. 869 million (10.39%) in trust fund assets compared to 2011 closing, reaching Bs. 9,231 million in December, which places us as the third largest private bank; 48% of such amount corresponded to Collective Trust Funds (Bs. 4,883 million), 12% to Administration Funds (Bs. 1,145 million), 19% to Guarantee Funds (Bs. 1,777 million), 15% to Investment Funds (Bs. 1,427 million); and 5% to Combined Trust Funds (Bs. 433 million).
- ▶ Funds managed under Housing Benefits System amounted to Bs. 7,321 million, placing us at the top of the system, with a 92% share that added to the number of customer deposits, lead to managed funds level of Bs. 116,376 million, positioning us as leaders of the private bank with a 14.29% share.
- ▶ Leadership of Banesco Banco Universal in the overall financial system accounts for equity of Bs. 10,474 million, related to Bank assets, which led to an equity sufficiency coefficient of 10.22%, i.e. over the minimum legally-required percentage.
- ▶ Lastly, transactions for the six-month period translated into Bs. 2,908 million, obtaining financial income of approximately Bs. 6,707 million, which is 81.2% generated by credit activities.





FINANCIAL HIGHLIGHTS

Stated in Million VEF	First Half 2011	Second Half 2011	First Half 2012	Second Half 2012	GROWTH			
					I Half 2012 / I Half 2011		I Half 2012 / II Half 2011	
					Absolute	%	Absolute	%
Total Assets	55,586	79,298	86,878	123,582	44,284	55.8%	36,704	42.2%
Cash and Due from Banks	13,710	22,718	15,427	28,317	5,599	24.6%	12,891	83.6%
Security Investments	8,016	11,518	16,363	26,237	14,719	127.8%	9,874	60.3%
Credit Portfolio	31,741	41,905	52,491	64,190	22,285	53.2%	11,699	22.3%
Deposits from Clients	48,101	70,752	76,165	109,055	38,303	54.1%	32,890	43.2%
Deposits in Current Accounts	32,389	48,612	53,131	77,631	29,019	59.7%	24,500	46.1%
Savings Deposits	8,014	13,054	14,729	21,112	8,058	61.7%	6,383	43.3%
Time Deposits	68	491	473	455	-36	-7.3%	-18	-3.8%
Other Deposits	7,630	8,594	7,831	9,857	1,263	14.7%	2,026	25.9%
Total Stockholders' Equity	4,880	6,208	7,907	10,474	4,266	68.7%	2,567	32.5%
Trust Assets	7,521	8,362	8,880	9,231	869	10.4%	351	4.0%
Debtor Accounts Due to Trust Assignments (FAOV)	4,942	5,703	6,412	7,321	1,618	28.4%	909	14.2%
Financial Revenues	3,410	4,240	5,309	6,707	2,467	58.2%	1,398	26.3%
Financial Expenses	734	829	1,069	1,369	540	65.2%	300	28.0%
Gross Financial Margin	2,676	3,411	4,240	5,338	1,927	56.5%	1,098	25.9%
Financial Intermediation Margin	2,843	3,582	4,962	6,547	2,965	82.8%	1,585	32.0%
Transformation Expenses	2,039	2,075	2,725	3,052	977	47.1%	327	12.0%
Income Tax	0	0	0	0	0	0.0%	0	0.0%
Net Income	610	1,368	2,016	2,908	1,540	112.6%	892	44.2%
Accumulate Agriculture Portfolio	6,293	6,675	11,321	10,585	3,910	58.6%	-736	-6.5%
Official Institutions Deposits	4,209	4,302	4,967	3,572	-730	-17.0%	-1,395	-28.1%
Micro Loans	1,364	1,952	2,569	3,697	1,745	89.4%	1,129	43.9%
Commercial Loans	7,825	14,115	18,416	27,414	13,299	94.2%	8,998	48.9%
Credits to Consumer	10,077	10,968	12,919	14,405	3,437	31.3%	1,486	11.5%
Vehicles	1,692	2,705	3,615	4,746	2,041	75.4%	1,131	31.3%
Credit Cards	8,385	8,263	9,304	9,659	1,396	16.9%	355	3.8%
Mortgage Loans	4,540	5,137	5,453	5,932	795	15.5%	479	8.8%
Ratios								
Loan Portfolio Provisions / Non Accrual Loans	171.8%	235.0%	310.5%	472.7%				
Non Accrual Loans / Gross Loan Portfolio	1.4%	1.0%	0.7%	0.5%				
Net Results / Average Assets	2.3%	3.4%	4.9%	5.3%				
Net Results / Average Equity	26.5%	39.4%	55.4%	60.2%				
Liquidity	41.5%	42.1%	28.1%	34.7%				



B. CREDIT RISK REPORTS

The credit risk management at the close of the second half of 2012 showed a performance characterized for obtaining a favorable profitability/risk level based on our indicators.

The Default Index in Total Portfolio was 0.49% and the hedging level of the Provision for Loan Portfolio was 472.66%.

Funds were mainly placed in Commercial, Manufacturing and Agricultural economic activities as the main sectors that received loans.

Collection strategies are still based on recovery management with a customer comprehensive approach, which has resulted in higher levels of effectiveness.

In the second half of 2012, the close monitoring of past-due balances and the joint management between the areas involved for the achievement of goals set under foreseen scenarios, allowed showing that this type of management is highly relevant to generate value in the final result of the credit business. Therefore, this management approach is expected to be maintained in 2013.

C. APPROVAL OF LENDING AND BORROWING TRANSACTIONS INDIVIDUALLY EXCEEDING 2% OF THE BANK'S EQUITY

Report on Approvals of Lending Transactions Exceeding 2% of the Bank's Equity

In compliance with article 31(3) of the Decree Law of Banking Institutions on lending transactions, at the six-month close, the Board of Directors approved fifty (50) loans that individually exceeded two percent (2%) of the Bank's equity.

Report on Approvals of Borrowing Transactions Exceeding 2% of the Bank's Equity

During the second half of year, and in compliance with article 31(3) of the Decree Law of Banking Institutions, the report on borrowing transactions exceeding 2% of the Bank's equity was submitted to the Board of Directors for review and approval on a monthly basis.

In addition, during this six-month period, we had to adapt the process manual to be used for follow-up and approval of lending and borrowing transactions individually exceeding 2% of the Equity, which establishes that the Comprehensive Risk Management Unit will be responsible for issuing the report on borrowing transactions that had exceeded 2% during the month, which will be complemented with the information sent by the Unit for Prevention and Control of Money Laundering and Terrorist Financing. This unit, within the framework of the activities carried out to control and supervise the borrowing transactions, must report to the Comprehensive Risk Management Unit all borrowing transactions exceeding 2% of the Equity and that due to their characteristics may be deemed unusual and/or suspicious; hence, they may represent a risk to the reputation of the Bank.

Within the framework of the process approved during the second half of 2012, 15 new clients were approved, and renewals of clients with previous approvals maintained in approximately 25 clients per month.

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



Chairman of the Board
Juan Carlos Escotet R.

Main Directors
Juan Carlos Escotet R.
María Josefina Fernández M.
Daisy Josefina Veltz E.
Miguel Ángel Marciano C.
Oiga E. Marciano de Viamonte
Sergio Saggese Ciarrinno
Flavel Castañeda de Ledonias
Oscar Doval García

Statutory Auditors
Gordy Palmero Luján
Igor Williams De Castro

Secretary
Marco Túlio Ortega Vargas

Stock Capital Bs. 1.250.000.000,00
Capital Paid-in Bs. 1.250.000.000,00
Capital Reserves Bs. 9.224.186.757,47

Independent Accountants

Márquez, Perdomo & Asociados
(Members of CROWE HORWATH INTERNATIONAL)

BALANCE SHEET

December 31, 2012 and 2011 (Stated in VEF)

ASSETS	Dec-12	Dec-11
CASH AND DUE FROM BANKS	28.316.622.416	22.717.863.001
Cash	3.713.866.058	2.225.963.959
Central Bank of Venezuela	21.464.784.763	18.877.286.436
Local Banks and Other Financial Institutions	158.793.180	125.965.809
Foreign and Correspondent Banks	120.818.106	96.196.897
Oficina matriz y sucursales	0	0
Pending Cash Items	2.858.761.311	1.393.449.980
(Provision for Bank Accounts)	0	0
INVESTMENTS SECURITIES	28.236.783.899	11.518.450.398
Investments in Central Bank	1.312.817.572	505.717.365
Investments in Trading Securities	0	0
Investments in Securities Available for Sale	8.196.546.822	6.584.864.558
Investments in Securities Held to-maturity	11.745.064.327	1.429.110.373
Limited Availability Investments	184.291.838	534.979.102
Other Security Investments	4.798.063.340	2.463.779.000
(Provision for Security Investments)	0	0
LOAN PORTFOLIO	64.190.253.641	41.905.421.094
Outstanding Credits	65.343.019.841	42.348.267.589
Restructured Credits	56.090.526	113.471.034
Past Due Credits	321.379.109	396.617.385
Credits in Litigation	3.006.805	13.879.696
(Provision for Credit Portfolio)	(1.533.242.640)	(904.614.709)
INTEREST AND COMMISSIONS RECEIVABLE	1.291.584.106	614.999.326
Interest receivable from cash and due from banks	0	0
Interest receivable from security investments	444.828.547	171.950.249
Interest receivable from credit portfolio	828.243.487	515.347.730
Commissions Receivable	95.624.691	68.366.744
Interest Receivable on Other Accounts Receivable	0	0
(Provision for Interest Receivable and Other)	(77.112.619)	(140.665.397)
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	3.858.776	3.717.453
Investments in subsidiaries and affiliates	3.858.776	3.717.453
Investments in branches	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	24.890.290	32.636.359
PROPERTY IN USE	1.098.353.657	1.040.890.993
OTHER ASSETS	2.418.977.850	1.463.646.739
TOTAL ASSETS	123.581.524.637	79.297.625.443

LIABILITIES AND EQUITY	Dec-12	Dec-11
Deposits	109.054.852.543	70.751.503.751
Deposits in Current Accounts	77.630.604.222	48.612.093.110
Non-Remunerated Checking Accounts	38.128.450.099	22.997.786.637
Remunerated Checking Accounts	39.502.164.123	25.614.306.473
Other Demand Liabilities	9.856.878.883	8.593.936.595
Obligations for Money Desk Operations	0	0
Savings Deposits	21.112.091.634	13.054.390.812
Time Deposits	456.078.004	491.083.234
Securities issued by the Institution	0	0
Restricted Deposits from Clients	0	0
Right of Ownership and Participation on Security Investments	0	0
OBLIGATIONS WITH BCV	571.747	225.835
DEPOSITS AND OBLIGATIONS WITH BANAVIH	731.915.987	212.582.237
Liabilities with local financial institutions up to one year	580.802.894	205.300.421
Liabilities with local financial institutions more than one year	0	0
Liabilities with foreign financial institutions up to one year	151.113.093	7.291.816
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
OTHER FINANCIAL OBLIGATIONS	61.212.263	77.249.570
INTEREST AND COMMISSIONS PAYABLE	12.580.732	14.009.010
Expenses payable due to deposits from clients	12.580.447	13.959.677
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	285	49.333
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
ACCURALS AND OTHER LIABILITIES	3.246.404.608	2.033.612.400
SUBORDINATED DEBT	0	0
OTHER LIABILITIES	0	0
TOTAL LIABILITIES	113.107.337.880	73.089.192.863
STOCKHOLDERS' EQUITY	1.250.000.000	1.250.000.000
Capital Paid-in	1.250.000.000	1.250.000.000
Paid-in Surplus	0	0
Contributions Pending Capitalization	0	0
Capital Reserves	1.275.080.821	902.951.409
Equity Adjustments	266.752.482	316.752.482
Accumulated Income	7.164.757.745	3.602.309.023
Non-Realized Gain or (Loss) on Available for Sale Security Investments	552.485.995	171.310.012
Treasury Stock	(34.890.290)	(34.890.290)
TOTAL EQUITY	10.474.186.757	6.208.432.640
LIABILITIES AND EQUITY	123.581.524.637	79.297.625.443
Contingent Debtor Accounts	20.302.517.295	13.285.074.171
Trust Assets	9.231.268.536	8.362.415.376
Other Trust Assignments	279.332.152	197.756.555
Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)	7.321.429.519	5.702.585.176
Other Debtor Accounts (Housing Mutual Fund)	14.277.364	12.225.558
Other Debtor Memorandum Accounts	298.738.507.713	210.019.313.345
Other Debtor Book Accounts	28.089.007	26.561.931

Statements of Earnings (Stated in VEF)

Years ended December 31, 2012 and 2011

	Dec-12	Dec-11
Financial Revenues	6.706.786.415	4.239.936.303
Revenues from Cash and Cash Equivalents	1.757.864	2.133.859
Revenues from Security Investments	1.207.335.807	641.124.115
Revenues from Credit Portfolio	5.449.185.617	3.535.077.473
Revenues from Other Accounts Receivable	44.706.299	39.799.432
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0
Revenues from Head Office and Branches	0	0
Other Financial Revenues	3.800.828	21.701.424
Financial Expenses	1.368.679.883	828.632.208
Expenses Due to Deposits from Clients	1.343.116.443	824.211.699
Expenses Due to Obligations with BCV	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0
Expenses Due to Other Financing Obtained	2.863.440	4.260.748
Expenses Due to Other Financial Obligations	22.800.000	0
Expenses Due to Subordinated Debt	0	0
Expenses Due to Head Office and Branches	0	0
Other Financial Expenses	0	159.761
Gross Financial Margin	5.338.206.532	3.411.204.095
Income from Recovered Financial Assets	132.803.816	86.983.895
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	596.525.813	628.546.827
Provision for Loan Portfolio and Other Accounts Receivable, Losses	596.525.813	628.546.827
Provision for Cash and Due from Banks	0	0
Net Financial Margin	4.874.484.336	2.869.021.163
Other Operating Income	2.058.218.899	939.928.511
Other Operating Expenses	385.358.309	226.790.730

	Dec-12	Dec-11
Financial Intermediation Margin	6.547.344.925	3.582.158.944
Transformation Expenses	3.051.907.551	2.075.231.146
Personnel Expenses	1.295.162.715	871.307.159
Administrative and General Expenses	1.195.396.040	854.672.286
Contributions to Deposit Guarantee and Bank Protection Fund	511.623.400	317.554.348
Contributions to Superintendency of Banks and Other Financial Institutions	49.725.396	31.697.353
Gross Operating Margin	3.495.437.374	1.506.927.798
Income from Adjudicated Goods	10.867.822	10.796.933
Income from Special Programs	0	0
Income from Sundry Accounts	49.031.513	47.877.048
Expenses Due to Realizable Property	7.105.004	10.098.175
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0
Expenses Due to Laundry Accounts	357.705.173	181.020.648
Net Operating Margin	3.190.516.332	1.374.282.986
Extraordinary Income	0	0
Extraordinary Expenses	7.377.104	6.468.328
Gross Income Before Taxes	3.183.139.228	1.367.816.628
Income Taxes	275.000.000	0
Net Income	2.908.139.228	1.367.816.628
Application of Net Income		
Legal Reserve	145.423.762	136.781.663
Statutory Utilities	0	0
Other Capital Reserves	6.250.000	0
Accumulated Income	2.756.465.466	1.231.034.965
LOBEP Contribution	34.458.832	14.796.242

Net Income Distribution		
Legal Reserve	145.423.762	136.781.663
Other Capital Reserves	6.250.000	0
Restricted Surplus	1.378.232.733	615.517.483
Surplus to apply	1.378.232.733	615.517.482
NET INCOME	2.908.139.228	1.367.816.628



E. PARTICIPATION IN THE COUNTRY'S PRODUCTION SECTOR AS A PERCENTAGE OF THE LOAN PORTFOLIO

CREDIT SITUATION STATED IN VEF	OUTSTANDING CREDITS	RESTRUCTURED CREDITS	NON-PERFORMING LOANS		TOTAL	PERCENTAGE COMPOSITION
			PAST DUE CREDITS	CREDITS IN LITIGATION		
ECONOMIC ACTIVITY	CREDITS	CREDITS	CREDITS	CREDITS	CREDITS	PERCENTAGE
Agriculture, Fishing and Forest	8,714,136,744	31,801,564	67,301,048	136,929	8,813,376,285	13,41%
Hydrocarbons and Mining Exploitation	88,902,243	0	0	0	88,902,243	0,14%
Manufacturing Industry	4,273,884,303	798,552	31,387,247	0	4,306,070,102	6,55%
Electricity, Gas and Water	61,629,000	0	0	0	61,629,000	0,09%
Construction	6,021,831,860	415,639	25,894,316	2,702,655	6,050,844,471	9,21%
Trade, Restaurants and Hotels	21,293,875,280	3,289,228	24,205,978	84,344	21,321,454,830	32,44%
Transport, Storage and Communications	1,011,731,848	199,085	2,054,287	0	1,013,985,220	1,54%
Financial Stablishments, Real State and Services Provided to Companies	22,272,076,929	19,184,812	164,550,622	82,876	22,455,895,239	34,17%
Community, Social and Personal Services	1,604,951,633	401,646	5,985,612	0	1,611,338,891	2,45%
Non Well-specified Activities	0	0	0	0	0	0,00%
SUB-TOTAL	65,343,019,841	56,090,526	321,379,109	3,006,805	65,723,496,281	100,00%

F. REPORT ON REQUIREMENTS AND CLAIMS FILED BY USERS OF THE BANK SERVICES AND HOW THEY WERE SOLVED

Since 2008, Banesco maintains a technological tool named SIR (Comprehensive Requirement System) that allows managing customers and users' requirements and complaints through the different service channels, such as: BanescOnline, national agency network, call center and administrative offices, offering timely and efficient response in line with current regulations.

