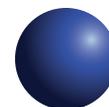


Semester Report Second Half 2011

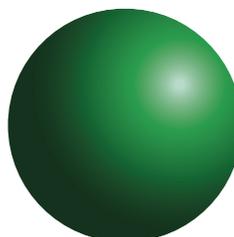


Banesco
BANCO UNIVERSAL



Index

PROLOGUE	2
FINANCIAL HIGHLIGHTS	4
STOCKHOLDERS MEETING CALL	5
THE VENEZUELAN ECONOMY DURING 2011	6
BANKING SYSTEM	9
BANESCO BANCO UNIVERSAL	11
STATUTORY AUDITORS' REPORT	14
MANAGEMENT REPORT	15
▶ Human Capital	16
▶ Marketing and Innovation	19
▶ Quality Management	22
▶ Business Management	23
▶ Risk Management	32
▶ Loss Prevention Management and Business Continuity	34
▶ Corporate Social Responsibility	36
▶ Corporate Governance	38
▶ Customers' and Users' Requirements	42
▶ Pronouncements as to Credit Risk Reports	43
▶ Information on Lending and Borrowing Operations Individually Exceeding 2% of the Bank's Equity	43
▶ Proposal submitted by the Board of Directors with respect to the consideration and decision of the General Ordinary Stockholders' Meeting summoned by March 26, 2012, for the purpose of declaring and paying cash and share dividends	43
▶ Communications of the Superintendence of Banks and Financial Institutions, in connection with the provisions, observations, recommendations or initiatives related to the Bank's operations	44
▶ Balance Sheet and Statements of Earnings	46
▶ Principal Financial Indicators	50
▶ Credit Portfolio per Type of Economic Activity	50
▶ Social Balance	51
▶ Main Correspondent Banks	52



Dear readers

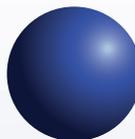
We are proud to present the results of Banesco Banco Universal at the closing of 2011 second six-month period. As you might note, numbers show that the continuous effort and dedication of our Organization's human assets have rendered their fruits. We fully met the financial intermediation function that our customers and general public expect from us as a financial institution. Thus, as of December 31, 2011, our net loan portfolio amounted to Bs. 41,905 million, which placed us in the first rank of the Venezuelan Financial System for the loan area. The increase of 51.5% of the amount of loans granted in 2011 by Banesco is over the average of the Venezuelan banking system which was 45.9%.

Thanks to these numbers, our loan intermediation index reached 59.2%, 4 percentage points over the banking system average, which is 54.8%. We are pleased to highlight that core sectors for the country's development such as agriculture and housing represented a very significant portion of our loan portfolio. Banesco placed Bs. 6,675 million for the agriculture sector, which represents 24.78% more than in 2010.

We have a long and successful path with mortgage loans, totaling Bs. 5,110 million in 7,612 loans granted with own funds and with funds from the Mandatory Housing Savings Fund (FAOV). We have benefited 76,522 families with a total amount granted of Bs. 4,142 million.

Regarding other two main sectors for country's development, such as tourism and microloans, Banesco ranked first in the system. At December 2011 closing, the tourism loan portfolio recorded Bs. 872 million, while microloans amounted to Bs. 1,952 million. Loans granted for the manufacturing activity amounted to Bs. 3,808 million, with an increase of 57.59% if compared to previous year figures. Thanks to a sound credit policy, Banesco's default rate was 0.96% by the end of 2011, which is under the sector's average (1.44%) and which in addition represents one of the lowest historical values, thus evidencing the quality of the Bank's loan portfolio.

By 2011 closing, Banca Comunitaria Banesco had granted 176,672 loans to small business owners located in 4,146



popular areas of the country. We currently have 19 Community Agencies and 217 customer service locations through our community allies. During the second six-month period, 514 participants graduated from the third issue of the Micro-entrepreneurs Training Program delivered by Banesco. We are proud to highlight that Banca Comunitaria was awarded with the Technology Program for Financial Inclusion organized by the Inter-American Development Bank (IDB), the Multilateral Investment Fund (MIF) and the Andean Development Corporation (ADC). By virtue of the foregoing, we are able to develop a project that will allow to offer financial services via mobile phones to individuals with no access to the banking system.

Thanks to the customers' confidence in our work, Banesco ranked first in deposits in the private banking, with total customers' deposits amounting to Bs. 70,751 million, which represents an increase of 54.37% in 2011. The Bank's total assets by December 2011 closing amounted to Bs. 79,267 million with a growth of 52.24% if compared to the second six-month period of prior year.

**Thanks to the
customers' confidence in
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In general terms, these financial results evidence the service spirit of Banesco. As in previous years, we made emphasis on the investment and development of the Bank's technology and service quality.

We also should note that social investment for 2011 amounted to Bs. 29 million. From this total amount, Bs. 19,200,579 (65.13%) correspond to non-contractual benefits for our employees and Banesco Corporate Volunteers, while the remaining amount of Bs. 9,945,748 (34.87%), was allocated to finance different initiatives and projects along with our social partners and allies.

From 1989 to current date, Banesco has allocated Bs. 215 million to different initiatives and projects in favor of the community and its employees within the framework of its Business Social Responsibility Program.

This semiannual report is presented as a transparency exercise for our more than 40,000 stockholders, 6 million customers, 14,000 employees, as well as our suppliers and related parties.

Our commitment is to stay with our customers and users to address their financial needs and help them to materialize their personal and business projects.



JUAN CARLOS ESCOTET RODRÍGUEZ
CHAIRMAN OF THE BOARD OF DIRECTORS

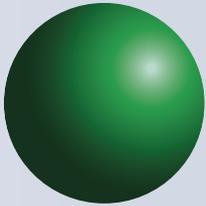


Financial Highlights

Stated in Million VEF	Second Half 2009	First Half 2010	Second Half 2010	First Half 2011	Second Half 2011	GROWTH			
						II Half 2011 I Half 2011		II Half 2011 I Half 2010	
						Absolute	%	Absolute	%
TOTAL ASSETS	43,066	42,684	52,087	55,586	79,298	23,712	42.7%	27,211	52.2%
Cash and Due from Banks	11,611	11,284	17,345	13,710	22,718	9,007	65.7%	5,373	31.0%
Security Investments	5,983	5,011	4,782	8,016	11,518	3,502	43.7%	6,736	140.9%
Credit Portfolio	22,739	24,589	27,654	31,741	41,905	10,164	32.0%	14,251	51.5%
DEPOSITS FROM CLIENTS	37,763	37,175	45,832	48,101	70,752	22,650	47.1%	24,919	54.4%
Deposits in Current Accounts	19,913	21,947	28,241	32,389	48,612	16,223	50.1%	20,371	72.1%
Savings Deposits	6,800	6,557	8,445	8,014	13,054	5,040	62.9%	4,610	54.6%
Time Deposits	21	3	11	68	491	423	619.5%	481	4541.6%
Other Deposits	11,029	8,668	9,136	7,630	8,594	964	12.6%	-542	-5.9%
TOTAL STOCKHOLDERS' EQUITY	3,598	3,809	4,235	4,880	6,208	1,328	27.2%	1,974	46.6%
TRUST ASSETS	6,020	6,656	7,180	7,521	8,362	841	11.2%	1,182	16.5%
DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (FAOV)	3,376	3,879	4,401	4,942	5,703	761	15.4%	1,302	29.6%
Financial Revenues	2,561	2,689	2,986	3,410	4,240	830	24.3%	1,254	42.0%
Financial Expenses	1,174	901	794	734	829	95	12.9%	35	4.4%
Gross Financial Margin	1,414	1,788	2,192	2,676	3,411	735	27.5%	1,219	55.6%
Financial Intermediation Margin	1,772	2,215	2,455	2,843	3,582	739	26.0%	1,127	45.9%
Transformation Expenses	1,312	1,603	1,856	2,039	2,075	36	1.8%	219	11.8%
NET INCOME	322	403	503	610	1,368	757	124.1%	864	171.7%
ACCUMULATE AGRICULTURE PORTFOLIO	3,816	4,525	5,350	6,293	6,675	382	6.1%	1,326	24.8%
OFFICIAL INSTITUTIONS DEPOSITS	2,820	3,159	3,517	4,209	4,302	93	2.2%	785	22.3%
MICRO LOANS	1,004	1,112	1,375	1,364	1,952	588	43.1%	577	42.0%
COMMERCIAL LOANS	6,431	6,165	6,237	7,825	14,115	6,290	80.4%	7,878	126.3%
CREDITS TO CONSUMER	6,950	8,242	8,912	10,077	10,968	891	8.8%	2,057	23.1%
Vehicles	666	822	1,194	1,692	2,705	1,013	59.8%	1,511	126.5%
Credit Cards	6,283	7,420	7,718	8,385	8,263	-122	-1.5%	546	7.1%
MORTGAGE LOANS	3,271	3,720	4,123	4,540	5,137	597	13.1%	1,014	24.6%
RATIOS									
Loan Portfolio Provisions / Non Accrual Loans	112.6%	188.9%	186.2%	171.8%	235.0%				
Non Accrual Loans/ Gross Loan Portfolio	1.9%	1.5%	1.3%	1.4%	1.0%				
Net Results / Average Assets	1.6%	1.9%	2.1%	2.3%	3.4%				
Net Results / Average Equity	19.2%	22.0%	23.6%	26.5%	39.4%				
Liquidity	41.1%	37.7%	43.2%	41.5%	42.1%				

Call

**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 26, 2012, 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, between 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, 2011.