1. During the second half of 2012, 38,119 financial complaints were processed, which represents a 6% decrease over the previous half year, amounting to Bs. 44,156,394.49. Since 67% of the cases (25,718 claims) resulted to be favorable to clients, Bs. 23,453,891.13 was refunded to clients.

Financial Requirements Processed by Channel • II Half 2012

CHANNEL	Number of Requirements	Customers	% of Requirements for Capture Channel	Bs.
BanescOnline	27,072	23,762	71.0%	15,417,334.23
Agency Network	6,198	5,373	16.3%	21,698,104.34
Administrative / Specialized Segments	4,622	4,095	12.1%	6,615,861.84
Telephone Banking	227	209	0.6%	425,094.08
TOTAL	38,119	33,439	100.0%	44,156,394.49

2. During the same period, 561,809 service requirements were processed (updating of customers' data, increase in credit cards limit, replacement of credit cards, among others) related to the post-sale of our products and services, which were processed by the channels indicated in the attached charter.

Service Requirements Processed by Channel • II Half 2012

	Number of Requirements	Customers	% of Requirements for Capture Channel
BanescOnline	210,024	172,496	37.4%
Red de Agencias	158,190	121,712	28.2%
Administrativo / Bcas. Especializadas	135,759	65,063	24.2%
Banca Telefónica	57,836	51,749	10.3%
TOTAL	561,809	411,020	100.0%

3. During the six-month period that just ended, the Compliance Level of the service supply in the Requirement Management service was 87.71%.

G. ELECTRONIC CHANNELS AND BANK AGENCIES

As of December 2012 close, Banesco had a wide network of physical and electronic distribution channels whereby the Bank offers a wide range of products and services:

- ▶ 421 service points (agencies, satellites, Banesco Express) nationwide
- ▶ 63,966 Points of Sale
- ▶ 1,641 ATMs
- ▶ 325 Self-Service Equipments
- ▶ 234 Checkbook Dispensers

H. EQUITY SUFFICIENCY COEFFICIENT LEVELS

Pursuant to Resolution 305.09 of July 9, 2009, published in Official Gazette 39.230 of June 29, 2009, the premises and procedures to calculate the equity sufficiency coefficient are as follows:

- ▶ Accounting equity sufficiency index, obtained from dividing the accounting equity amount plus operating management by total asset value. The coefficient to be multiplied by one hundred (100) which should not be less than eight percent (8%).
- ▶ Total equity sufficiency index, obtained from the sum of primary equity value (level I) plus Supplementary Equity (Level II), divided by the total amount of contingent assets and operations, weighted by risk level. The coefficient to be multiplied by one hundred (100), which should not be less than twelve percent (12%).
- ▶ Total equity sufficiency index (Level I) is the primary equity ratio (Level I) divided by the total amount of contingent assets and operations, weighted by risk level, which should not be less than six percent (6%).
- ▶ Based on the provisions and on the results obtained in June and December 2012, the percentages reached are as follows:

Description	Dec. 2012	June 2012
Accounting Equity Sufficiency Index	10.22%	10.36%
Total Equity Sufficiency Index	16.52%	16.87%
Total Equity Sufficiency Index (Level I)	16.52%	16.87%

I. EXTERNAL AUDITOR'S REPORT

The financial statements of the Bank corresponding to the second half of 2012, included in this annual report, were audited by the external auditors of the Institution, "Márquez, Perdomo & Asociados", the report of which is attached to the annual report and confirmed the fairness of such financial statements.

J. LIQUIDITY, LEVERAGE, EFFICIENCY AND PROFITABILITY INDICATORS

PRINCIPAL FINANCIAL INDICATORS	Dec. 12	Jun. 12	Dec. 11	Jun. 11
1. Equity				
Equity + Operative Management / Total Assets	10.22%	10.36%	8.77%	10.15%
Non-Productive Assets / Equity + Operative Management	294.47%	203.61%	391.00%	297.52%
2. Assets Quality				
Loan Portfolio Provisions / Gross Loan Portfolio	2.33%	2.29%	2.25%	2.37%
Non Accrual Loans / Gross Loan Portfolio	0.49%	0.74%	0.96%	1.38%
3. Management *				
Personnel Expenses + Operative Expenses/ Average Productive Assets	6.49%	6.94%	7.93%	8.97%
Personnel Expenses + Operative Expenses / Financial Income	39.08%	41.53%	44.88%	50.07%
4. Earnings *				
Net Results / Average Assets	5.32%	4.90%	3.35%	2.32%
Net Results / Average Equity	60.23%	55.37%	39.44%	26.45%
5. Liquidity				
Availability / Customer Funds	25.97%	20.25%	32.11%	28.50%
Availability + Investment in Securities / Customer Funds	34.69%	28.12%	42.13%	41.49%

* Annual Percentages

K. INTERNAL AUDIT REPORT AND AUDITOR'S OPINION ON THE COMPLIANCE WITH THE RULES ON PREVENTION OF MONEY LAUNDERING

Caracas, February, 2013

In compliance with article 29 of the Banking Institutions Law, we presented the summary of the internal audit management for the six-month period ended December 31, 2012, as well as the opinion on the efficiency of the internal control and the risk management system of Banesco Banco Universal (hereinafter "the Bank"), corresponding to the period from July to December 2012.

The Bank assumes the guidelines of the Basle Committee, and therefore, it conceives the Internal Audit function as a permanent, independent, impartial and objective activity of consultation, assessment and improvement of the internal control and risk management systems of the Organization, in order to add value, enhance operations and support the Bank in achieving its objectives; thus, its action area encompasses every and each Bank's activity, regardless its geographical or functional activity. The internal audit function is set forth in the Bylaws, whereby the vision and attributions of the function are defined as a whole, as well as the following functions, among others:

1. Evaluate the reliability and completeness of the Bank's financial information.
2. Evaluate the compliance, suitability and effectiveness of internal control systems and procedures, including electronic information systems.
3. Review the application and effectiveness of the identification, control, management, administration and assessment of the identification method of the different risks: credit, market, operation, liquidity, legal and the Bank's reputation risks.
4. Enforce compliance with laws, regulations, internal and external regulations adjusted to the financial system and applicable to the Bank.
5. Determine and assess the scope of irregularities, unusual events and noncompliance detected in the conduction of works, presenting the conclusions to the Ethics Committee.
6. Evaluate the system in connection with Prevention of Money Laundering and Terrorist Financing Activities, compliance with the Manual for Internal Standards and Policies and legal regulations governing the manual.

The audit activities supporting this report were accomplished thanks to the support of the Bank's President, the Audit Committee and the Board of Directors, in strict compliance with current national laws and international internal audit standards.

On February 7, 2012, the Audit Committee approved the

2012 Internal Audit Annual Plan, and on February 8, 2012, it was submitted to the Board of Directors for attestation as per Record N° 1314. The processes to be subject to review and the audit scope and execution period were established in such plan.

In 2012, we attended 9 Audit Committee's Meetings in order to report the results of the audits made and the results of the incidents occurred.

Likewise, the audit results were submitted to the Risk Committee on a biannual basis as provided for in article 10 off Resolution 136-03.

Likewise, the Audit Committee furnished the results to the Board of Directors to bring to their attention the severity of the findings and the potential deviations from the Bank's objectives. The Board took note of the observations and recommendations made for all the cases presented by the internal audit reports and Sudeban based on the audits made and by external auditors.

As of December 31, 2012, the Audit Plan was 100% accomplished as established for the second half of the year, from which scope, the following are worth mentioning:

LEGAL COMPLIANCE

Compliance with the Plan of Adjustment and Adaptation to the Banking Institutions Law

Adaptation by the Bank to the Plan of Adjustment required in the Sixth Transitional Provision of the Decree Law of the Partial Amendment to the Banking Institutions Law was followed up, evidencing that the Bank has been complying with the adjustment schedule, specifically as provided for in articles 10, 22, 32, 48, 53, 60, 61, 70, 74 (10) (11) (17), 76 second paragraph, 77 (12), 83, 99 (10).

On July 13, 2012, the Bank sent a communication to SUDEBAN informing the status as of 06-30-2012 regarding the Plan of Adjustment and Adaptation to the following articles: 31 (3), 34, 37, 19, 38, 47, 53, 74 (7), 74 (17), 76 third paragraph, 85, 96, 98, 99 (1), 99 (16), and 99 (17) issued and subscribed by the Internal Auditor. Likewise, at the same time, a communication was sent to SUDEBAN containing the report made by the External Auditors in compliance with Official Notices N° SIB-II-GGIBPV-GIBPV4-43186 and N° SIB-II-GGIBPV-GIBPV4-08831, issued on December 28, 2011, and April 2, 2012, respectively.

Compliance with Regulations on Protection of Users of Financial Services

Verification of compliance by the Bank of Resolution 083-11 “Standards on Protection of Users of Financial Services”, for which the Bank has been managing actions aimed to improve Customer Service Quality, employees’ knowledge as to service quality, and has made changes in the agencies related to service provision to senior citizens and the disabled by improving service turnaround time and response time to customers’ requirements.

Loan Portfolios (Mandatory Lending Buckets)

As of December 31, 2012, the loan portfolio by allocation is classified as follows

By Type of Loan	Balance as of 12-31-2012
Installment Loans	25,585,384,698.50
Credit Cards	9,658,885,383.72
Fixed-term Loans	13,968,790,972.58
Fixed-term Agricultural Loans	1,785,956,544.16
Manufacturing Sector Loans	4,306,070,102.34
Car Loans	4,745,947,162.75
Microentrepreneurs Loans	3,697,460,611.60
Tourism Loans	1,155,811,075.00
Financial Leases	564,437,268.50
Negotiated Issued Letters of Credit	229,540,627.16
Checking Accounts	25,211,834.90
Total portfolio as of 12-31-2012	65,723,496,281.21
Provision maintained for loan portfolio	-1,533,242,639.73
Loan portfolio net as of 12-31-2012 (Bs.)	64,190,253,641.48

At December 31, 2012, Banesco keeps micro-entrepreneur loans representing .88% of the overall loan portfolio, with the legal percentage required by law being 3% of the gross portfolio at closing of December 31, 2011.

In order to comply with the provisions of the current regulations regarding the percentage to be allocated by universal banks to financing manufacturing activities, at December 31, 2012, the Bank has allocated Bs. 4,306,070,102 to such sector, which represents 10.04% of the total gross annual portfolio at closing of the prior six-month period. The legal percentage required by law is 10% of the gross portfolio at closing of the prior six-month period.

At December 31, 2012, the Bank granted loans to the agricultural sector of approximately Bs. 10,584,857,779, and issued agricultural bonds for Bs. 1,690,558,000 representing 29.73% of the average portfolio for recent fiscal years, with the legally-required percentage being 24%.

Under the regulations in effect, at December 31, 2012, the number of new borrowers of the agricultural portfolio should increase by 30% compared to the total borrowers for the same portfolio in the immediate prior year. At 12-31-2012,

new customers of the Bank agricultural portfolio increased by 430, representing 94% of total new customers required for 2012 closing.

At 12-31-2012 closing, the Bank keeps Bs. 4,047,719,817 in the mid- and long-term agricultural portfolio, which accounts for 45.93% of the total agricultural portfolio, with the current legally-required percentage being 10%.

As for the mortgage loan portfolio, at 12-31-2012, the Bank keeps Bs. 5,532,694,655 for the main house construction and renovations, which represents 12.91% of the overall portfolio, calculated over the total gross loan portfolio of the prior fiscal year, and for which Banks are liable to reach the 15% required annually. Consequently, the Bank meets the required percentage for long-term portfolio holding a percentage of 6.09%, equivalent to Bs. 2,610,265,595, with the required percentage being 5.10%. With respect to the short-term portfolio, at 12-31-2012, the Bank keeps Bs. 2,922,429,060, equivalent to 6.82% of the portfolio, with the percentage required for this sector being 9.90%.

Considering current legislation ruling the Tourism Sector, at 12-31-2012, the Bank keeps Bs. 1,155,811,075 as loan portfolio allocated to such sector, which represents 3.25% calculated on the basis of the total average annual gross loan portfolio of the prior six-month periods, the current legally-required percentage is 3%.

Compliance with the Information Technology Regulations

As to Resolution N° SBIF-DSB-II-GGTI-GRT-01907 of January 30, 2008, issued by the Superintendency of Banks and Other Financial Institutions, regarding the Information Technology Regulations, Uncertified Financial Services, Virtual and Online Electronic Bank, the Bank has been complying with the provisions and the semiannual report of the adaptation thereto.

Compliance with Risk Regulations

In compliance with Regulation 136-03 of 05-29-2003, published in Official Gazette N° 37.703 of 06-03-2003, the Bank maintains a Risk Management structure. The Bank counts on a Risk, Loss Prevention, and Business Continuity Executive Office, a Executive Vice Presidency of Risks, and also maintains a Comprehensive Risk Committee made up by the President of the Bank, other members of the Board of Directors, and the members of the Vice Presidencies of Security, Auditing, and Accounting, thus accomplishing that the members of the Senior Management of the Bank to be directly involved in the global supervision of risk-taking. The Risk Committee is intended for the management, identification, measurement, and mitigation of the risks the Organization is exposed to.

Based on the foregoing and other standards and policies established by the Risk Committee, the Bank fairly

complies with Resolution 136-03 “Standards for Proper Comprehensive Risk Management”.

Prevention and Control of Money Laundering and Terrorist Financing

To comply with the provisions of Articles 70 and 71 of Resolution 119-10 issued by the Office of the Superintendent of Banks, published in Official Gazette 39.388 of March 17, 2010 on the Norms relating to Management and Audit of Risks Associated with Money Laundering and Terrorist Financing, we assessed all the areas under review, and drafted individual reports for each reviewed area, submitting our results to the Compliance Officer, so to take actions aimed at closing the gaps observed. In addition, at closing of the six-month period, we issued a summary of our observations, which was submitted to the Chairman of the Board of Directors in compliance with the provisions of Article 71 of Resolution 119-10.

Based on our review of the aspects relating to Money Laundering and Terrorist Financing, we pointed out that the policies, processes and control designed by the Bank to comply with the provisions of Resolution 119-10, as well as the plans and programs implemented to prevent and detect suspicious activities relating to Money Laundering and Terrorist Financing, fairly meet the requirements of said Resolutions to provide assurance as to any transactions being timely detected by the Bank.

Trust Fund

In our assessment of the Trust Investment Management, the Operational Support Analysis Management, and the Office of the VP of Trust Products, we identified certain situations entailing possible accounting, legal and operating risks, which require that Managements ensure continuity of regularization efforts, to allow process adaptation and compliance with accounting policies, norms and practices aimed at exerting sound control of the area and avoiding possible risks and penalties for the Organization.

SUDEBAN conducted a special IT Risk assessment on the Gestor application for the period from 01-10-2012 to 02-10-2012, with the following findings:

1. The closing process associated with Gestor critical application (Trust Fund) is run manually.
2. No audit records of Gestor (Trust Fund) critical applications are reviewed.
3. Control of Program versions and passing to the production environment of critical applications are manually performed.

At 07-31-12, which is the cut-off date, there are projects associated with each finding as required by SUDEBAN that at 12-31-2012 are in stabilization and follow-up stag.

Internal Control Assessment

The Audit Plan was executed during the second half of 2012, which allowed us assess Internal Control effectiveness of the areas covered under such Plan. The internal process assessment allows evaluating the control sufficiency to manage organizational risks, as well as compliance with the policies, norms and procedures established by the Bank, and the current regulatory framework. We observed a risk-awareness culture, appropriate structure, and supervision, guaranteeing integrity, ethical values, and strategic objectives among the Business and Back End areas.

The Bank business and operating units are responsible for implementing and maintaining effective internal control on the processes performed, as well as for identifying and managing the associated risks. The Internal Audit department is responsible for assessing the appropriateness of such internal controls and risks, and whether or not they are duly and properly manager, and for expressing an opinion as to internal control effectiveness. It is also responsible for validating the status of all mitigating and gap-closing actions implemented by the audited areas.

Based on our review of the processes related to the areas subject to review and existent controls thereon, we may state that such controls provide reasonable assurance of compliance with relevant aspects and are sufficient to mitigate any existing risk. We detected some deficiencies in these controls for which the appropriate recommendations were issued and the audited area undertook to implement the necessary corrective actions, to strengthen the existing internal control environment.

Financial Statements

Article 85 of the Banking Institutions Law provides for the subscription of the financial statements as part of the internal auditor’s responsibility. In this regard, we reviewed the figures reflected in the items Cash and Cash Equivalents, Investment Portfolio, Loan Portfolio, Other Assets, and Sight Liabilities. Therefore, we verified the accuracy of the figures recorded in the balance sheet.

Based on the reviews made, we consider that the figures presented in the financial statements are fair and reflect the whole operation carried out by each business are and segment of the Bank, as well as the manual adjustments made in the assessed fiscal period.

Likewise, the provisions recorded meet the required percentages that allow making a fair valuation of the assets related to such provisions to assume potential contingencies and penalties, the foregoing in agreement with the Banking Institutions Law and the Resolutions issued by the Superintendency of Banks.



L. COMMUNICATIONS OF THE SUPERINTENDENCY OF BANKING INSTITUTIONS, IN CONNECTION WITH THE PROVISIONS, OBSERVATIONS, RECOMMENDATIONS OR INITIATIVES RELATED TO THE BANK'S OPERATIONS

GENERAL REGULATIONS

DATE	OFFICIAL COMMUNICATIONS	DATE	OFFICIAL COMMUNICATIONS
07/10/2012	SIB-II-CCSB-20071. Request of information on the procedures established by the Bank Client and User Defender to process claims and the relationship to be governed between the User Service Unit and the Defender.	10/18/2012	SIB-II-GGR-GNP-33125. Regulatory Exception to weight agricultural bonds issued by the National Development Fund FONDEN, S.A. and Petróleos de Venezuela, S.A. (PDVSA) to establish the ratio equity/assets and contingent operations, by applying risk-based weighting criteria.
08/08/2012	SIB-II-GGR-GNP-24032. Provisions provided for in article 291 of the Decree Law on the Organic Criminal Procedures Code.	11/08/2012	SIB-DSB-CJ-OD-36040. As provided for in article 184(b) of the Decree Law on the Organic Law of Labor and Workers, December 24, 25, and 31, 2012, and January 1, 2013, are holidays, hence, they are non-working days.
08/08/2012	SIB-II-GGR-GNP-24033. Implementation of the digital employment certificate of the active staff of the Ministry of People's Power for Education.	11/20/2012	SIB-II-GGR-GNP-37607. Request of information and notice to present the Comprehensive Socialist Online Contribution System.
08/08/2012	SIB-II-GGR-GNP-24064. Instructions regarding the accounting records and weighting of dematerialized Simón Bolívar share certificates and the Bolivarian Housing Securities.	11/23/2012	SIB-II-GGR-GNP-38071. Deadlines to submit the discharge of the debt and the mortgage release.
08/08/2012	SIB-II-GGR-GNP-24065. Term for the electronic transmission of the financial statements as of July 2012.	12/03/2012	SIB-II-GGR-GNP-39387. Prohibition to establish maximum balances for capital raising instruments.
09/17/2012	SIB-II-GGR-GNP-29440. Modifications to the Accounting Manual for Banks corresponding to accounts under Exchange Agreement 20.	12/07/2012	SIB-DSB-UNIF-39735. Information on the publication of the Feedback Report for the first half of 2012.
09/19/2012	SIB-DSB-UNIF-29801. Standards to regulate accounts in foreign currency.	12/19/2012	SIB-II-GGR-GNP-41316. Ratification of the prohibition provided for in article 46(k) of Resolution 083 of March 15, 2011.
09/25/2012	SIB-DSB-CJ-OD-30493. Prohibition to demand prior home appraisal as a requirement to grant long-term loans requested to acquire homestead with own capital of the Banking Institutions established in the Mandatory Mortgage Portfolio for projects financed with short-term loans to the building contractor with resources from such portfolio, which have been chosen by the Ministry of People's Power for Housing and Habitat as members of Plan 0800-MIHOGAR, within the framework of Gran Misión Vivienda Venezuela (Venezuela's Great Housing Mission).	12/21/2012	SIB-II-GGR-GNP-41735. Aspects regarding the purchase and sale process of securities in foreign currency through System of Exchange for Foreign Currency-denominated Securities (SITME).
09/27/2012	SIB-II-GGR-GNP-30919. Reference to Official Communication SIB-II-GGR-GNP-24064 of August 8, 2012, regarding the accounting records and weighting of dematerialized Simón Bolívar share certificates and the Bolivarian Housing Securities.	12/21/2012	SIB-II-GGR-GIDE-41633. Transmission term of the Accounting Group of the Financial Comprehensive Information System (SIF).
		12/21/2012	SIB-II-GGR-GNP-41799. Information on the Comprehensive Online Contribution System to be implemented by the Social Protection Fund of Bank Deposits.
		12/27/2012	SIB-II-GGR-GNP-42297. Official request for the Banking Institutions to comply with the Law on Credits for the Tourism Sector.

PARTICULAR OFFICIAL COMMUNICATIONS

DATE	OFFICIAL NOTICES	DATE	OFFICIAL NOTICES
07/25/2012	SIB-II-CCSB-22006. Submission of results of Special Inspection made about Bank Service Quality to Banesco Banco Universal, C.A., which "field" inspection was made on July 9 and 10, 2012.	09/20/2012	SIB-II-GGIBPV-GIBPV3-29803. Considerations about the ad published in the journal "El Universal" on 08/29/2012, regarding the notice for the Extraordinary Shareholders' Meeting to be held on 09/24/2012, and the agenda thereof.
08/29/2012	SIB-II-GGIR-GRT-26923. Submission of Report on Technological Risk Special Assessment, containing the results from the inspection made from June 1 to July 16, 2012.	09/21/2012	SIB-II-GGIBPV-GIBPV3-30207. Submission of the observations to documents of the Regular Shareholders' Meeting to be held on 09/24/2012.
09/13/2012	SIB-II-CCD-29113. Considerations about documents corresponding to the General Shareholders' Meeting to be held on 09/24/2012.	09/26/2012	SIB-II-GGIBPV-GIBPV3-30605. Observations to the ad published in the journal "El Universal" on 09/06/2012, regarding the notice for the Extraordinary Shareholders' Meeting to be held on 10/01/2012, and the agenda thereof.
09/13/2012	SIB-II-GGIBPV-GIBPV3-29058. Considerations regarding the Manual containing Procedures to Approve Lending and Borrowing Transactions exceeding 2% of the Bank's equity and Review Report of Credit Opening and Granting Process for amounts exceeding 2% of such equity.	09/28/2012	SIB-II-GGIBPV-GIBPV3-31087. Considerations to Report of General Inspection made as of November 30, 2011, which "field" inspection was completed on April 13, 2012.

INFORMATION RELEVANT TO SHAREHOLDERS

BANESCO BANCO UNIVERSAL, C.A.**Stock Capital Bs. 1,250,000,000**

By order of the Board of Directors and pursuant to articles 10, 12 and 27(2) of the Bylaws, the shareholders of Banesco Banco Universal, C.A. are hereby called to a Regular Shareholders' Meeting to be held on March 18, 2013, at 8:00 AM, in Auditorium Fernando Crespo Suárez, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, entre Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve on the following matters:

FIRST: Upon revision of the Board of Directors' report and the comptrollers' report, approval of the independent auditors' report on the Financial Statements for the six-month period ended December 31, 2012.

SECOND: Discuss and resolve the decree, allocation and payout of cash dividends.

THIRD: Appointment of the members of the Board of Directors for 2013-2014.

FOURTH: Appointment of controllers for 2013-2014 and allocation of their remuneration.

FIFTH: Reduction of the Bank's capital stock by Bs. 17,000,000.00 as a result of the buyback of 1,700,000 preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008-II.

SIXTH: Increase the capital stock by Bs. 17,000,000.00 through the decree, allocation and payout of dividends in common shares.

SEVENTH: Modification of article 5 of the Bank's Bylaws regarding Capital Stock, based on the resolution on above matters.

EIGHTH: Consider ratification of the Bank Client and User Defender and his/her Deputy.

On behalf of the Board of Directors

Juan Carlos Escotet Rodríguez
Chairman of the Board of Directors

Nota: Known all stockholders by these presents that the Board of Directors' report, the comptrollers' report, the audited financial statements, as well as other reports and proposals to be discussed in the Stockholders' Meeting, will be available to you at the offices located in Edificio "Ciudad Banesco", Avenida Principal de Bello Monte, between Calle Lincoln y Calle Sorbona, Urbanización Bello Monte, of the city of Caracas, Piso 3 (third floor), Legal Vice Presidency.

Caracas, 20 of february, 2013

RIF: J-07013380-5

CORPORATE GOVERNANCE REPORT

BANESCO BANCO UNIVERSAL, C.A.

Banesco Banco Universal, C.A., is a Banking Institution domiciled in the city of Caracas, in the Bolivarian Republic of Venezuela and duly authorized to conduct financial intermediation transactions and related services allowed to universal banks, subject to the control and oversight by the Superintendency of Banking Institutions as provided for by Decree Law of the Partial Amendment to the Banking Institutions Law (Banking Institutions Law).

The capital stock of Banesco Banco Universal, C.A. is Bs. 1,250,000,000.00, divided in 100,000,000 registered common shares of the same class, non-convertible in bearer shares, at a par value of Bs. 10.00 each, and 25,000,000 of registered preferred shares, non-convertible in bearer shares, at a par value of Bs. 10.00 each. Such capital stock has been fully registered and paid in the percentage evidenced in the Shareholders' Book.

The Corporate Governance of Banesco Banco Universal, C.A. maintains the following structure:

Shareholders' Meeting

It represents the universality of the shareholders and has the company's supreme management. In compliance with the Banking Institutions Law, the meetings are regular and are held within 90 consecutive days after each half year close, and are extraordinary where deemed convenient by the Board of Directors for the company's interests or when required by a group of shareholders representing at least 20% of the capital stock. Its acts and resolutions are binding for the company and its shareholders.

Among its functions, the Meeting is empowered to: i) Appoint the directors, administrators, presidents, commercial agents, internal auditor, comptrollers, the Bank Client and User Defender and his/her corresponding deputies, as well as establish the mechanisms and controls to evaluate them and ensure that they are qualified to exercise the duties of their positions; ii) Establish the procedures necessary to promote active participation of shareholders in the Meeting; iii) Evaluate the different professional service offerings presented by accounting firms in order to select the list of three options to submit to the Superintendency of Banking Institutions; iv) Know and resolve on the Bank's semiannual report; v) Appoint advisors with right to attend and speak in the Board of Director's meetings; vi) Discuss, approve or modify the financial statements presented based on the Comptroller's report; vii) Decide on dividends decree and their form of payment, amount, frequency and time to be paid; viii) Know and resolve on any other issue for which it was called, everything in compliance with the Banking Institutions Law,

the Prudential Standards issued by the Superintendency of Banking Institutions, and the Company's Bylaws.

Board of Directors

The Board of Directors of Banesco Banco Universal, C.A. is comprised of eight (8) Directors. The main role of the Board is the management and general administration of the businesses and operations carried out by the Bank, including corporate social responsibility policies. It is empowered with the broadest dispositive and administrative powers on the goods and businesses of the company, provided it is not about matters exclusively reserved to the Shareholders' Meeting or other bodies established by the Law or the Bylaws. It is responsible for defining and strategically managing the Bank, and approves the business principles and policies, thus regulating the autonomy of executive decisions to protect the shareholders' interest and the organization. Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years with the results of each year. The Board meets on a regular basis at least once a month and may be called to an extraordinary meeting upon request by the Chairman of the Board or by three (3) of its members.

In compliance with the Law, the Board of Directors has the following responsibilities and duties: i) Establish the financial and credit strategy of the Bank and control the execution thereof; ii) Analyze and make statements about credit risk reports, as to the proportionality and term of the guarantees granted; iii) Decide on the approval of lending and borrowing transactions individually exceeding two percent (2%) of the Bank's equity; iv) Give an opinion, under its responsibility, on the financial statements and the internal audit report that includes the auditor's opinion on the compliance with the rules to prevent money laundering; v) Know and resolve on the content and compliance with the communications of the Superintendency of Banking Institutions regarding provisions, observations, recommendations, or initiatives about the operation of the Bank; vi) Comply with and enforce the provisions of the Law, the Superintendency of Banking Institutions, the Regular Shareholders' Meeting, and the Board of Directors.

Chairman of the Board of Directors

The Chairman of the Board of Directors is subordinated to the Shareholders' Meeting and the Board of Directors. In the exercise of his rights, he acts as legal representative of the institution before any and all public or private authority, and, on its behalf, grants contracts, agreements, settlements and, in general, all kinds of documents of any

nature whatsoever; carries out all the duties assigned by the Board and chairs the Shareholders' Meetings and board of directors' sessions, and jointly with the latter, exerts the supreme management of Bank's activities.

Secretary

The Secretary of the Board of Directors is an officer freely appointed and removable by the Board, in charge of keeping an organized record of the agreements of the Shareholders' Meeting and the Board of Directors, as well as cooperating with the collection, preparation, and maintenance of corporate information required by such bodies, the Shareholders, and the relevant authorities. The Secretary is also in charge of keeping the agenda of the Board's sessions as well as gathering the requirements regarding issues to be solved in such meetings; attending the Shareholders' Meetings and the Board of Directors' sessions with the right to speak but not to vote; writing up the corresponding minutes and keeping the Minute Book; endorsing the minutes and certifying the authenticity of the copies to be made; ensuring that the share certificates are duly issued, as well as the corresponding certifications; and any other duty assigned by the Shareholders' Meeting or by the Board of Directors.

Audit Committee

The duty of the Committee mainly consists on knowing the financial statements to be considered by the Board of Directors and subject to approval by the Shareholders' Meeting in order to verify that they comprise all the information required and show, completely and accurately, with no reserves or omissions, the financial situation of the partnership. Likewise, the Audit Committee assists the Board of Directors with the implementation of measures aimed at preserving the accuracy of the financial information of the partnership, cooperating with the supervision and follow-up of the bank's internal and external audit. In this regard, among other issues, it recommends the Board of Directors to appoint an adequate firm of External Auditors, reviews and approves the scope of the annual audit, and reviews together with the Board of Directors and the External Auditors all significant topics regarding litigations, contingencies and claims.

Internal Comptroller

In conformity with the Banking Institutions Law, is the person in charge of guaranteeing that the Bank's transactions and procedures are compliant to the Law, the prudential regulation, the bank's internal process manuals, and the accounting principles approved by the Superintendency of Banking Institutions. The Internal Comptroller is also in charge of supervising the due operation of internal control systems; guaranteeing compliance with the resolutions issued by the General Shareholders' Meeting, the Board of Directors, and the Superintendency of Banking Institutions; endorsing the financial statements jointly with the legal representative and the general account; internally coordinating the analysis of the diverse operations of the

institution and, together with the Audit Committee, informing the Board of Directors about the results of the audits performed in order to improve the procedures and mitigate any possible deficiencies.

Risk Committee

Its main duty is the management, identification, measurement, and mitigation of the risks, which the Bank is exposed to, by fixing risk limits under the policies established for each of the activities carried out by the Bank in credit, market, legal, and business matters, among others, in conformity with the Bylaws and the best practices at an international level.

The Risk Committee meets once a month, and also advise the Board of Directors and the different Credit Committees on the decision making, and establish the guidelines and policies they must comply with in order to maintain the established risk profile.

Credit Committees

The Board of Directors, reserving the execution of this right, has decided to delegate the right to grant credits to the committees created to such end, and established the amounts and all the terms and conditions for the performance of their duties. Thus, in order to comply with the diverse autonomies and the delegation of rights, the Executive Credit Committee, the Metropolitan Credit Committees, the Regional Credit Committees, and the individual autonomies were created.

Within the boundaries of their rights, these autonomies are in charge of the consideration and approval of the different credit applications, and of keeping the Board of Directors informed about the results of their transactions. Likewise, they must also comply with the different risk policies that have already been established for such purpose.

Asset and Liability Committee

It gives support to the Board of Directors. Therefore, its policies are aimed at designing, controlling, and taking the necessary measures to comply with the entity's financial strategy, including, but not limited to: Liquidity Policies, Equity Adjustment, Rate Setting, Funding Strategy, Investment Strategy and Policies for the correct management of assets and liabilities. This Committee is in charge of managing risks associated with asset and liability management, identified by Finance, Treasury, Risk, and Business Units, among others, and ensuring compliance with equity adjustment policies.

The Asset and Liability Committee must guarantee compliance with Integrated Risk and Investment Management policies, and may propose to the Risk Committee or the Board

of Directors, as appropriate, modifications or reviews to such policies.

Compliance Officer

Banesco Banco Universal, C.A. counts on a Compliance Officer in charge of the supervision and control of the Bank's Prevention and Control of Money Laundering Unit. Such Officer is also the Chairman of the Bank's Prevention and Control of Money Laundering Committee and informs the Board of Directors about the results of its activities and the investment of resources allocated to the training and education of Banesco's personnel regarding this matter. The Compliance Officer is entitled to participate in the Risk Committee, and reports to the President of the Institution.

Our Commitment

We reiterate that, for Banesco Banco Universal, C.A., compliance with the corporate governance principles represents the performance of our activities in accordance with the following standards:

- ▶ **Efficiency:** Oriented toward generation of the maximum value at the lowest cost, in less time and achieving the goals set.
- ▶ **Equity:** Strict respect to the right to equality of treatment of shareholders, workers, and suppliers, as well as any other person in connection with the partnership.
- ▶ **Respect:** To the shareholders' economic and political rights.
- ▶ **Openness, communication, and information:** Generate reliance and credibility in the public through the truthful disclosure of all the information necessary for the complete knowledge about the company.

Within the framework of the principles of good corporate governance, Banesco Banco Universal, C.A. has taken the necessary measures to maintain the proper openness and reliance standards, thus relying on a Shareholders' Unit the main priority of which is the service to shareholders in order to satisfy the needs of our investors. Such Unit is in charge of making the corporate information flow between the partnership's managers and the shareholders, in a timely, complete and accurate manner. It also constitutes a channel for investors to express any possible inquiry on their investment, gather corporate information of their interest, and receive the reports to be subject to consideration at the Shareholders' Meeting. The Shareholders' Unit is assigned to the Bank's Legal Vice Presidency.