SECOND: Consideration and resolution on the payout of cash dividends.

THIRD: Appointment of the members of the Board of Directors for 2012-2013.

FOURTH: Appointment of controllers for 2012-2013 and allocation of their remuneration.

FIFTH: Reduction of the Bank's capital stock by Bs. 26,000,000.00) as a result of the buy-back of 2,600,000 preferred shares in conformity with the public offering of preferred shares, issue 2008-I and issue 2008-II.

SIXTH: Resolution on the Board of Directors' proposal to payout of a stock dividend for Bs. 26,000,000.00.

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

EIGHTH: Authorization for the Board of Directors to acquire shares of the Bank for valuable consideration and transfer them where deemed convenient.

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRÍGUEZ
Chairman of the Board of Directors

Note: 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, February 28, 2012

RIF J-07013380-5



The Venezuelan Economy during 2011



Real Sector

During 2011, the country returned to the economic growth path after the contraction observed in the 2009-2010 period, when the different productive activities were affected by the international financial-economic crisis and the Venezuelan electric sector crisis.

Our economy was benefited by the behavior of the oil market in connection with the increase in the oil prices. The Venezuelan basket averaged 101.1 US\$/b in 2011, which represented an increase of 29.9 US\$/b if compared to 2010. The foregoing was generated by the geopolitical conflict in the North of Africa and the Middle East, and the growth worldwide in the demand of oil, which according to the International Energy Agency (IEA) increased from 88.3 mb/d to 89.0 mb/d., due to the performance of Latin-American emerging markets and Asian economies, mainly from India and China. These factors offset the decrease in the consumption of developed countries members of the Organization for Economic Cooperation and Development (OECD) affected by the European debt crisis, the Japan atomic crisis and slow recovery of the US economy.

As per figures estimated by the People's Power Ministry for Planning and Finances, the rise in oil prices caused a significant increase of 34.6% in oil revenues reported to the National Treasury by reaching Bs. 81,891 million, which in addition to the increase of 45.4% in SENIAT's tax collection, which closed in Bs. 147,442 million, allowed to sustain the rise in the public expenditure. Public expenditure was also benefited by financing for the amount of Bs. 90,000 million, by virtue of the Special Debt Law approved jointly with the 2011 Budget in October 2010, and the Supplementary Debt Law on Debts promulgated in June 2011.

Supported by this flow of resources, National Government disbursed Bs. 356,440 million in expenditures from the Central Government (+49.2% with respect to 2010). When observing the expense allocation, we note that Bs. 103,187 million was allocated for the payment of remunerations, while Bs. 118,725 million corresponded to transfers to decentralized entities and Bs. 67,285 million for legal contributions, mainly comprised of funds granted to regions through the Treasury Funds and the Interterritorial Compensation Fund.

Activities

	2011	2010
Consolidated	4.2%	-1.5%
Petroleum activity	0.6%	0.1%
Nonpetroleum activity	4.5%	-1.6%
Mining	5.2%	-13.0%
Manufacturing	3.8%	-3.4%
Electricity and water	5.0%	-5.8%
Construction	4.8%	-7.0%
Trade and repair services	6.5%	-6.1%
Transport and storage	5.8%	-2.0%
Communications	7.3%	7.9%
Financial institutions and insurance	12.0%	-7.6%
Real Estate, entrepreneurial and renting services	3.5%	-0.7%
Non-profit-making private services and community, social and personal services	5.8%	-0.1%
General Government services	5.5%	2.6%
Rest ¹	-1.4%	-1.0%
Less: Fisim ²	13.4%	-7.9%
Net taxes on products	5.9%	-2.3%

1/ Includes: Private agriculture, private hotels and restaurants and various public activities.

2/ Financial intermediation services indirectly measured. Source: Central Bank of Venezuela

Domestic Aggregate Demand (Var. %)

	2010	2011
Domestic Aggregate Demand	-0.5%	7.6%
Government final consumption expenditure	2.1%	5.9%
Private final consumption expenditure	-1.9%	4.0%
Gross fixed capital formation	-6.3%	4.4%
Changes in Inventories	64.9%	68.7%

Source: Banco Central de Venezuela (BCV)

The higher fiscal expenditure generated a dynamic effect on the economy through the initial impact on the Government final consumption expenditure, which in constant terms increased 5.9% and indirectly, because of the effect on the private final consumption expenditure and gross investment.