Likewise, for the purpose of adopting the best international practices on Corporate Governance matters, during the second half of 2008, Banesco Banco Universal C.A.

Code of Ethics and Conduct of Banesco Citizens

The Code of Ethics and Conduct of Banesco Citizens helps define and regulate Banesco's conception on ethic values by establishing behavior patterns aimed to reinforce honesty as the essential way of acting of Banesco citizens. The application thereof basically emphasizes the respect to human rights, as well as prevention and control of money laundering.

Our code is based on the four Values of the Organization:

- ▶ **Responsibility:** We assume our duties with accuracy and passion. We honor our word. We make the best of time. We give our best to everyone.
- ▶ **Reliability:** We always tell the truth. We respond with honesty. We admit our mistakes. We ask for help when it is necessary.
- ▶ **Quality:** we carefully discharge our duties. We aim to be the best. We strive to exceed the expectations of our customers.
- ▶ **Innovation:** We are a forward-looking Organization. We offer solutions. We look for change-promoting ideas and technologies.

created the "Vice Presidency of Corporate Governance," whereby the constitution of new governance mechanisms was promoted through Directive and Executive Topic Committees, which will back the Board of Directors' management and its Executive Office for the benefit and protection of the interests of its shareholders, clients, and employees. The Directive Topic Committees shall be responsible for the control and follow-up of internal and external regulations, the preparation of policies, plans, and strategies to be presented to the Board of Directors for approval, as well as the creation of lines of action to control management incentive and discipline.

The Executive Topic Committees shall be responsible for the compliance with the policies and objectives established by the administration and coordination of resources, the creation and distribution of the corporate value guaranteeing a better resolution of conflicts related to corporate issues, development of core capacities and compliance with internal and external regulations. The implementation of these Committees will allow reaching higher efficiency and effectiveness levels in key decision-making, as well as a stronger and more developed Corporate Governance structure of Banesco Banco Universal, C.A.

Juan Carlos Escotet Rodríguez
Chairman of the Boards of Directors



COMPTROLLERS' REPORT

Six-month period ended December 31, 2012

Shareholders of Banesco Banco Universal, C.A.

1. In conformity with the appointment of the Comptrollers in Regular Shareholders' Meeting of the Bank held on March 26, 2012, and pursuant to the provisions of Articles 304, 305 and 309 of the Commercial Code, in conformity with the Bank's Bylaws and Inter-professional Standards for the for the exercise of the Comptroller's duty, we have reviewed the balance sheet of Banesco Banco Universal, C.A. as of December 31, 2012, and the related income statements and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended. During the period subject to review, one (1) Regular Shareholders' Meeting was held on September 24, 2012, and two (2) Extraordinary Shareholders' Meetings were held on September 24 and October 1, 2012.
2. Our review was based on the audit conducted by the Independent Auditors Márquez, Perdomo & Asociados (Crowe Horwath International), which issued the audited financial statements on February 15, 2013, corresponding to the six-month period ended December 31, 2012. Additionally, we conducted an analysis on the financial statements, selective tests on the accounting records, and any other procedures we deemed necessary in view of the circumstances.
3. As a result from our review of the administrative management performed by the Bank's Board of Directors, we inform the following:
 - 3.1. Through our review based on the external auditors' audit on the loan portfolio, we determined that the provisions maintained by the Bank for Loan portfolio and Returns Receivable on Loan portfolio are reasonable.
 - 3.2. Based on the results of our review, we determined that the Bank's Investment Portfolio is valued and presented in compliance with the standards established by the Superintendency of Banking Institutions, hereinafter SUDEBAN.
 - 3.3. As of December 31, 2012, the Bank maintains for Other Assets, a provision of Bs. 20,568,737, and during the six-month period under review write offs for Bs. 81,925,270, were conducted, corresponding to items that were fully provisioned. According to our analysis, and based on the results obtained by the Independent Auditors, we consider that the provision maintained by the Bank for Other Assets is reasonable and meets the parameters established by SUDEBAN.
4. During the period under review, we did not observe any violation to the Bylaws or Law by the Directors. During

the review of the Board of Directors' Minutes, we did not observe any dissenting votes.

5. In connection with the provisions in article 310 of the Commercial Code, the Bank's shareholders did not file any claim during the period under review.
6. In the six-month period ended December 31, 2012, SUDEBAN issued Official Notice SIB-II-GGR-GA-27503 on August 31, 2012, whereby it authorized the Bank, prior favorable opinion of the Supreme Body of the National Financial System (OSFIN), to increase its capital stock by Bs. 26,000,000, through the issue of 2,600,000 new registered common shares of the same class, non-convertible in bearer shares, with charge to Restricted Surplus. Likewise, prior favorable opinion of the National Financial System (OSFIN), SUDEBAN authorized the Bank by the same Official Notice to decrease its capital stock by Bs. 26,000,000, through the redemption and payment of 2,600,000 preferred shares.

Consequently, and based on the Report of the Independent Auditors Márquez, Perdomo & Asociados (Crowe Horwath International), issued on February 15, 2013, on the balance sheet as of December 31, 2012, and on the related income statements and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended, in our opinion, the accompanying financial statements subject to our review present fairly, in all material respects, the financial position of Banesco Banco Universal, C.A., as of December 31, 2012, and the results of its operations and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended, in conformity with the accounting standards established by SUDEBAN.

7. Based on the foregoing, we recommend the shareholders to approve the financial statements of Banesco Banco Universal, C.A., corresponding to the six-month period ended December 31, 2012, submitted by the Board of Directors, as well as its administrative management.

GORDY PALMERO
Statutory Auditor
C.P.C. 7.202

IGOR WILLIAMS
Statutory Auditor
C.P.C. 20.427

February 15, 2013



HUMAN CAPITAL

Training

In the search for optimizing excellence in knowledge, integration, development, and motivation of the professional and human talent of Banesco employees, and in order to hold the business leading position, during the second half of 2012, we worked in:

- ▶ Training activities focused on Profitability, Productivity, People Supervision, Credit, Sales, among others. Likewise, and under the laws, we issued the activities of Ergonomics, Comprehensive Risk, and Prevention and Control of Money Laundering.
- ▶ Second Corporate Training Workshops aimed to facilitate the transfer of up-to-date knowledge and successful experiences in different matters related to attitude competences and core techniques that guarantee the Institution working efficiently toward the goals set. We focused on Integrity and Reliability, Personal Responsibility, Adaptability and Flexibility, in addition to the core knowledge in the regulatory framework of Prevention and Control of Money Laundering. In 2012, 409 employees from the basic, technical, and professional levels participated in this activity.
- ▶ We trained Guides, early-adopters, and other roles to effectively accompany Banesco Citizens in the migration to Google Apps clouds through different strategies and materials adapted to the needs of each role in such migration.
- ▶ We continued implementing the Virtual Program “*Experiencia de Servicio Banesco*” (Banesco – Service Experience) in order to develop in every Banesco Citizen a customer service culture, providing key tools for them to offer their internal and/or external customers a friendly, dedicated and excellent service. We opened Module 3: Internal Client, with a total of 12,982 active users in the platform.
- ▶ In the Management of Mass Segments and Channels, training was given 161,488 man/hours. In addition, in 2012 we completed the initiative of the Update and Integration Workshops offered at Supervision and Management Level. A space is generated in the Mass Segments and Channels Management (Agency Staff) that allows establishing the key skills of People Management, and unifying regulatory criteria in supervision procedures, offered to 549 employees throughout the country. The topics developed were Liderazgo hacia una *Rentabilidad Competente* (Leadership toward Proper Profitability),

Administración Integral de Riesgo (Comprehensive Risk Management), *Técnicas efectivas para dar feedback* (Effective Techniques for giving Feedback), *Manejo de Situaciones Difíciles – ¿Cómo actuar en situaciones delictivas en las agencias?* (Managing Difficult Situations – How to face illegal situations in the agencies), *Orientación al éxito - Importancia de la motivación en los equipos de trabajo* (Success-oriented – Importance of motivation in work teams).

- ▶ Community Bank Training. During this six-month period, the training plan activities were focused on strengthening competences related to people management, negotiation, customer-oriented, profitability, as well as technical topics, including, among others, business optimization and integration through the incorporation of new functionalities of ORION System and effective collection management, which allowed reinforcing an important business area and the regulating matters aimed at the update and specialization in Prevention Against Money Laundering and Lopcymat, required to comply with the laws.

In the second half of year, training was given in 10,024 man/hours and attendance to the training sessions totaled 1,754. 46 community consultants, supervisors, coordinators, and 24 analysts and promoters were certified in microloan methodology to open the agencies of Porlamar, Barinas, and Maturin, and cover the vacant posts in other agencies. As part of this training process, 30 technical assistances were provided to evaluate the application quality of this methodology in the placement of the microloan portfolio on an individual basis. Likewise, new products were designed and implemented in Banesco Community Banking (BCB) agencies, including, Values Reinforcement with *Tertulia de Valores II* (Value Discussion Group 2), with the participation of 100 people, with impact on 100% of the population intended to provide service to 430 workers.

In September, the Annual Community Bank Gathering took place in the facilities of Universidad Simon Bolivar, with attendance of 426 employees from different agencies nationwide. The outstanding employees of 2011 were awarded in this event, and some activities were carried out to promote the integration of the different teams and the reinforcement of the values of the Institution.

All these activities allow us having the following results in 2012:

- ▶ Training of 98,614 participants
- ▶ 14,360 attendees to at least one activity
- ▶ 412,308 man/hours
- ▶ Average training of 540 INCE (National Institute for Educational Co-operation) apprentices nationwide.

Quality of Life

During the second half of 2012, we developed sport, recreational, cultural, and voluntary service activities as part of the Quality of Life Plan, which contributed to enhance the quality of life of the workers, thus motivating them to better use their leisure time, and promoting a space to reconcile the professional and personal life of Banesco citizens and their families. Some of the most relevant activities are:

Sport and Recreational Activities

Toning-up activities: 1,337 participations in Barquisimeto, Maracaibo, Caracas, and Puerto Ordaz.

Ongoing training: Given in San Cristóbal, Caracas, and Maracaibo, with 2,840 participants. The disciplines practiced are softball, volleyball, indoor soccer, basketball, female soccer, and kicking ball.

Banesco Runners Club: With attendance of 80 workers, Banesco Runners Club counts on 2,757 participants. It is worth mentioning that in this six-month period, the Club was promoted during the development of the race “*Carrera Líder Banesco 10K*”.

Banesco Soccer School: Opening of the Soccer School for the kids of Banesco employees in the Metropolitan Area, with attendance of 40 children of employees and 274 participants in total.

Family Sport Events: The second family sport events “*Sábado Familiar*” (Family Saturday) took place in Universidad Simón Bolívar with the participation of 823 people to family gymkhanas, a 4k walk, children activities, and the qualifying rounds of the disciplines of the Metropolitan Sport Events. The family values and the prevention of the use of alcohol, tobacco and other drugs were reinforced through these activities, thus promoting a healthy lifestyle.

Regional Sport Events: 1,384 workers and family participated in the Regional Sport Events held in the Zulia-Falcon region (Maracaibo), the Western Andean region (Barquisimeto), and the Southeastern region (Puerto La Cruz), in volleyball, indoor soccer, kicking ball, basketball, and softball, and the winners will represent each region in the Mini Olympics 2013.

Vacation Plan: 1,641 Banesco workers’ children enjoyed the Vacation Plan that included recreational, ecological, cultural, sport, and educational activities, and reinforced values associated to healthy life, family, and savings habits.

Cultural Activities

Theater/presentation of plays: 15 workers trained in theater workshops carried out in Caracas created Banesco Theater Company with the participation of 595 people. They presented one play by Banesco Theater Company, two commercial plays and one play in Maracaibo, with 785 participants.

Choral Singing Workshops: Banesco Choral Group was developed in Caracas, training 30 workers with 469 participations. The group gave a presentation in the Sixteenth Choral Festival in the 32 Anniversary of the Choral of Institute of Social and Welfare Services for the Personnel of the Ministry of Education (IPASME).

Culinary Culture and Non-alcoholic Drinks: Activity carried out in Caracas with 207 participants, who were shown options to develop healthy lifestyles.

Banesco Readers Club: Reading of the books “*Caracas Muerte*” and “*La Devoción del Sospechoso X*”, forums given for readers to ask questions, and discussions of the topics of the books, with the active participation of 60 workers.

Banesco Experimental Group: This six-month period, with 285 participants, Banesco Experimental Group focused on *gaitas*, offering many presentations, including the presentation for the opening of *Plaza El Rosal* and presentations in many Christmas lunches.

Voluntary Service Activities: One of the most relevant for the second half of year was the participation in the World Beach Day, an effort that aims to raise awareness of the need to take positive environmental action. 110 volunteer workers and family of Caracas and Maracaibo met on September 15 to support this effort. Banesco’s volunteers participated in 13 activities throughout the six-month period for a total of 1,260 man/hours.

Talent Management

In the second half of year, we started a process to review and optimize our Skills Model. We made some adjustments to improve the quality of the model, in line with the new organizational challenges, the macro-processes of the business, and our culture and values. This new model guarantees having the performances required to successfully implement our business strategy.

In this framework, Banesco Citizens participated in the second measurement of Skills Diagnosis adapted to this new model in order to know their strengths and areas for improvement, and identify the changes made since the 2011 diagnosis process.

In addition, since February and up to the first week of January, all Banesco Citizens counted on the Competences



1,641
BANESCO
WORKERS’ CHILDREN
ENJOYED THE
VACATION PLAN
THAT INCLUDED
RECREATIONAL,
ECOLOGICAL,
CULTURAL, SPORT,
AND EDUCATIONAL
ACTIVITIES

Self-Development Program, which offers over 600 multimedia actions adapted to different adult learning styles to strengthen the current level of development of the competences that showed opportunities for improvement in 2011 diagnosis. Thus, they will be able to improve their professional development level, have a career in the Institution based on their individual profile and potential, and have facilities to boost their performance and achieve challenging results both individually and by group.

Likewise, during the second half of year, we implemented the Knowledge Diagnosis in order to measure the depth level each Banesco Citizen has of core knowledge, critical for successful process management in their unit. The results of this identification will be used to generate specific training and development plans.

This year, Banesco continues focusing on the update of personnel succession plans, identifying high-potential talent online to hold executive positions in short, medium, and long terms, generating development and career actions focused on strengthening their leadership and exposure to business situations with higher responsibility and more complex.

In 2013, we intend to strengthen the design of training plans based on the results obtained from the different measurements made throughout el 2012, and incorporate an internal self-nomination tool based on the comprehensive profile of skills, knowledge and performance

CORPORATE SOCIAL RESPONSIBILITY

Some of the activities we developed in the second half of year within the framework of our Corporate Social Responsibility program were as follows:

Microentrepreneurs Training Program

In 2012, the Microentrepreneurs Training Program of the Community Bank of Banesco Banco Universal was re-launched with a set goal to train 50,000 popular microentrepreneurs within the next five years. The course offers administrative, managerial, marketing, and computer tools for participants to incorporate them into their businesses.

This program is part of the Social Responsibility activities of the financial entity carried out in alliance with *Fe y Alegría* and Microsoft Venezuela.

At 2012, 1,448 entrepreneurs nationwide have been trained. The total investment for the first stage of the project that entails training 10,000 microentrepreneurs was Bs. 3,950,000.00.

Simón Bolívar Music Foundation

In August 2012, with a concert in Margarita Island (Nueva Esparta State), began the national tour of the Simón Bolívar Latin-Caribbean Orchestra (OLCSB), part of the National

System of Youth and Children's Orchestras (Fundamusical), conducted by Alberto Vergara. The second concert was held in the areas of Centro de Arte Lia Bermúdez de Maracaibo, Zulia (Arts Center) in November 2012. Both concerts required an investment of Bs. 369,449. The OLCSB was founded in 2010 to explore and spread the wide range of Latin-Caribbean music rhythms and genres and contribute to the development of Venezuela's cultural identity as part of the social transformation commitment assumed by the System. In the second half of 2011, the agreement for the tour of the Simón Bolívar Latin-Caribbean Orchestra to continue was renewed for Bs. 1,000,000.00. From 2004 to 2012 close, Bs. 11,853,665 was allocated to Fundamusical Simón Bolívar.

Bello Monte Community Participative Budget

For the fifth year in a row, the meeting "*Presupuesto Participativo con la Comunidad de Colinas de Bello Monte 2012*" (2012 Participative Budget with the Community of Colinas de Bello Monte) was held in the headquarters of Ciudad Banesco. On August 1, the neighbors, non-governmental organizations, and foundations that take part in this sector attended to present projects for the benefit of Colinas de Bello Monte Community. Since implementation of this initiative, Banesco has allocated a total of Bs. 1,193,467 to 26 projects that have had a positive impact on the quality of life of this community. This year, Banesco granted Bs. 500 thousand to the projects the Community selected.

Fundana

As part of its commitment to children under open risk conditions, Banesco Banco Universal allocated Bs. 180,000.00 for the maintenance of Villas Los Chiquiticos. Since Banesco is supporting Fundana, it has made a social investment of Bs. 1.72 million that has contributed to the assistance to less-favored children.

Likewise, we supported for the eighth year in a row the auction of works of art on behalf of Fundana. The auction, where 150 pieces of Venezuelan artists and four Casio watches specially worked by artists, collected Bs. 3.27 million. The works sold at the highest prices in the auction were those of José Antonio Dávila (Bs. 155,000), Oswaldo Vigas (Bs. 105,000), Carlos Cruz Diez (Bs. 80,000), Francisco Bugallo (Bs. 76,000) and Luis Alfredo Suárez (Bs. 70,000).

Red de Casas Don Bosco

This year, we renew the agreement with A.C. Red de Casas Don Bosco to support the programs of this NGO that provides comprehensive care and protection to homeless children and adolescents in the Metropolitan Area of Caracas, through the BoscoBus and the shelters. The amounts approved for the 2012-2014 period amounts to Bs. 2.63 million; the resources to be given this year total Bs. 658,900.40 and will be allocated to the project of Comprehensive Protection and Care, Family Reintegration and Strengthening, and Education, Training and Coaching of children, adolescents, and young adults, from 4 to 25 years, living in the streets or in high risk conditions, through the urban centers in the Metropolitan Area of Caracas, better known as *Unidad Móvil BoscoBus* (Mobile Unit).

Since 2004 to date, Banesco has contributed Bs. 2.82 million to the BoscoBus program.

AVEC

In 2012, we sponsored many projects presented by nine schools members of the Venezuelan Association of Catholic Education, basically to rehabilitate the infrastructure, which required an investment of Bs. 1,000,000.00. To date, we have granted over Bs. 10 million to schools member of this association.

IESA

We continue supporting IESA by sponsoring the lectures that make up one of the most emblematic education programs of this Institution the Magister of Finance. In 2012, we contributed Bs. 1.24 million to the Stabilization Fund aimed at strengthening its educational activities. The Magister of Finance consists of 13 courses, namely Microeconomics, Macroeconomics, Financial Analysis, Corporate Finance, and Investment Management in the areas of Finance and Economics, Negotiations, Communications and Ethics applied to Finance in the fields of Strategy, Organization and Management.

Fundación Venezolana Contra la Parálisis Infantil (Venezuelan Foundation against Child Paralysis)

Banesco contributed Bs. 925,840 to the Venezuelan Foundation against Child Paralysis for the purchase of a new computed radiography system for the Imaging Service Department of *Hospital Ortopédico Infantil* (Children's Orthopedic Hospital).

That equipment will benefit over 260 thousand patients that resort to the hospital for any type of bone-muscular pathology, requiring a radiological imaging study to have a diagnosis or treatment.

Since 2004, Banesco has supported many projects and initiatives aimed to upgrade the hospital's facilities and acquire medical equipment for Ortopédico Infantil. The total social investment in this NGO amounts to Bs. 2,619,759 in eight years.

Application of Standard AA1000 Dialogue with SME Clients

Since 2007, Banesco Banco Universal, C.A. has been working on the application of a new standard called AA1000 that will allow deepening with the concerned groups in the listening mechanisms already in place in the Organization.

This dialogue process started last year with the workers. In 2012, the challenge was to continue with this group and begin a new cycle with the customers of the Institution.

It consists of two stages. The first stage is about listening the SME customers' ideas on matters of mutual interest, and the second stage, is about giving responses to every concern expressed by the dialogue participants.

EVENTS FOR THE COMMUNITY

Solidary Christmas

Plaza Banesco El Rosal was opened on December 1 to welcome Christmas. The event was ideal to start the solidary campaign *¡Dona Un Regalo Esta Navidad!* (Donate a Gift this Christmas). Thanks to the support from Banesco clients and citizens, we brought a smile to the children benefitted by three of our Social Partners: *Red de Casas*



Don Bosco, *Fundación Venezolana contra la Parálisis Infantil* (Venezuelan Foundation against Child Paralysis) and *Fundación Amigos del Niño que Amerita Protección* (Foundation of Friends of the Child that merits protection) (Fundana). The campaign entailed that for every new donated toy, or its equivalent in bolivars, the entity would donate another toy, Banesco donated one thousand gifts, and thanks to the public's participation, we gave over 6,000 gifts.

The results of this dialogue will allow improving the processes and meet the expectations and ideas based on the four values of the Organization: Responsibility, Reliability, Quality and Innovation.

MARKETING AND INNOVATION

Banesco launched New Version of Home Club Banesco Application

Banesco, the official bank of the Venezuelan professional baseball, presented a new version of the HomeClub application, available for mobile devices with operating systems Android, BlackBerry and iOS. The application was available for free download in Banesco.com and from the social network Facebook in the profile "Banesco Banco Universal". This application allowed baseball fans to access the game Schedule; rosters, and team alignment; podcast with weekly summaries; live minute-by-minute report of each game; radio transmission, and even the possibility to win tickets for all national regular, round robin, and final games.

HomeClub Banesco gave away over 1,300 VIP tickets in all Venezuelan baseball stadiums. This branding campaign was distributed through mass media with the advertising slogan "*En Venezuela, Béisbol se escribe con B de Banesco*" (In Venezuela, Baseball is spelled with B of Banesco).

In addition, the group TREO composed a song with the above slogan, which ringtone is available in Banesco.com.

Promotion Home Club Banesco "Te pone a Ganar" (Makes You Win)

Banesco Banco Universal rewarded its clients with the promotion "HomeClub Banesco te pone a ganar" (Makes You Win) effective from October 15 to December 31, 2012, and the participants were Banesco clients maintaining or opening a checking account.

For each increase in balance of Bs. 1,000, the clients accumulated points or hits to participate. At the end of the promotion, the winning clients were those with more accumulated hits during the promotion term, based on a range table that allowed that all segments serviced by the Bank had a chance to win.

The prizes included an SUV, two cars, three packages for the Caribbean Series, 6 tablets, 4 smartphones, and 45 prepaid cards with Bs. 5,000.

Second Banesco-Líder 10K Race and 5K Race

In November, the second Banesco-Líder 10K Race and 5K Race took place. Over 3,000 people registered for the competition. This sport activity was sponsored by Banesco Banco Universal in Alliance with Cadena Capriles to the benefit of *Juegos Vecinales Baruta 2012* (Baruta Local Games 2012).

The start and finish line was our headquarters in Ciudad Banesco. The circuit comprised streets and avenues of Las Mercedes, Chuao and Bello Monte.

Banesco-Líder 10K Race was the setting for the official presentation of *Club de Corredores Banesco* (Banesco Runners Club), where over 145 workers boosted this initiative developed in July 2012, which counts on the support of three trainers, one physiotherapist, and is sponsored in alliance with Adidas brand.

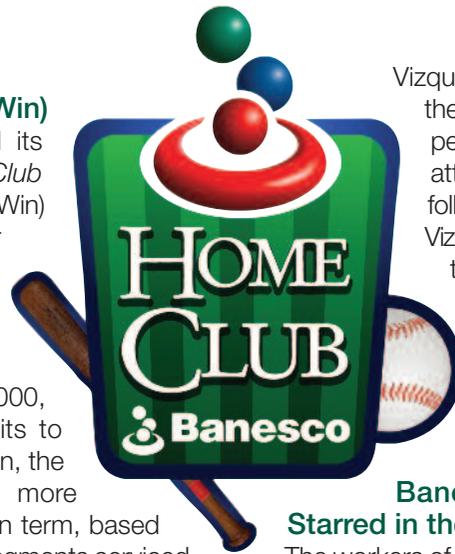
Copa Banesco Juego de las Estrellas 2012 (Banesco's Cup 2012 All-Star Game)

Banesco sponsored for the second year in a row the All-Star Game of the Venezuelan Professional Baseball League. This edition was made to honor the recently retired Venezuelan major-leaguer Omar Vizquel. The University Stadium of Caracas was the scenario of the game Venezuela vs. the Dominican Republic.

Sport Clinic and Roundtable with Omar Vizquel

The Venezuelan former major-leaguer Omar Vizquel offered a sport clinic to 35 children of Banesco Banco Universal's workers and the members of Los Angeles de Baruta Baseball Academy. He also participated in a roundtable, moderated by the journalist César Miguel Rondón, about the importance of values in both the professional and the day-to-day life.

The children, ranging between 11 and 16 years old, enjoyed the advices of the recently retired shortstop, who won 11 Gold Gloves in Major Leagues baseball.



Vizquel and César Miguel Rondón talked about the key role of the values in the development of people's professional life. There were 100 attendees –70 Banesco Citizens and 30 followers of @Banesco, our Twitter account. Vizquel, with César Miguel Rondón as moderator, talked about the four values of Banesco: Responsibility, Reliability, Innovation and Quality, values which, according to Vizquel, were relevant for his personal strengthening and his development as professional baseball player.

Banesco Citizens and their Families Starred in the 2012 Christmas Message

The workers of Banesco Banco Universal and their families were the stars of the Christmas message. The piece reminded us that in this time of the year, objects and circumstances acquire meaning based on the magic each person stamps on the situations and experiences.

Under the concept "Sin ti, Contigo" (Without You, With You), the piece presents different moments of our traditional Christmas celebration and closes with the phrase "Sin ti, un banco. Contigo, Banesco" (Without You, a bank. With You, Banesco).

We Created Espacio en Blanco (Blank Space), the First Open Innovation Portal

In order to promote innovation and creativity, Banesco Banco Universal developed "Espacio en blanco", the first open innovation portal presented by a brand in Venezuela, where the participants may offer ideas from a 2.0 platform.

In the first stage, and as a pilot campaign, we invited college students to sign in the platform and give ideas to the proposed challenge: "¿Qué servicios quieres que te brindemos a través de las Redes Sociales?" (What services would you like us to provide through social networks?)

We received interesting ideas that will be considered for potential implementation in the future.

MultiCréditos 48 Horas (48-hour Multiloans) "Tu mejor regalo en esta Navidad" (Your Best Gift this Christmas)

During the second half of 2012, Banesco Banco Universal informed its diverse audience in television, newspaper, radio, Internet, and social networks about the campaign "Tu mejor regalo en esta Navidad" (Your Best Gift this Christmas), related to this line of credit aimed at natural and legal persons, available in our 421 service points.

Based on the success obtained in previous editions of this campaign, we offered attractive amounts of up to Bs. 300,000.00 for natural persons and Bs. 800,000.00 for companies financed at 12 and 18 months, approved and available in 48 hours upon meeting all the requirements.

The campaign was aired through the different mass media and selective media from October 28 to November 17.

Relaunch of ExtraCrédito Banesco

Banesco re-launched the Credit Card parallel line of credit through the mass Christmas campaign in television, newspaper, radio, Internet, and social networks. In addition, an untraditional marketing activity was developed, where the public of the main malls of the country could enjoy the pranks of the mall "Elves", who communicated the store visitors the increase of the loan amount available for clients for up to Bs. 200,000 based on their credit card limit. Furthermore, the product was incorporated to the points of sale of affiliated businesses and in BanescOnline in the cash modality to give the client easy access.

Ticket Premiado (Winning Ticket) Campaign

In order to give continuity to the benefits offered to cardholders through the Winning Ticket Permanent Program and boost the use of Banesco points of sale during the seasonal variation of the period, we launched special edition campaigns during the second half of year for Vacations, Back to School, and Christmas.

With the Permanent Winning Ticket Program, the cardholders won by using Banesco cards and points of sale.

BanescoMóvil Campaign

In order to reinforce the clients' knowledge of the functionalities of this channel and promote downloading of the application and use of the functionalities most commonly requested by the clients, Banesco launched the BanescoMóvil (Mobile Banesco) campaign exclusively on the Internet. The strategy was aimed to mainly reach natural clients of Electronic Channels. In addition, we made a communication effort among employees. We selected the six transactions more requested by clients, namely: utilities payment, card payment, transfers, CADIVI balance inquiry, account movements inquiry, and geolocalization of agencies. The campaign was in effect since August 24, 2012.

Promotions

Permanently focused on offering clients additional benefits and added value when using Banesco Credit and Debit Cards, during the six-month period, we promoted the following:

- ▶ **MasterCard Clásico de las Américas** (Americas Classic), valid from June 18 to July 20, whereby two cardholders won packages for two to attend the *Super Clásico de las Américas* (Americas Superclassic) by paying with Banesco cards.
- ▶ **Sambil Card promotion**, valid from August 13 to November 13, whereby clients participated with their purchases paid through Banesco Sambil card for trips in Venezuela, all inclusive, and for 10 prepaid credit cards with Bs. 500 each.
- ▶ **MasterCard UEFA Group Stage Card Promo**, from August 13 to September 30, the cardholders of Gold



VISA | 
WORLDWIDE SPONSOR

ENTRÉNATE Y PODRÁS GANAR UN VIAJE A LOS JUEGOS OLÍMPICOS DE 2012 EN LONDRES CON TU TARJETA VISA EMITIDA POR BANESCO

Por cada consumo de Bs.350 que efectúes con tu Tarjeta de Crédito Banesco Visa, acumulas 1 cupón con el que participarás en el gran sorteo de 4 paquetes para 2 personas con todo pago a la ciudad de Londres, cortesía de Visa, para que disfrutes en persona los Juegos Olímpicos de 2012 en Londres, el evento más legendario del planeta.

El premio incluye:

- Boleto aéreo ida y vuelta a la ciudad de Londres, desde la ciudad de Caracas.
- Estadía de 4 días y 3 noches en habitación doble en hotel 4 estrellas.
- Recepción en el aeropuerto.
- Desayunos incluidos.
- Tarjeta Prepagada Visa Olympic por un valor de 150 Libras Esterlinas¹, por persona, o su equivalente en Bolívares a la tasa de cambio oficial vigente en la República Bolivariana de Venezuela.
- Entrada a ciertos eventos según agenda.
- Traslados.
- City tour por la ciudad de Londres.

**USANDO TU TARJETA DE CRÉDITO BANESCO VISA
¡ENTRÉNATE DESDE YA!**

PROMOCIÓN AUTOMATIZADA POR EL MEDIO DE BANCOS VISA desde el 1 de agosto de 2012 hasta el 31 de agosto de 2012. El sorteo se realizará en agosto de 2012. Podrán participar los clientes de 20 años de edad o más que posean una Tarjeta de Crédito Banesco Visa emitida en el momento del sorteo. Se otorgará un cupón por cada consumo de Bs.350 con tarjeta de crédito Banesco Visa por un valor de Bs.350. El sorteo se realizará el 31 de agosto de 2012. Los ganadores serán seleccionados al azar. Para más información, visitar www.banesco.com/romovisa.

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Banesco
CONTIGO

and Platinum products had the opportunity to participate for two trip packages to Europe to attend a UEFA soccer game by paying their purchases with Banesco cards.

- ▶ **Banesco Promotion *Compra en Navidad y Paga en Carnaval*** (Shop this Christmas and pay in Carnival), valid throughout December.
- ▶ **BanescOnline Affiliation and Re-affiliation promotion to boost the affiliation to and use of Banesco Electronic Banking.** The promotion was aimed at three groups of clients previously identified; hence, they received different messages: clients not affiliated to BanescOnline for them to affiliate and use the channel to make their transactions; affiliated clients that did not use the channel, for them to begin to use it, and finally, the clients that rarely used it, for them to substitute the transactions they made at agencies for transactions made through this convenient channel. The communication strategy was based on direct marketing.



PARTICIPA POR UN PUESTO GRATIS PARA TU DIVERSION EN MARGARITA O PARAGUANÁ

CON TU TARJETA DE CRÉDITO SAMBIL BANESCO

BUSINESS MANAGEMENT

Personal Banking

At closing of the second half of the year 2012, the intermediation, efficiency, profitability, default and contribution indices of the Executive Vice-Presidency for Individual Customers show a favorable evolution, with a steady increase in the loan portfolio for the following captions: commercial, vehicles and consumption loans.

Our commitment to deepening the enhanced service model led our actions during the period under review, maintaining the Vice-Presidency differentiated values, namely quality service, customized service, expert advisory, driven by the innovative and leading edge development of Internet Banking, the wide range of alternate electronic channels to perform multiple financial operations with the comfort, speed and security that have become the Bank's signature.

The quantitative results of the Vice-Presidency at year-end show a 48.72% increase in the loan portfolio compared to the first half of 2012, as a result of focused loan management aimed at specific niche markets and product diversification, as well as the progressive increase in segment intermediation. Commercial and vehicle loans showed variations of 56.41% and 30.77%, respectively, during the period.

Regarding portfolio quality, the Executive Vice-Presidency for Individual Customers stuck to historical outstanding results. Our default index at period closing was 0.03%, i.e. 0.01 percentile points below the level recorded at closing of the first half of the year (0.04%), as a result of our continuous analysis prior to approval and strict portfolio control and follow-up.

Bodies Corporate

Corporate Banking

During the second half of 2012, Corporate Banking kept focused on offering value-added solutions to its customers to facilitate financial management. This has been achieved through in-depth knowledge by our sales force of the sectors managed, which allows providing services based on expert advice. In sum, implementing this scheme has translated into providing services aligned with customer requirements, through greater liaisons and customer loyalty, which ultimately leads to increased transactional business and greater import volumes managed through the Bank.

For the second half of the year, Corporate Banking experienced an increase of 52% in liability funds compared to 2011. Over 99% of such liabilities are of a transactional nature and the segment contribution to the Bank exceeded prior-year input by 85%.