Private consumption increased 4.0%, after a decrease of 1.9% in 2010, mainly due to the increase of 9.2% of actual remunerations, which were significantly affected by the increase in wages and salaries of the public administration.

Furthermore, the gross investment had a growth of 15.2%, increasing inventories in 68.7%, but also highlighting the growth of 4.4% in gross fixed capital formation. This variable had an increase of 7.6% during the second six-month period, positively influenced by a higher dynamism on the construction sector during that period.

The internal Aggregate Demand showed an increase of 7.6% with a stronger emphasis in the second six-month period, when it had an increase of 9.1%. In connection with supply, the Gross Domestic Product (GDP) recorded a rise of 4.2%, which evidences a sig-



nificant recovery after the decrease of 1.5% in 2010.

The oil activity showed a positive variation of 0.6%, while non-oil activities increased 4.5%. The highest increase was observed for financial institutions and insurance companies (+12.0%), which were benefited by the economy recovery and the rise of the monetary liquidity, which generated an increase in the volume of financial system businesses, followed by Communications (+7.3%), which accrues 8 years of expansion by virtue of the boom of mobile, internet and TV subscription services. Additionally, Commerce and repair services (+6.5%) also showed a recovery in consumption, after decreasing 6.1% in 2010.

The economic recovery was evidenced in the labor market, since although by 2010 and 2011 closing the unemployment rate was 6.5%, the average unemployment rate decreased from 8.5% to 8.2%. In 2011, the economy generated about 230 thousand jobs, 120 thousand out of which were created in the public sector.



We also observed improvement in underemployment levels,

through a decrease in the average informal economy rate of 0.7 points, until reaching 43.2%.

External Sector

The increase in the Venezuelan oil allowed oil exports to reach US\$ 88.1 thousand million (+US\$ 26.8 thousand million with respect to 2010). Also, non-oil exports amounted to US\$ 4.5 thousand million, US\$ 2 thousand million out of which correspond to the public sector (mainly to Guayana basic companies). Total exports recorded an increase of 40.8% in such term, ending 2011 in US\$ 92.6 thousand million.

The capital and financial account resulted in a deficit of US\$ 27.6 thousand million, mainly affected by other investment account, where an asset outflow was observed for US\$ 27.7 thousand million from the public sector (transfers of funds to the National Development Fund (FONDEN) and commercial loans to PDVSA), as well as outflows for US\$ 15.3 thousand million from the private sector (liquidation of bonds and foreign currency transfers to contractors of Government works).

The direct investment in the capital account generated a surplus amounting



IMPORTS AND TRADE BALANCE

Imports increased 20.3% (US\$7.8 thousand million) during the year ended, until reaching US\$ 46.4 thousand million, corresponding US\$ 40.4 thousand million to non-oil imports. From these non-oil imports, US\$ 29.9 thousand million corresponded to the private sector, while the public sector recorded imports for US\$ 10.5 thousand million, equivalent to an increase of US\$ 2.9 thousand million.

The balance of trade recorded a surplus of US\$ 46.2 thousand million that after considering the deficit in the service and revenue balance allowed a favorable current account of US\$ 27.2 thousand million.



to US\$ 5.1 thousand million, mainly due to the sale of oil-sector assets and reinvestment of profits and dividends payable to the stockholders of companies with foreign capital in the country.

The deficit observed in the financial account and the deficit balance in the items corresponding to errors and omissions for US\$ 3.6 thousand million, fully offset the surplus and current account and determined a deficit in the balance of payments for US\$ 4.0 thousand million. Although this issue should translate into a drop in international reserves due to transactions with the external sector, it generated a revaluation of reserve assets due to the increase in the price of gold, which increased 24.9% passing from US\$ 1,357.8 in 2010 to US\$ 1,696.3 at 2011 closing. This issue caused that international reserves increased from US\$ 29,500 million to US\$ 29,889 million.

Regarding the composition of international reserves per type of instrument, monetary gold closed 2011 in US\$ 19,959 million (66.8% of the value of the reserves), US\$ 3,438 million under the form of Special Drawing Rights (SDR), US\$ 906 million in other assets, mainly related to the position of reserves befo-

re the International Monetary Fund (IMF) and only US\$ 5,586 million would be under the form of liquid foreign currency (1.6 months of non-oil imports).