Agricultural Banking

During the second half of 2012, Agricultural Banking managed to assist 206 new clients in loan transactions so to continue boosting agricultural developments in the country. Thus, Agricultural Banking successfully complied with the obligation imposed by the National Government, focusing its strategy on serving primary and agro-industrial sector customers. In the primary sector, support was given to loan business development at producer level; in the case of the agricultural sector, in addition to loan promotion, the transactional business was driven by the introduction of value-added products. Another focal point has been the advice given to our customers regarding import matters.

For the second half of 2012, the Bank experienced a 44% growth in the loan portfolio and 45% in average liability balances compared to the 2011 closing.

Business Banking

The value proposition to the clients of the Business Banking was based on the service quality, which is distinguished for the assistance, prompt response, simple procedures, specialization, and knowledge of the sectors serviced, as well as for the ability to detect the needs of our clients and address them with a wide range of products and services managed in the Institution's portfolio, together with the best human talent focused on building win-win relationships in the long term. The result in the management of the lending portfolio is particularly satisfactory, as it continued with an uptrend, showing a 98% increase over December 2011 close. This mainly evidences the support given to the main economic sectors of the country, especially to the business, manufacturing, and tourism sectors.

In addition, there was more emphasis on small and medium clients, as well as clients in the provinces, thus contributing to the consolidation of more companies.

As to liabilities, there were more customers' deposits from our client portfolio; hence, liabilities increased by 52% over December 2011.

Energy Banking

Our value proposal to Bank customers was based on loan and operational expertise at the 4 main energy sectors, namely Hydrocarbons, Electric Power, Steel and Gas.

Advice, prompt response, process simplicity, as well as our ability to identify and address customer needs with a broad range of products and services managed within the Organization portfolio go hand-in-hand with the best human talent, and business men and women who always strive to building win-win relationships in the long term.

In terms of results, we have focused on, and strived to, leveraging development in this sector with optimal

management of the lending portfolio, meeting manufacturing and commercial loan goals, where hydrocarbons have been ranked as the fastest growing sector with the greatest needs addressed during 2012.

Public Sector Banking

Our value proposal to customers of the State Banking was based on operational expertise, and the extent of the relations built and appropriate diversified advice on specific strategies targeted to Central Government customers and deemed as novelties for the Decentralized Public Administration.

Advice, prompt response, process simplicity, as well as our ability to identify and address customer needs with a broad range of products and services managed within the Multinational Group portfolio that go hand-in-hand with the best human talent, and business men and women who always strive for win-win relationships in the long term.

As for results, we have focused on and aimed at leveraging the use of the payment means platform, streamlining our customer operations in an efficient and secured manner, keeping sustained average liability balances beyond a ten-month period in 2012, thus significantly contributing to the segment results.

In addition to the above, we may state that the most relevant aspect of being a Public Sector Banking is the permanent availability of our business team to timely address any needs.

Mass and SME Segments

We provide services to more than 5 million individuals and corporate customers, reaching growth of over Bs. 23,000 million and over Bs. 2,700 million for the lending portfolio, granting more than 25,000 loans; leveraging ourselves in the commercial and microloan portfolios, which grew 145% and 182%, respectively, compared to the first half of 2012, increasing financial intermediation, promoting quality service and giving recognition to the personnel through internal motivation campaigns.

To streamline sales management and strengthen our relation with individual customers, we launched campaigns based on sub-segmentation strategies through direct marketing and internal sales force, including massive credit card approvals, issuing more than 174 thousand cards to clients with no credit records at the Bank. Likewise, we partook in cross selling initiative to a relevant cardholders group by opening and approving current accounts and ExtraCréditos loans in cash.

Companies of the Mass and SME segment show steady growth supported by broadening of the service model to 132 advisors of the SME segment at local level. Hosting the 4th *Hablando de Empresario a Empresario* (Entrepreneur

to Entrepreneur Event) where participants are given the chance to attend lectures from renowned national and international speakers, and obtain key topic information to manage their businesses, such as economic outlook and latest trends in marketing and quality service, while addressing the need of the commercial sector and deployed resources for mass point-of-sales implementations with benefits for over 10 thousand premises locally.

Focused on encouraging 7 thousand employees of the agency network, we launched internal campaigns for individual and team recognition, promoting the best practices adopted by our partners who supported goal meeting, and strengthening team work, goal orientation, and quality service.

BANCA COMUNITARIA BANESCO (BANESCO COMMUNITY BANKING)

Banca Comunitaria Banesco (BCB) began doing business in 2006 as an initiative in micro-finances to provide the popular sectors of the population with financial products and services appropriate to their needs. In line with the goals of the millennium, we promote financial inclusion, access to bank services, and sustainable development through access to credit and empowerment to entrepreneurs. Due to this empowerment, we also dignify our clients, give them confidence in their own working skills, their financial future, and the financial system in general.

During the second half of 2012, BCB granted 20,385 microloans for a total paid amount of Bs. 715.1 million. 28,249 Community Accounts were opened with an account balance of Bs. 149.3 million. On the other hand, 27,528 clients affiliated to *Ahorro Paso a Paso* (Step-by-Step Savings) with an account balance of Bs. 6.7 million.

From the beginning to December 2012 close, BCB has benefitted 221,472 clients, providing indirect service to 1,107,705 people, granting a total of 140,759 *Préstamos para Trabajar* (Working Loans), with a total paid amount of Bs. 2,252 million, with a low delinquency rate of just 0.18%, the portfolio being focused on five economic activities: transport, clothing stores, grocery stores, markets, and motor vehicles.

37.70% of the clients were brought to the banking for the first time. On the other hand, in the microfinancing sector, BCB ranks first with a market share of 49.83%, at cut-off in December 2012.

In August, the Inter-American Development Bank through the Multilateral Investment Fund (FOMIN) nominated BCB

for the 2012 Inter-American Awards for Microenterprise Development, in the category “Best Micro Savings Institution of Latin America and the Caribbean.”

In September, BCB was ranked as the first among micro-financial institutions in terms of microloan market share.

In October, BCB was among the 15 finalist for Venezuela Competitiva’s Excellence Award under the Venezuelan Success Spread and Promotion: Innovation and Excellence. It should be noted that this recognition is awarded to Venezuelan companies, from all sectors and regions, with over 5 years of operations, with demonstrable successful work. As for the service network, during the current month, the Community agency of Porlamar located in the state of Nueva Esparta, Centro Comercial La Redoma, sector Los Robles, started operations, for a total of 23 Community Agencies, consolidating our presence at La Vega, Antímamo, San Martín, Petare, Catia, El Cementerio, Santa Teresa, Maiquetía, Higuero, Guarenas, Portuguesa, Valencia (2), Puerto Cabello, Los Roques, Cúa, Aragua (2), Barquisimeto (2), Maracaibo (2) and Porlamar.

In November, Citibank Venezuela recognized BCB with the 2012 Micro entrepreneurs Award, this being the first time BCB obtains 4 awards and one special recognition.

In December, thirty (30) TodoTicket Juguete cards were given to the winners of our *Pago al Día* (Timely Payment) promo, which was addressed to all customers who paid their cards on their due date during the promotion period.

In order to serve our customers, we count on 213 Business Partners, distributed as follows: 76 Premises with Personal Service modality (*Barras de Atención*) and 137 non-banking correspondents (POSWEB). Through our service network, BCB keeps presence at 4,465 neighborhoods across fourteen (14) states.

BANESCO DISTRIBUTION CHANNELS

At December 2012 close, Banesco counts on a wide network of physical and electronic distribution channels, whereby it offers a wide range of products and services, namely:

- ▶ 421 service points (agencies, satellites, Banesco Express) nationwide
- ▶ 63,966 Points of Sale
- ▶ 1,641 ATMs
- ▶ 325 Self-Service Equipments
- ▶ 234 Checkbook Dispensers

Agency Network Channel

During the second half of year, Banesco opened the Últimas Noticias agency in Miranda State. 12 agencies were remodeled nationwide to incorporate lobbies, which have ATMs for our clients to make deposits with more convenience and security, thus improving the service quality.

Banesco continued with its strategy to deviate transactions to electronic channels by promoting and advising clients and users on the use of multifunctional, internet, and mobile devices, thus deviating over 8 million transactions by year close.

78% of the clients were provided with teller window service in less than 30 minutes—a 20% improvement over the service time provided in 2011.

Likewise, the Institution continued implementing its plan to train the staff of the Agency Network in programs about quality and regulation aspects of the financial sector; hence, guaranteeing the differentiation among service provision, customer service, and compliance with the laws in force.

We put 6 Express Business Tellers located in the agencies in: La Castellana, Parque Cristal, Nueva Granada, Baruta, Francisco Solano, and Santa Marta to provide different service to clients that are legal persons.

Electronic, Telephone, Virtual, and Mobile Channels

In the second half of 2012, the transactions made through Banesco electronic channels increased 13.2% over the second half of 2011—from 497,793,634 transactions to 563,380,822. The share of the transactions made through electronic channels was 91.49%.

ATMs

As of December 31, 2012, we closed with 1,641 ATMs installed nationwide, whereby the number of transactions increased by 3.4% over the first half of 2012.

In the six-month period, we maximized the use of multifunctional ATMs, which allow, in addition to cash withdrawal, account deposit and payment of credit cards in cash or with checks. Their screens and transactions of these devices were upgraded to improve the use experience of the clients.

New transactions were included, like transfers between the same account holder and special collection transaction for companies.

Internet Banking Channel

By the end of December 2012, BanescOnline closed with 3,188,917 affiliated clients; 343,375 new clients were incorporated to the channel in the second half of year—a 12.1% increase over 2012. In December 2012, we had a total of 1,229,079 active clients making frequent transactions, which represents a 10% increase over the first half of year.

The number of transactions made through the channel increased by 3.5% over last year's same period. New functionalities were available. In order to improve the service quality, we offered new functionalities to clients, such as the Affiliation Service, Download of Account Statements and Credit Card Statements, and Cash ExtraCrédito application.

Mobile Banking Channel

In developing our Mobile Banking strategy to promote the use of cell phone, the BanescoMóvil channel included new transactions in the second half of 2012, namely:

- ▶ Virtual key –option that enables immediate online blocking, unblocking, and final cancellation of debit cards.
- ▶ Power service payment to Electricidad de Caracas.

In addition, we launched the BanescoMóvil application for cell phones using Windows Phone.

Likewise, we developed and implemented an application in BanescoMóvil for SMS, which allows clients to make faster and simpler transactions via text messaging.

Telephone Banking Channel

In the second half of 2012, Banesco Telephone Banking experienced a 7% increase in phone calls over the first half of year, processing 85% of the phone calls automatically (IVR) and 15% by our telephone agents.

79% of the transactions made by our clients through the telephone channel were processed through the Automated Service (IVR). The monetary flow the channel managed during the six-month period increased by 30% over the first half of 2012.

This second half of year, we offered clients the ExtraCrédito application in cash in the Automated Service (IVR), in order to increase their satisfaction by allowing them to self manage the cash transfer from their credit cards to their accounts without affecting their revolving credit limit and doing this transaction in a faster and safer manner.

We adapted and incorporated client identification questions for extra security in the channel.

Points of Sale Channel

We closed the six-month period with 63,966 Points of Sale whereby an additional 22% of transactions were made over the same period in 2011.

We installed 1,879 devices with the ExtraCrédito option, which allowed us to offer clients in affiliated businesses to finance their purchases with a parallel line of credit without affecting the card limit.

We developed the option called *"alarma sonora"* (sound alarm), which will indicate the clients and the business that a transaction made through Banesco Points of Sale was

avored with the *"Ticket Premiado"* (Winning Ticket) that exonerates the client from paying the amount of the purchase.

Furthermore, in compliance with SUDEBAN's requirement—Electronic Banking regulation 641.9—the pilot regulating the lead time to set up data was implemented, which contributes to the protection of the cardholders' information. The massification thereof is scheduled for the first half of 2013.

DEBIT AND CREDIT CARDS

Debit Card Issuing Business

Banesco had maintained its leadership in the Debit Card Sales market, with a share of 26.0% at 2012 close, maintaining a 10% gap with its closest competitor of the Peer Group.

Banesco focuses on improving security through different strategies, hence, our customers' satisfaction, by giving them more acceptance benefits like the differentiation in the use for purchases and daily withdrawals based on their categories.

To boost the different product segments, a new card for universities was launched, starting with Universidad Nueva Esparta (UNE). The card was given to the members of this community, with the distinguishing characteristic that the same card offers the functionality of a DC and is the campus ID card.

Credit Card Issuing Business

Banesco consolidated its leadership in credit cards in the Venezuelan market reporting a share of over 27.10% of sales at 2012 close.

The credit card portfolio grew by 25% of 2012 close over the same period in 2011. The card placement increased 112%. Sales with Banesco CC increased 30%, mainly boosted by the natural persons segment. The CC portfolio delinquency rate percentage decreased by 1.8% over 2011.

As part of our different strategies and recognition of the loyalty and good credit record of our clients, different granting and maintenance processes were carried out to consolidate the financial relationship with our clients and their loyalty. Following are some of such processes:

- ▶ Proactive granting of Banesco CC to clients with capital raising accounts of the Institution (over 174 thousand cards granted).

- ▶ Proactive granting of Banesco CC to Banesco cardholders (over 29 thousand issued cards).
- ▶ Line of credit increase (over 849 thousand cards benefitted).
- ▶ Up-Grade maintenance process to update the client's category based on his or her line of credit, thus offering better conditions (over 96 thousand cards benefitted)

Banesco is an institution that constantly aims to benefit clients through a wide range of products; hence, in the second half of 2012, there was a big communication campaign of ExtraCrédito Purchases through the Points of Sale and ExtraCrédito Cash, whereby our clients may request a loan parallel to the line of credit of their credit card. Sales paid with these products have been Bs. 589.7 million and Bs. 1,067.8 million, respectively.

We are the institution of the Venezuelan market that offers the widest range of benefits to its clients to encourage loyalty to our brand through Business Alliances and Promotions with the most reputable brands of the country.

Business Alliance with Hertz, negotiation made with the business affiliate in order to get benefits for our cardholders ranging between 10% and 15%, thus promoting the use of the cards in our points of sale through discounts enjoyed by the clients.

In addition, Banesco offers its clients Permanent Programs that promote the use and due payment of its products, namely:

- ▶ **Paga Puntual (Pay on Time).** In order to encourage our clients to maintain their credit card payments current, we offer a plan that reimburses the minimum credit card payment of the winning clients for up to Bs. 500. There were over 1,500 winning clients, representing over Bs. 485 thousand in awarded prizes.
- ▶ **Ticket Premiado (Winning Ticket).** Program aiming to promote the use of our Points of Sale (POS) and increase the balance of our commercial clients' accounts, rewarding customers, Banesco cardholders and cardholders from other banks using their DC and CC in our POS, with free purchases. In the second half close, over 13,800 customers were rewarded, that is, Bs. 2.6 million in awarded prizes.
- ▶ A program that gives a 50% discount when buying movie tickets in Cinex theaters with Banesco debit or credit cards from Tuesday to Friday. Likewise, there was a promotion for credit and debit cardholders, where 10 Tablets and prepaid 50 CCs of Bs. 500 were drafted for participating in the premier of The Twilight Saga.

Banesco offered the following promotion together with the franchise Banesco (Sambil), American Express and MasterCard:

- ▶ **Participa por un puesto gratis para tu diversion (Participate for a free seat for your entertainment),** by drawing a weekend trip to Margarita and Paraguaná, as well as 10 prepaid cards for Bs. 500.
- ▶ **Con tu tarjeta Banesco American Express Tus Compras Internacionales te pueden salir gratis (With your Banesco American Express Your International Purchases May be Free).** 150 awarded clients, who were credited the amount of the purchases made with their Cadivi travel or Internet quota.
- ▶ **Tu tarjeta Banesco MasterCard te da la oportunidad de asistir a un partido de la UEFA Champions League (Your Banesco MasterCard gives you the opportunity to attend a UEFA Champions League game).** Two awarded clients traveled to the city of Istanbul to attend a UEFA Champions League game.

Banesco re-launched its "Compra en Navidad y Paga en Carnaval" (Shop this Christmas and pay in Carnival) promotion for all our Banesco clients, which allows them to pay their Christmas shopping in February.

Likewise, leveraged with the Visa, MasterCard, and American Express franchises, our clients could enjoy these benefits:

- ▶ *Viajar no tiene precio con MasterCard* (Traveling is priceless with MasterCard).
- ▶ *Fin de año inolvidable con MasterCard* (Unforgettable end of year with MasterCard).
- ▶ *Tu suerte está en camino 2012 con MasterCard* (Your luck is on the way 2012 with MasterCard).
- ▶ Continuity of the Priceless Cities of MasterCard.
- ▶ Amex Selects, with American Express to all its clients.

MANAGEMENT OF PAYMENT PRODUCTS, MEANS, AND SERVICES

Cash Management Services

As of the second half of 2012, the services of Payroll Payment, Suppliers Payment, and Direct Billing experienced an overall increase of 49.5% in managed amounts through the Electronic Data Interchange (EDI) platform over last year's same period.

The joint operation of the Specialized Banking and the executives of Payment Means and Services facilitated the incorporation of 312 clients to the portfolio during the second half of the services of Payroll Payment, Suppliers Payment, and Direct Billing record a total of 3,052, 1,857 and 591 active clients, respectively.

As to the tax collection service, during the second half of year 2012, collections increased by 16.5% over the same period in 2011, while the transaction activity experienced an increase of 15.6%. With the incorporation of 26 new clients in the period, the tax collection service closed the second half of year with a client portfolio of 278 clients.