In 2011, the Foreign Currency Administration Commission (Cadiivi) settled US\$ 30,379 million, which represented an increase of 5.2% with respect to 2010. The highest amount assigned corresponded to imports (US\$ 24,524 million), US\$ 18,957 million out of which was granted through ordinary imports, US\$ 5,328 million through the Latin American Integration Association (ALADI for its words in Spanish) and US\$ 239 million through the Unified System for Regional Compensation (SUCRE for its words in Spanish). Thus, settlements for imports increased 1.5%. The additional supply of foreign currency came from the Transaction System for Foreign Currency Denominated Securities (SITME for its words in Spanish), allocating US\$ 8,778 million at an average daily amount of US\$ 35.8 million, similar than 2010 when US\$ 5,080 million was settled in almost 7 months.

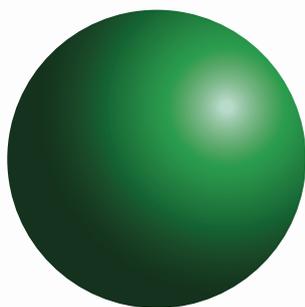
Monetary Sector

The expansive monetary and fiscal policies as well as the increase in loans granted by financial institutions were the fac-

tors that contributed to the rise of 50.6% in the monetary liquidity (M2) during 2011, growth not observed since 2006.

We observe that the increase in the M2 was leveraged by the increase in cash (+56.7%), since cash equivalents reduced 18.0%. The recovery of cash was related to the increase in sight deposits, which recorded the highest increase (+63.8%), followed by savings deposits (+53.6%) and cash in hands (+27.1%). Additionally, the decrease in cash equivalents is due to the drop of 64.1% of certificates of deposits and 7.5% in time deposits.

The policies implemented by the BCV contributed to the monetary expansion. Firstly, it kept unchanged the interest rates for lending and borrowing operations and it maintained the limits set to financial institutions, effective November 27, 2009, of not exceeding the balance of their certificate of deposits portfolio. Thus, the balance of credit instruments issued by BCV remained practically unchanged in Bs. 6.9 thousand million at year-end. Additionally, effective June 30, 2011, BCV reduced the legal reserve requirement in 3 percentage points to 14%, provided that financial institutions



INFLATION

In accordance with the National Consumer Price Index (INPC), inflation increased 27.6%, 0.4 percentage points over the 2010 variation. The increase was mainly generated by the prices of foods and beverages, which increased 33.6%, in addition to prices of transport services (+30.6%), restaurants and hotels (+30.1%) and other goods and services (+30.0%).

Unlike 2010, during current year, the increase in prices was higher for controlled items (+30.3%) than for non-controlled items (+25.8%), since significant price adjustments were authorized on certain products such as oil, milk, coffee, chicken, meat, sugar, pastas, bread, as well as in the rates of certain services such as ground transportation, subway and metro bus.

Regarding the origin of products, goods (+29.5%) presented an increase higher than services (+24.6%), mainly due to the variation of 41.5% in agro industrial products.

use the funds released for the acquisition of instruments issued within the framework of *Gran Misión Vivienda Venezuela*.

By means of these measures, the issuing entity contributed to the generation of significant monetary surplus averaging Bs. 29.8 thousand million and which at year-end reached Bs. 45.9 thousand million, equivalent to 10.3% of M2. It should be noted that this surplus was generated despite the increase in the loan demand, which in a more favorable environment increased 45.9% (+Bs. 83.3 thousand million).

Liquidity surplus maintained its effect on interest rates which continue with a slight downward trend, especially regarding the lending rate, since borrowing rates remained almost unchanged in 2011, placing the average lending rate in 17.35%, a decrease of 0.81 percentage points if compared to 2010. This behavior was mainly influenced by the decrease of 1.46 percentage points in the service financing rate of 0.88 percentage points in the commerce rate, which averaged 20.0% and 20.1%, respectively. Other main decreases in lending rates corresponded to the manufacturing activity (-1.32 percentage points) and tourism (-2.59 per-

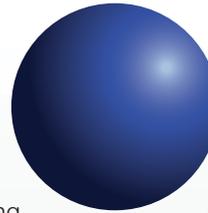
centage points), being 15.99% and 12.36%, respectively.

In connection with borrowing rates, the savings rate remained unaltered in 12.58%, while the rate of 90-day time deposits decreased 0.3 percentage points to 14.58%, being both of them slightly over the minimum required by BCV in 2009, of 12.50% for savings deposits and 14.50% for time deposits.

BANKING SYSTEM

As observed in the Bulletin issued by Sudeban corresponding to December 2011 closing, the banking system is comprised of 35 institutions, 25 out of which correspond to private financial institutions and 10 are Government financial institutions. From this total, 57.1%, i.e., 20 institutions correspond to universal banks. The rest of the banks are distributed in commercial banks, special-purpose banks and development banks. The system records 3,504 customer service locations and 74,680 employees.