New Developments

In the second half of 2012, the Bank implemented the Special Cash Collection Service through multifunctional devices to begin the pilot trials. In addition, the controlled trials of the Electronic Customs Duty Payment Approval Service in Maiquetía Agency.

In this period, we implemented and gave everyone access to the Electronic Payment functionalities:

- ▶ Improvements to Online Account Statements:
 - Incorporation of new fields for the search option, for example: amount, reference, DN/CN (debit note/credit note), among others)
 - Increase of the number of records to Query or Export
- ▶ Notice to the beneficiary of transactions via email with details on the payment made (for example, invoice number)
- ▶ Extension of hours to send and process files in Electronic Payment and REDVAN
- ▶ Adjustment to the Payroll and Suppliers Pending Compensations Process.

TRANSACTIONS AND INTERNATIONAL

Foreign Trade

At 2012 close, we maintained our leading position in the sector of importing clients that have chosen Banesco as their best option to process their requests and use the foreign trade instruments to support their economic activity. At 2012 close, the amount managed increased by 21% over 2011. In the second half of 2012, the transactions at an international level materialized, showing a significant trend to imports in the Latin American region, guaranteed by the use of foreign currencies under ALADI and the SUCRE modality, thus increasing the management by Banesco from 2011 to 2012 by 7% and 23%, respectively.

International Relationship with Correspondent Banks

We continue fostering the international relationship with correspondent banks with the main financial institutions at

a regional and international level. During the first half of year, we actively participated in the Annual Meeting of FELABAN (Latin American Banking Federation) in Lima, Peru, thus boosting our foreign trade activity and our relationship with our main correspondent banks abroad.

QUALITY MANAGEMENT

The evolutionary dynamics of the Venezuelan financial market represents the cornerstone that generates Banesco's need to deepen in researches and follow-up as to customers' preferences and expectations, supporting on methodologies that allow having a 360° vision of the market, the segment and the competition.

In this six-month period, the Bank incorporated comprehensive statistics models aimed to measure service and satisfaction components, in addition to elements that determine the vision from a customer-centric perspective, thus allowing to measure the relationships with the consumer and making the allocation of resources and assignment of strategies in the different segments of the Organization more profitable.

Hence, the permanent quality programs that monitor the service offer and the service channels and product portfolios are maintained, the metrics are determined and the expectations are followed up based on the segments: Mass, Private, Premium, Community, SMEs, and Commercial Clients.

The importance of Key Performance Indicators as corporate management indicators is consolidated based on more complex statistics models and indexes such as fidelity index and brand recommendation index (Net Promoter Score).

Some of our results in the value delivery are observed in the Service Audits (ADS), which together with the Mystery Shopper and the Quality and Satisfaction Measurement Program under ISO 9001 certification enable following up our agencies:

- ▶ **ADS:** They report high levels of satisfaction in 57 agencies evaluated nationwide, a Managerial Efficiency of 94.56% and a Users' Satisfaction index of 8.59/10 points, on a basis of 2,370 interviewed Banesco clients.
- ▶ **Mystery Shopper:** Applied to 97 main agencies nationwide, it reaches an average rating of 70% in drivers of service, processes, and service quality.
- ▶ In October 2012, the renowned certifying company, Bureau Veritas, validated once more the compliance with the ISO 9001:2008 international standards, by conducting a follow-up in Quality and Commercial Clients' Satisfaction indexes and in Banesco agencies.

BUSINESS TECHNOLOGY AND PROCESSES

Guaranteeing the ongoing maturity process in delivering and supporting our transactions and services, we aligned our Strategic Vision as an enabling and business opportunity generating entity, by defining a governance structure that reinforces the disciplines of Technology Innovation and Enterprise Architecture, leveraging as foundations the Operational Excellence, the Solutions Delivery and the Technological Operations, organized by business line, focusing on the strategic business initiatives, aimed to generate the necessary synergies and optimizations that will allow flexibility and effectiveness in the business' growth.

Innovation

In the area of Technology Innovation, we have implemented a systematic process of exploration and delivery of innovative solutions characterized by their high differentiation value, based on the main technology trends, such as mobility, cloud computing and social networks. Hence, we were recognized with the Attendee Choice Award 2012 for the BanescoMóvil application, as the most outstanding in banking and finance worldwide, and for the innovative use of technology and the business opportunity offered.

In the second half of year, Banesco also ventured into Cloud Computing Technology, being the first bank in the country to migrate the communication and cooperation platform to Google Apps, hence, contributing more capacity to grow, flexibility, and boosting the collaborative work, regardless of where the collaborators are. This allows us to move forward in achieving our objective of being an Organization without internal frontiers, in dialogue and exchange mode at all times, which is the best way to be alert to the changes in the environment, the needs of our clients and the goals we have set to ourselves in the Organization.

Architecture

In Architecture, we consolidated the discipline of technological service capacity management, which allows establishing a forward-looking approach of the capacity installed and forecasting to have a proactive response to growth and enabling of businesses. On the other hand, in order to guarantee the organized evolution of the technological platform, improve the value of investments in technology and support the business growth, we established the main principles to use the technology and its processes. These principles will establish the guidelines in the development and growth of our technology basis and will allow us toward simple, fast, flexible, and cost-efficient technology architecture. And they will allow speeding up and facilitating the decision-making regarding the incorporation of new architecture components, in harmony with an upgrade strategy of our technology architecture, identifying by each domain or layer the standards we will follow throughout the evolution of our technology platform.

Engineering and Development

In the Engineering and Development area, we have initiated a methodological maturation process to develop more agile solutions, by reducing roles, activities, deliverables and related procedures, and focusing on the testing and environment discipline. We also achieved the optimization of operating processes, such as Release Management, which translates into simplification and organization for cost reduction. Likewise, we continued strengthening the Quality Assurance area in the different processes, services and products developed by our direction adopting best practices.

We also engaged in the optimization of business support systems and antifraud policies that provide for compliance with the regulations ruled by BCV, SUDEBAN, CADIVI and National Treasury, and for safeguarding and protection of client information confidentiality. We also worked in adapting *Portal de Solicitudes de Operaciones Cambiarias* (Exchange Transaction Requests Website) (CADIVI) for scheduling appointments on the Banesco.com website, which has led to debottlenecking of our agencies, agility of the procedures performed and greater satisfaction levels among personal banking customers.

We also automated the passbook elimination project and implemented the delivery of Electronic Bank Account Statements for Liability and Credit Card products.

We focused on developing simplified architecture and installing platforms under a high-availability and contingency considerations, so to optimize the number of applications, websites, suppliers and integration needs, and have adopted a SOA (Service-oriented Architecture model) to migrate those transactions supporting the mass disbursement business.

We have leveraged our Community Banking service through the implementation of ORION, which allows incorporating the requests for loan granting appointments to the Service Bars, automating the analysis, formalization and request approval and follow-up processes, generating new indicators and reports of risk behavior and the adaptation of the ICS to send SMS messages to our customers.

Along with business development, we encouraged the transaction migration to more profitable channels, maximizing the mobile channel growth through the optimization the application usability and the incorporation of new features.

Business Processes

In the Business Processes area, we managed to reach a synergy through the merger with demand Management, which should allow greater efficiency in the comprehensive follow-up of initiatives and systematically identify and implement improvement opportunities for end-to-end processes.

We also undertook the Project for Improvements of Service and Waiting Time Indicators at bank agencies through the Q-matic systems, with results that point to significant improvements in Service and Waiting Times at such agencies, nationwide at over-the-counter service channel, such as greater number of customers served, operating error reduction, and consolidation of agency personnel knowledge of the benefits of the prompt service tool.

Enablement and Operations

In the Enablement and Operations area, during 2012, Banesco managed to position itself as one of the most technologically robust banks in Latin America, upgrading its Central Operations Center to the latest high-performance processors. Upon migration to thaw technologies, 70% of the spaces used in our central operations center is reduced, and energy consumption decreased 20% compared to previous technologies used, thus contributing to the preservation of the environment.

To improve the quality of the services provided at our former agencies, we upgraded the communication links to the Metro-Ethernet and MPLS Technology, which translated into increased speed, scalability and higher availability and new technology adaptation.

Furthermore, Banesco focused its efforts in 2012 on keeping high availability levels of technology services and thus enhance customer service quality. For such purposes, it implemented a plan for optimization of its capabilities, monitoring, and upgrading and operating processes.

Last but not least, Banesco has kept strict control and follow-up of risk management actions in our internal control system, thus preventing any negative impact on client service.

COMPREHENSIVE RISK MANAGEMENT

During the second half of 2012, Risk Management continued being focused on actions aimed to contribute to global loss prevention, maintenance of business continuity, and increase efficiency in loan portfolio management. The follow-up of key risk indicators institutionally established has allowed processing the evolution of the risk levels and the business performance observed within the risk levels set by the Institution in a timely manner. Likewise, as part of the Risk Culture Plan of the Organization as strategic initiative, a group of actions were carried out aimed to implement the cultural changing process for the Comprehensive Risk Management in Banesco through three key processes, namely: Communication, Measurement and Coaching/-Training, particularly in this last process, giving the knowledge required in risk matters, emphasizing on the development of key roles in risk management, like the Comprehensive Risk Deputy – (DRI, for its acronym in

Spanish) (241 qualified managers), the Comprehensive Risk Master Deputy (MDRI, for its acronym in Spanish) and the Comprehensive Risk Consultant (CIR, for its acronym in Spanish), as well as the reinforcement of the duties of the internal risk team and the Audit And Processes areas in applying the Risk Management Methodology (138 qualified people), in addition to specialized training to project leaders in Project Risk Management (125 qualified people).

Credit Risk

During the second half of 2012, Credit Risk management was oriented to maintaining reinforcement, measurement, control and monitoring of the loan portfolio's risk levels and their appropriate management through the business units towards compliance with the policies for comprehensive risk management, in accordance with the guidelines defined by the Board of Directors, and consistently with the shareholders' risk-performance level. In this regard, we carried out the actions required to manage the loan portfolio based on strategic limits of expected loss levels, and managing the credit service by client segment, by partaking in the analysis of risk exposure levels, and submitting the results of the different business requirements (surveys, analysis and evaluations), as well as the proposed actions, for consideration by the Risk Committee.

The application of methodologies aimed to the mass loan granting has allowed the business to boost its loan portfolio, framed in a proper client selection, maintaining the risk levels accepted by the Institution. On the other hand, the strengthening of the credit risk management through the Mass Portfolio Quality and Business Corporate Committees help to closely follow up the different products that make up the loan portfolio of the Institution, thus allowing early identification of potential deviations and definition of different mitigation actions.

Market Risk and Liquidity Risk

The Market and Liquidity Risk is still managed through methodologies globally known as Risk Value, short- and mid-term liquidity indicators, liquidity and re-pricing breaches, and liquidity hedge indicators, as well as early warning monitoring of potential risks that may affect the Banks' economic value.

The result of the Value at Risk at the close of the second half of 2012 was 134 million bolivars, which represented a significant variation over the result of the first half of 2012, mainly due to the increase of the position held in securities, plus the increase of the volatilities of the securities comprising the portfolio during the last month.

The results of the liquidity indicators showed that the Bank maintained liquid assets levels that exceeded the callability of our liabilities in regular and extreme conditions, with average results for the liquidity coverage indicator of 247% and 190%, under both scenarios, recording variations of -2 basic points and 48 basic points, respectively.

Operational Risk

As to Operational Risk Management, Banesco has maintained and reinforced its approach on the prevention thereof through the implementation of risk analysis methodologies in processes, value chains, new products and/or services. The assessments, analyses, and ongoing follow-up made under this approach have constituted a basic component in maintaining the risk levels and the business continuity. This management approach has also been supported by the implementation of the *Modelo de Gestión de Riesgos Operativos* (Operational Risk Management Model) (MGRO) in core business processes, with the formal promotion and transmission of the Comprehensive Risk Culture and in the institutional use of Key Risk Indicators (KRI) for monitoring activities.

LOSS PREVENTION MANAGEMENT AND BUSINESS CONTINUITY

In 2012, we continued focusing our efforts on achieving the quality of our services within the Institution, with a “zero waste, zero faults, zero occupational injuries, zero occupational diseases, zero fraud” philosophy, by being effective and reliable in all our activities.

Our main achievements by chain value link are as follows:

Loss Prevention

Thanks to an effective management of mitigation initiatives and reinforcement of our channels, products, means of payments and services, as well as monitoring and management processes of commercial establishments, we obtained a decrease of 55% in fraud levels in comparison with 2011.

Among the main initiatives for the mitigation of losses due to fraud associated to our channels, products and means of payments and services, we shall highlight the strengthening in the loss recovery through the management of chargebacks, thus achieving a total of 54.2% recovered for CC and 44.4% for Internet. We also increased security in our ATMs, implementing controls to safeguard such equipment from potential robbery and electronic attacks. As to the Internet Banking, the technology was adapted and the process to send the Special Operations Password (dynamic) to our clients was optimized, which allowed reducing phishing by 100% in the fourth quarter.

In addition, the system to alert clients by SMS was improved, which increased the effectiveness and the efficiency in the alert service management, as well as support to reduce the costs to the Organization due to the reduction of messages sent.

Moreover, we continue proactively participating in the working sessions of the Banking Association and SUDEBAN to support the matters regarding the Electronic Risk Committee, the Electronic Banking Law, and the evaluation of the service proposal presented by SAIME (Administrative Service of Identification, Migration, and Immigration) in connection with the Identity Verification System.

Protection

We continue evaluating and reinforcing security in critical agencies and Banesco Express by installing a “lockers” system in the teller Windows of critical agencies and installing, as pilot, remote closing devices in a Banesco Express center. The technology of the video and alarm systems of 10 agencies was updated, and the security inspections for the installation or move of ATM platform equipments were made. Furthermore, we received the certification of all the agencies nationwide before the relevant authorities.

As to Industrial Hygiene and Security, we carried out the initiatives and projects aimed to prevent occupational accidents and diseases of the employees of the Bank, and complied with the laws, standards and policies issued by the National Institute of Occupational Prevention, Safety and Health (INPSASEL). Among the most outstanding activities and results of this second half of year are the formal registration with INPSASEL of all the agencies and administrative headquarters of Banesco Banco Universal in compliance with articles 72 and 73 of the Organic Law on Working Prevention, Conditions, and Environment (LOPCYMAT), thus preventing the respective fines and penalties; the completion of the training program of the workers in Ergonomics and Postural Hygiene, and the use of portable fire extinguishers as provided for by LOPCYMAT; preventive studies aimed to identify the work positions that may present occupational risk factors in order to timely mitigate them.

In connection with the health area and as part of Banesco Corporate Social Responsibility (CSR), in the second half of 2012, our Health Service executed 6,028 individual actions aimed at preventing employees' diseases, in addition to preventive uterine and prostate cancer campaigns, and others.

Business Continuity

We met the drill planning objectives of the period in order to guarantee the critical services in the event of major failure of the production environments, particularly the services of the centralized platform and the new Contingency environments related to the distributed platform, like SWIFT, OSB, Treasury, Trust, ATM and POS.

Finally, in October, November and December, the Operational Control Room was activated to guarantee availability of our technology and operational platforms in view of the increase in the volume of transactions in our customer service channels, specially the electronic channels associated to Online Banking, Points of Sale, ATMs, and Telephone Banking.



PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS WITH RESPECT TO THE CONSIDERATION AND DECISION OF THE GENERAL ORDINARY SHAREHOLDERS' MEETING SUMMONED BY MARCH 18, 2013, TO DECLARE AND PAY CASH AND SHARE DIVIDENDS

Cash Dividends

The Board of Directors submits to the consideration and decision of the shareholders their proposal to declare and pay a cash dividend for TWO THOUSAND FIVE HUNDRED TWENTY MILLION FIVE HUNDRED SIXTY-SEVEN THOUSAND THREE HUNDRED AND TWENTY-FIVE BOLIVARS (Bs. 2,520,567,325.00) to be distributed as follows:

- ▶ The amount of TWENTY MILLION FIVE HUNDRED SIXTY-SEVEN THOUSAND THREE HUNDRED AND TWENTY-FIVE BOLIVARS (Bs. 20,567,325.00), to holders of preferred shares, corresponding to Issues 2008-I and 2008-II. This dividend covers the payment of the next three periods due on 05/15/2013, 08/15/2013 and 11/15/2013, respectively, in conformity with the corresponding issue prospectus.
- ▶ The amount of TWO THOUSAND FIVE HUNDRED MILLION BOLIVARS (Bs. 2,500,000,000.00), to the holders of common shares.

Should this proposal be approved, the Board of Directors will establish the payment opportunity of cash dividends

prior compliance with the formalities and terms provided for in article 49 of the Banking Institutions Law.

Share Dividends

Should the redemption of preferred shares be approved after being submitted to consideration of the shareholders, and in order to maintain the Capital Stock of the Bank in Bs. 1,250,000,000.00, we will propose the meeting to decree and pay a share dividend for SEVENTEEN MILLION BOLIVARS (Bs. 17,000,000.00), through the issue of ONE MILLION SEVEN HUNDRED THOUSAND (1,700,000) new common shares.

Should this proposal be approved, the Board of Directors will establish the payment opportunity of share dividends prior approval by the Superintendency of Banking Institutions.

Juan Carlos Escotet Rodríguez
Chairman of the Board of Directors



BANESCO BANCO UNIVERSAL, C.A. | BALANCE SHEET

Stated in Million VEF

ASSETS	Dec. 12	Jun. 12	Dec. 11	Jun. 11
CASH AND DUE FROM BANKS	28,317	15,427	22,718	13,710
Cash	3,714	1,920	2,226	1,784
Central Bank of Venezuela	21,465	10,790	18,877	10,106
Local Banks and Other Financial Institutions	159	141	125	162
Foreign Banks	121	246	96	127
Head Office and Branches	0	0	0	0
Notes Receivable	2,859	2,329	1,393	1,531
Provision for Bank Accounts	0	0	0	0
INVESTMENTS SECURITIES	26,237	16,363	11,518	8,016
Investments in Central Bank	1,313	16	506	474
Investments in Trading Securities	0	0	0	0
Investments in Securities Available for Sale	8,197	5,979	6,585	5,772
Investments in Securities Held to-maturity	11,745	5,752	1,429	1,505
Limited Availability Investments	184	197	535	2651
Other Security Investments	4,798	4,420	2,464	0
Provision for Security Investments	0	0	0	0
LOAN PORTFOLIO	64,190	52,491	41,905	31,741
Outstanding Credits	65,343	53,218	42,346	31,996
Restructured Credits	56	109	113	67
Past Due Credits	321	380	397	443
Credits in Litigation	3	17	14	5
Provision for Credit Portfolio	-1,533	-1,232	-965	-769
INTEREST AND COMMISSIONS RECEIVABLE	1,292	838	615	562
Interest receivable from cash and due from banks	0	0	0	0
Interest receivable from security investments	445	250	172	131
Interest receivable from credit portfolio	828	616	515	521
Commissions Receivable	96	74	68	69
Interest Receivable on Other Accounts Receivable	0	0	0	0
Provision for Interest Receivable and Other	-77	-101	-141	-159
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	4	4	4	4
Investments in subsidiaries and affiliates	4	4	4	4
Investments in branches	0	0	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	25	17	33	30
PROPERTY IN USE	1,098	1,085	1,041	984
OTHER ASSETS	2,419	653	1,464	539
TOTAL ASSETS	123,582	86,878	79,298	55,586

Stated in Million VEF

LIABILITIES	Dec. 12	Jun. 12	Dec. 11	Jun. 11
DEPOSITS IN CURRENT ACCOUNTS	109,055	76,165	70,752	48,101
Deposits in Current Accounts	77,631	53,131	48,612	32,389
Non-Remunerated Checking Accounts	38,128	25,945	22,998	14,344
Remunerated Checking Accounts	39,502	27,187	25,614	18,046
Other Demand Liabilities	9,857	7,831	8,594	6,352
Obligations for Money Desk Operations	0	0	0	0
Savings Deposits	21,112	14,729	13,054	8,014
Time Deposits	455	473	491	68
Securities Issued by the Institution	0	0	0	0
Restricted Deposits from Clients	0	0	0	0
Right of Ownership and Participation on Security Investments	0	0	0	1,278
OBLIGATIONS WITH BCV	0	0	0	0
DEPOSITS AND OBLIGATIONS WITH BANAVIH	1	1	0	0
OTHER FINANCING OBTAINED	732	336	213	538
Liabilities with local financial institutions up to one year	581	324	205	304
Liabilities with local financial institutions more than one year	0	0	0	0
Liabilities with foreign financial institutions up to one year	151	12	7	234
Liabilities with foreign financial institutions more than one year	0	0	0	0
Other Liabilities up to one year	0	0	0	0
Other Liabilities more than one year	0	0	0	0
OTHER FINANCIAL OBLIGATIONS	61	70	77	32
INTEREST AND COMMISSIONS PAYABLE	13	12	14	17
Expenses payable due to deposits from clients	14	17	20	49
Expenses payable due to obligations with BCV	0	0	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0	0	0
Expenses payable due to other financing obtained	0	0	0	1
Expenses payable due to other financial obligations	0	0	0	0
Expenses payable due to obligations convertible to capital	0	0	0	0
Expenses payable due to subordinated debt	0	0	0	0
ACCRUALS AND OTHER LIABILITIES	3,246	2,388	2,034	2,016
SUBORDINATED DEBT	0	0	0	0
OTHER LIABILITIES	0	0	0	0
TOTAL LIABILITIES	113,107	78,971	73,089	50,705
STOCKHOLDERS' EQUITY				
CAPITAL STOCK	1,250	1,250	1,250	1,250
Capital Paid-in	1,250	1,250	1,250	1,250
PAID-IN SURPLUS	0	0	0	0
CAPITAL RESERVES	1,275	1,105	903	766
EQUITY ADJUSTMENTS	267	317	317	264
ACCUMULATED INCOME	7,165	5,099	3,602	2,566
NON-REALIZED GAIN OR (LOSS) ON AVAILABLE FOR SALE				
SECURITY INVESTMENTS	552	171	171	68
TREASURY STOCK	-35	-35	-35	-35
TOTAL LIABILITIES	10,474	7,907	6,208	4,880
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	123,582	86,878	79,298	55,586
CONTINGENT DEBTOR ACCOUNTS	20,303	13,633	13,285	10,084
TRUST ASSETS	9,231	8,880	8,362	7,521
OTHER TRUST ASSIGNMENTS	279	265	198	177
DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (HOUSING MUTUAL FUND)	7,321	6,412	5,703	4,942
OTHER DEBTOR ACCOUNTS (HOUSING MUTUAL FUND)	14	13	12	12
OTHER DEBTOR MEMORANDUM ACCOUNTS	298,739	269,120	210,019	159,741
OTHER DEBTOR BOOK ACCOUNTS	28	27	27	26



BANESCO BANCO UNIVERSAL, C.A. | STATEMENTS OF EARNINGS

Stated in Million VEF

	Dec. 12	Jun. 12	Dec. 11	Jun. 11
FINANCIAL REVENUES	6,707	5,309	4,240	3,410
Revenues from Cash and Cash Equivalents	2	2	2	2
Revenues from Security Investments	1,207	889	641	397
Revenues from Credit Portfolio	5,449	4,361	3,535	2,956
Revenues from Other Accounts Receivable	45	45	40	29
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	0	0
Revenues from Head Office and Branches	0	0	0	0
Other Financial Revenues	4	12	22	26
FINANCIAL EXPENSES	1,369	1,069	829	734
Expenses Due to Deposits from Clients	1,343	1,055	824	726
Expenses Due to Obligations with BCV	0	0	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0	0	0
Expenses Due to Other Financing Obtained	3	0	4	6
Expenses Due to Other Financial Obligations	23	14	0	0
Expenses Due to Subordinated Debt	0	0	0	0
Expenses Due to Head Office and Branches	0	0	0	0
Other Financial Expenses	0	0	0	2
GROSS FINANCIAL MARGIN	5,338	4,240	3,411	2,676
Income from Recovered Financial Assets	133	106	86	69
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	597	579	629	426
Provision for Loan Portfolio and Other Accounts Receivable, Losses	597	578	629	426
Provision for Cash and Due from Banks	0	1	0	0
NET FINANCIAL MARGIN	4,874	3,767	2,869	2,319
Other Operating Income	2,058	1,471	940	702
Other Operating Expenses	385	276	227	178
FINANCIAL INTERMEDIATION MARGIN	6,547	4,962	3,582	2,843
TRANSFORMATION EXPENSES	3,052	2,725	2,075	2,039
Personnel Expenses	1,295	1,047	871	800
Administrative and General Expenses	1,195	1,158	855	907
Contributions to Deposit Guarantee and Bank Protection Fund	512	481	318	304
Contributions to Superintendency of Banks and Other Financial Institutions	50	40	32	27
GROSS OPERATING MARGIN	3,495	2,236	1,507	804
Income from Adjudicated Goods	11	9	11	7
Income from Special Programs	0	0	0	0
Income from Sundry Accounts	49	30	48	31
Expenses Due to Realizable Property	7	11	10	7
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0	0	0
Expenses Due to Dundry Accounts	358	244	181	220
NET OPERATING MARGIN	3,191	2,019	1,374	616
Extraordinary Income	0	0	0	0
Extraordinary Expenses	7	3	6	5
GROSS INCOME BEFORE TAXES	3,183	2,016	1,368	610
Income Taxes	275	0	0	0
NET INCOME	2,908	2,016	1,368	610
APPLICATION OF NET INCOME				
Legal Reserve	145	202	137	61
Statutory Utilities	0	0	0	0
Other Capital Reserves	6	0	0	0
ACCUMULATED INCOME	2,756	1,815	1,231	549
LOSEP Contribution	34	22	15	7
OTHER ACCOUNTS				
Third-Party Investments	0	0	0	0
Monthly Agriculture Credit Portfolio	213	1,784	353	1,011
Accumulated Agriculture Credit Portfolio	10,585	11,321	6,675	6,293
Public Sector Deposits	3,572	4,967	4,302	4,209
Micro-Credits	3,697	2,569	1,952	1,364
Credits to the Segment of Tourism in accordance to law in force	1,419	1,235	978	692
Mortgages according to the Special Law for the Protection of the Housing				
Loan Debtor	3,693	3,349	3,652	3,377
Financial Soundness Ratio	10.22%	10.36%	8.77%	10.15%
Manufacturing Loans	4,306	3,968	3,808	2,508



Stated in Million VEF

	Dec. 12	Jun. 12	Dec. 11	Jun. 11
HERITAGE TRUST	8,635	8,342	7,822	7,141
INVESTMENT TRUSTS	1,367	1,922	1,198	1,629
Individuals	297	114	127	712
Corporative Entities	795	683	521	138
Central Administration	5	6	5	2
Public, State, Municipal and Central Administrations	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	270	1,120	546	776
GUARANTEE TRUST	1,764	1,765	1,776	1,339
Individuals	0	1	1	1
Corporative Entities	1,752	1,752	1,763	1,326
Central Administration	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	12	12	12	12
MANAGEMENT TRUSTS	5,159	4,395	4,438	3,896
Individuals	1,634	1,227	1,190	942
Corporative Entities	406	410	129	159
Central Administration	94	78	78	71
Public, State, Municipal and Central Administrations	0	0	0	0
Decentralized Entities and Other Entities with Special Regime,	3,027	2,680	3,041	2,724
FEATURES MIXED TRUSTS	344	259	410	277
Individuals	0	0	0	0
Corporative Entities	0	0	0	0
Central Administration	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	344	259	410	277
OTHER TRUSTS	0	0	0	0
Individuals	0	0	0	0
Corporative Entities	0	0	0	0
Central Administration	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	0	0	0	0

 **BANESCO BANCO UNIVERSAL, C.A.**
SOCIAL BALANCE ACCUMULATED 1998 • 2012

Stated in VEF

Description	2012	Accumulated 1998 - 2012
SOCIAL INVESTMENT		
Application Banesco Resources	66,041,528	247,342,045
Fe y Alegría	—	23,237,019
Microentrepreneurs Training Program	2,044,219	2,044,219
Simón Bolívar Music Foundation	1,024,640	11,878,305
Association of Venezuelan Catholic Education (AVEC)	1,000,000	8,036,091
Institute of Advanced Studies in Administration (IESA)	1,290,000	3,870,000
Universities and Other Institutions	545,000	7,818,976
Banesco Life-Long Scholarships -	173,450	2,221,628
Other Education Institutes and Organizations	126,000	2,471,761
Venezuelan Foundation against Child Paralysis	925,840	2,619,759
Other Health and Medical Care Organizations	572,936	2,650,388
FUNDANA	180,000	1,905,254
Civil Association Don Bosco Houses Network	658,900	2,823,232
Salesian Ladies Civil Association	275,000	1,854,441
Attendance to the childhood and people with special necessities	65,500	2,442,440
Toys donation to the communities	278,222	3,386,673
Editorial Projects	1,311,188	6,433,543
Other contributions	817,577	8,780,957
Solidarity (Capital and Regional)	964,666	5,138,558
Events for the Community	6,114,071	9,421,472
Investment in works in Colinas de Bello Monte	497,455	3,888,987
Mayoralties, regional governments and other State Organizations	593,275	6,378,983
Non-Contractual Social Benefits for Banesco Employees	46,484,065	127,182,257
Corporate Volunteering Contribution	212,924	857,102
Application of Article 96 (LOCTISEP) (2004-2009)	—	33,612,457
Total Social Investment	66,154,928	247,342,045
Contracted Commitments	5,550,000	5,550,000
GENERAL TOTAL SOCIAL INVESTMENT PLUS COMMITMENTS MADE	71,704,928	286,504,502

Board of Directors

Juan Carlos Escotet
 María Josefina Fernández
 Miguel Ángel Marcano
 Daisy Josefina Véliz
 Olga Elena Marcano
 Sergio Saggese
 Flavel Castañeda
 Oscar Doval





MAIN CORRESPONDENT BANKS

ARGENTINA Banco de la Provincia de Buenos Aires, Banco de la Nación Argentina, Banco Supervielle, Banco Credicoop, Grupo Macro, Banco Patagonia, Deutsche Bank, HSBC Bank, Banco CMF.

AUSTRALIA ANZ Bank.

AUSTRIA Unicredit Group, RZB A.G.

BELGIUM Commerzbank

BOLIVIA Banco Económico, Banco Do Brasil, Banco de la Nación Argentina, Banco Nacional de Bolivia, Banco BISA, Banco de Crédito de Bolivia, Banco Mercantil de Santa Cruz, Banco Unión de Bolivia.

BRAZIL Banco Bradesco, Banco Do Brasil, Banco Itau, HSBC Bank, Banco ABC Brasil, Banco Safra, Banco Santander, Deutsche Bank, Banco Indusval.

CANADA Royal Bank of Canada.

CHILE Banco Estado, Banco Santander, Bci Banco de Crédito e Inversiones, Banco Do Brasil, Banco de Chile, Banco BICE, Corpbanca.

CHINA Standard Chartered Bank, Commerzbank A.G., HSBC Bank, Deutsche Bank A.G., Citibank, N.A., Bank of China, The Industrial and Commercial Bank of China.

COLOMBIA Banco de Bogotá, Bancolombia, Bancoldex, Banco de Occidente, Davivienda.

COSTA RICA Banco Nacional de Costa Rica, Banco de Costa Rica, Banco Improsa.

CURAZAO Maduro & Curiel's Bank.

DENMARK Nordea Bank.

DOMINICAN REPUBLIC Banco de Reservas, Banco BHD, Banco Popular.

ECUADOR Banco del Pichincha, Banco del Pacífico, Produbanco, Banco de Guayaquil, Banco Internacional.

EL SALVADOR Citibank, Banco Agrícola.

ENGLAND The Royal Bank of Scotland, HSBC Bank P.L.C.

FINLAND Nordea Bank.

FRANCE Crédit Industriel et Commercial (CIC), Société Générale.

GERMANY Commerzbank A.G., Unicredit Group, Deutsche Bank.

GUATEMALA Banco Industrial, Banco GT Continental, Banco Agromercantil.

HOLLAND Commerzbank A.G., Deutsche Bank

HONDURAS Banco Atlántida, Grupo Financiero Ficohsa, Banpais, Banco Continental.

HONG KONG Standard Chartered Bank, Deutsche Bank A.G., Citibank N.A., Unicredit Group, Commerzbank A.G.

INDIA Standard Chartered Bank, Deutsche Bank, HSBC Bank.

ITALY Unicredit Group.

JAPAN The Bank of Tokyo and Mitsubishi Bank, Standard Chartered Bank, Citibank N.A., Unicredit Group, Commerzbank Ag., Deutsche Bank.

KOREA Standard Chartered Bank, Citibank N.A., Deutsche Bank, Commerzbank A.G.

MALAYSIA Standard Chartered Bank.

MEXICO Banamex, S.A. (Citibank), HSBC Bank, Banco Santander, Banco del Bajío, Banorte, BBVA Bancomer.

NEW ZEALAND ANZ Bank.

NICARAGUA Banpro, Bancentro.

NORWAY Nordea Bank.

PANAMA HSBC Bank, Multibank, Credicorp Bank

PARAGUAY Banco Do Brasil, Banco de la Nación Argentina, Banco Sudameris, Banco Continental, Banco Regional.

PERU Banco de Crédito del Perú, Banco Financiero, Interbank, Scotia Bank, BIF, Citibank.

PORTUGAL Banco Espirito Santo S.A., Banco Banif, Millennium BCP, Caixa Geral de Depósitos.

PUERTO RICO Banco Popular de Puerto Rico.

SINGAPORE Standard Chartered Bank, Unicredit Group., Deutsche Bank, Commerzbank A.G.

SPAIN HSBC Bank, Commerzbank Ag., CaixaBank.

SWEDEN Nordea Bank.

SWITZERLAND Commerzbank AG., Deutsche Bank

URUGUAY Banco de la Nación Argentina, BBVA Uruguay, Banco de la República Oriental del Uruguay.

U.S.A. Standard Chartered Bank, Wells Fargo, Citibank N.A, HSBC Bank, Deutsche Bank A.G., Commerzbank A.G.

Banesco International Presence Group

- ▶ Banesco S.A., Panama (before Banesco International Bank Inc.)
- ▶ Banesco USA (Miami, Puerto Rico)
- ▶ Banesco Banco Múltiple, S.A. (Dominican Republic)

Representative Office

- ▶ Banesco Banco Universal C.A., Bogotá

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SEMESTER REPORT SECOND HALF

2012



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