- ▶ Total assets amounted to Bs. 588,926 million, showing an increase of Bs.



117,729 million (+25.0%) with respect to June 2011 and Bs. 185,837 million (+46.1%) during the past 12 months. Said increase is mainly generated by the momentum of the loan portfolio, with a year-on-year variation of 45.9% (+Bs. 83,348 million), exceeding Bs. 265 thousand million in net loans and almost Bs. 11 thousand million in provisions.

- ▶ By the end of the second six-month period of 2011, a total of 10,090,344 loans were recorded, 5,760,982 loans out of which (57.1%) are due over 360 days, followed by 30-day time loans, which represent 35.0% of total loans.
- ▶ When disaggregating the portfolio per type of loans, we observe more participation of commercial, microloans and manufacturing loans, being diminished consumption loans (Credit cards and vehicles). The highest increase in absolute terms is observed in commercial loans, by exceeding in more than 33 thousand million bolivars (+49.8%) the 2010 closing balance. The second six-month period of 2011 ended with an amount of Bs. 100,770 million. Agricultural loans increased in Bs. 17,295 million (+55.0%) during the



Main Monetary Aggregates

	2010	2011
Var. % Monetary Liquidity (M2)	19.1%	50.6%
Var. % National Consumer Price Index	27.2%	27.6%
Lending Rate	18.2%	17.4%
Savings Rate	12.6%	12.6%
Time 90-Day Rate	14.9%	14.6%

Source: Banco Central de Venezuela (BCV)

last twelve months, reaching Bs. 48,723 million.

- ▶ In line with the increase in the monetary liquidity during the year ended, it was observed a significant recovery of funds captured by the system (+48.8%), until reaching Bs. 483 thousand million in December 2011, while checking accounts increased to 61.8% and saving deposits represented 20.4% of customers' deposits. The rest corresponded to time deposits and other deposits. The foregoing is supported by variations with respect to 2010 closing, observing significant increases (+59.9%) in sight and savings deposits (+50.0%).
- ▶ The number of depositors exceeded 28 million in the traditional modalities, being the larger number of depositors observed in savings accounts (62.7%).
- ▶ Management indices of the financial market reveal the significant decrease of default indices, which reached 1.44% in December 2011, 1.6 percentage points under the level showed in June, in addition to a hedging of fixed assets portfolio of 271.57%. The foregoing evidences the growth of the



portfolio, as well as an excellent level of reserves for contingencies.

- ▶ The loan intermediation ratio of the system slightly decreased from 55.91% in December 2010 to 54.83% in December 2011, despite the higher increase in customers' deposits.
- ▶ It should be noted the maintenance of a proper capitalization by the banking system (10.41%), exceeding the minimum required (8%), due to an increase with respect to the closing of the second six-month period of 2010, for Bs. 15,296 million (+43.5%) in equity accounts, until reaching Bs.

50,431 million at 2011 closing. The soundness of the financial system is evidenced by the rise of the equity sufficiency index over assets and contingent operations based on a risk of 13.34%, over the level required (12%) and the level shown in the previous year (13.21%).

- ▶ The second six-month period operations led to obtaining a net income of Bs. 8,959 million, over the same term of 2010, when it recorded Bs. 4,088 million, widely enhancing the net ratio over financial income, by reaching 30.64% at the closing of the referred to period, mainly due to the significant increase shown in revenues from borrowing transactions (+Bs. 5,763 million), in addition to higher revenues from security investments (+Bs. 3,067 million).
- ▶ In addition to the foregoing, we observe a growing pace in general and administrative expenses (+22.29%) lower than the accumulated inflation, which translated into an increase in profits over annual average equity for the system of 36.63%, having an increase of 16.6 percentage points if compared to 2010.

**The second
six-month period
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a net income of
Bs. 8,959 million, over the
same term of 2010**



Banesco Banco Universal

Banesco Banco Universal ended the second six-month period of 2011 with total assets for Bs. 79,297 million, equivalent to 13.5% of financial market. It ranked first in private financial institutions in this category, obtaining an increase of Bs. 27,211 million during the last year, which was mainly oriented towards productive assets.

- ▶ Such increase was mainly due to the momentum of our loan portfolio, corresponding to the second six-month period of 2011 an increase of Bs. 10,164 million (+32.0%) if compared to the first half of the year and Bs. 14,251 million (+51.5%) with respect to the December 2010 closing, ending the period with net loans for Bs. 41,905 million, which represents a market share of 15.8% and first place in the ranking.
- ▶ The Bank also maintained an adequate allowance for loan portfolio (Bs. 965 million), ending the period with a gross portfolio of Bs. 42,870 million, which represented that more than 122 thousand loans were granted, 71% more than previous period, as well as a financial intermediation ratio of 59.23%, exceeding in 4.4 percentage points the average of the system.

▶ Banesco Banco Universal is the second institution with more number of credits (1,756,404 credits), representing 17.4% of total banking market.

- ▶ We support and promote the productivity and national economy through the financing to different productive sectors, which allow us to report excellent results on credit matters for 2011 closing:

- In connection with the automotive sector we had a growth of 60% in the second six-month period, reaching Bs. 2,705 million in December. The foregoing contributed to the improvement of the life quality of 9,172 families who obtained a new vehicle through our product *CrediCarro por Internet*. Additionally, we incorporated 4 new mini-centers in Porlamar, Valera, Calabozo and Valle de la Pascua, allowing to close the year with 10 mini-centers between the Andean Western, Plain and Eastern Regions. These mini-centers exclusively support the management of the Vehicle Loans Operative VP, facilitating the service to dealers and customers in those areas of the country and placing Banesco as one of the best financing options

for new vehicles. The effort during 2011 allowed us to gain market share and arrive to the second place, passing from 10.2% to 19.0% in twelve months, being even closer to leadership in the automotive business.

- Regarding commercial loans we reached an amount of Bs. 14,115 million, representing an increase of 80% with respect to the first six-month period, as a result from granting 85,888 loans to natural persons and companies.

- Investment projects related to the development of the country's tourism sector have found in Banesco the response to their financing needs, consolidating a portfolio at the end of the period of Bs. 872 million, which represented more than 55% of variation with respect to the previous period, obtaining 3.38% of compliance with respect to the 3% required.

- During the year, we continue supporting the country's agricultural activity, with a compliance of 75% for sectors dedicated to priority items versus the required 70% and a compliance of 56% for Agriculture Primary Production if compared to the minimum requi-

Regarding commercial loans we reached an amount of Bs. 14,115 million, representing an increase of 80% with respect to the first six-month period



red of 49%. The agricultural portfolio amounted to Bs. 6,016 million, which in addition to Bs. 658 million in bonds, allowed to reach 25.88% of compliance, over the required 24%. We are aware of the relevance of this sector, and thus we go further by addressing the highest number of requests. In this regard, we incorporated 558 new debtors, 361 Natural persons and 197 Legal persons. Especially, the increase in Natural persons was 42%, while the percentage required was 30%.

— The mortgage portfolio reached 14.88% of compliance over the 12% required, which corresponds to a balance of Bs. 4,217 million at 2011 closing. During 2011, Banesco contributed to the processing of long-term loans for 8,158 Venezuelan families facilitating the obtainment of their own houses. From such amount, 4,681 corresponded to loans processed through the Housing Mandatory Savings Fund for the amount of Bs. 673,164,836, while through own funds, the Bank granted 3,477 loans for the amount of Bs. 558,982,406.

— The manufacture portfolio closed the period in Bs. 3,808 million corres-



ponding to 1,573 loans, which directly support the transformation of raw material into finished and semi-finished products. Banesco commitment to the country's productive development generated a compliance of 13.44%, versus the 10% required by regulations.

— Banesco consolidates as the great booster of microloans in the country, ranking first in the market share of the financial system (20.1%). A variation of 43% with respect to the first six-month period, which places us in Bs. 1,952 million at December 2011 closing, thanks to 23,624 new loans processed through our offices and Banca Comunitaria Banesco. Compliance with this portfolio reached 6%, over requirements (3%).

— The presence of Banesco Banco Universal in credits per economic activity excels in emblematic sectors such as construction, first place in the market, with a participation of 20.5% at December 2011 closing.

In Banesco we are proud of forming part of the country's productive development, and in 2012 we will continue to be committed to strengthen our position in each

economic sector and continue being the best alternative to cover the financing needs of our customers.

Security investments amounted to Bs. 11,518 million (8.1% of market share), recording a year-on-year increase of Bs. 6,736 million. 75% out of this amount corresponded to Government Securities.

▮ In connection with liabilities, Banesco maintained the growing trend of customers' deposits for a balance of Bs. 70,751 million in last December, thus maintaining the private bank's leadership in this caption and the second place (14.6%) in the financial system.

▮ The percentage composition of deposits shows the public's preference for one of our prime products, the checking account, whose balance at December 2011 closing amounted to Bs. 48,612 million, representing 68.7% of Banesco's deposits and 16.3% of funds from the banking market recorded under this modality, maintaining the first place in the private banking.

▮ In connection with traditional modalities (sight, savings and time depo-

**The presence of
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sits), Banesco closed the period with more than 6 million of depositors, which represents 21.8% of total percentage, with more than 3,250,000 depositors in checking accounts and more than 2,800,000 in saving accounts.

- ▶ The Bank is also leader as a receiving entity of funds under the housing contribution system (Bs. 5,703 million), with a share participation of 29.8% in December 2011, after an increase with respect to 2010 closing of Bs. 1,302 million.
- ▶ In addition to the foregoing, we should add the Bank's trajectory in the national trust market, reaching by the second six-month period of 2011 the amount of Bs. 8,362 million, showing a year-on-year variation of Bs. 1,182 million (16.5%) in trust assets, being ranked third in the private banking. From such portfolio, 44.1% corresponded to Collective Trusts (Bs. 3,690 million), 13.7% to Administration Trusts (Bs. 1,143 million), 21.4% to Guarantee Trusts (Bs. 1,789 million), 15.0% to Investment Trusts (Bs. 1,251 million) and 5.8% to Combined Trusts (Bs. 489 million). During the period, 148 new trusts were incorporated, totaling 5,884 plans, 3,239 out of

which correspond to Administration Trusts, 1,716 Collective Trusts, 903 Investment Trusts and 26 Guarantee Trusts.

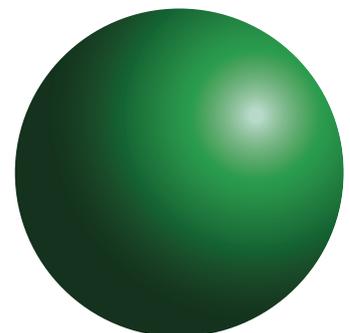
- ▶ These three captions totalize a volume of funds managed of Bs. 76,454 million, equivalent to a market share of 15.2%, occupying the first place in private banking and second of the banking system.
- ▶ It should be mentioned the constant strengthening of the Bank's equity, which passed from Bs. 4,880 million in the first six-month period to Bs. 6,208 million at the end of 2011. Banesco ranks second of the private banking in this caption, showing an adequacy index of 8.77% and equity on assets and operations weighted based on risk of 16.04%, exceeding in both cases the minimum payments required.
- ▶ Operations for this period generated a net income of Bs. 1,368 million, which in addition to the result obtained in the first six months of 2011 (Bs. 610 million), translated into an annual liquid profit of Bs. 1,978 million, for profits over annual average equity of 39.44% and profits over assets of 3.35%.

- ▶ This performance was possible due to an increase in the volume of loans granted during the year ended, and the increase in financial revenues resulting from lending operations, along with a favorable combination of deposits, consequently, obtaining a gross financial margin of Bs. 3,411 million in the second six-month period and Bs. 2,676 million in the first six-month period.

- ▶ The Bank also showed a gross financial margin ratio over average assets of 10.30%, higher than the average for the system (7.89%).

- ▶ It might be implied that main indicators are closely related to a sound growth of the loan portfolio and an effective collection management, thus observing a proper level of hedging of fixed assets portfolio (235.04%), as well as a low default rate (0.96%), below the system's average in 0.48 percentage points.

- ▶ Liquidity indices are maintained in accordance with the rest of the system and the evolution of the main monetary aggregates, reaching 32.11% and 42.13%, respectively at 2011 closing.



Statutory Auditors' Report

SIX-MONTH PERIOD ENDED DECEMBER 31, 2011

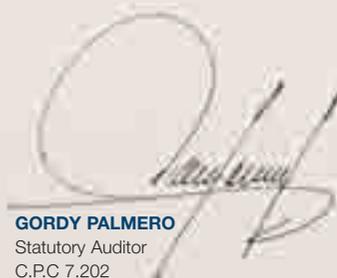
Stockholders of

BANESCO BANCO UNIVERSAL, C.A.

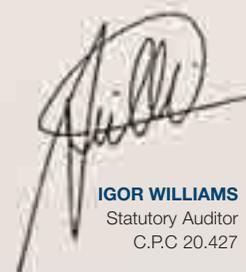
BY HAND

1. In conformity with the appointment of the Comptrollers in Regular Shareholders' Meeting of the Bank held on March 28, 2011, and pursuant to the provisions of Articles 304, 305 and 309 of the Commercial Code, in conformity with the Bank's Bylaws and Interprofessional Standards for the exercise of the Comptroller's duty, we have reviewed the balance sheet of Banesco Banco Universal, C.A. as of December 31, 2011, 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 26, 2011.
 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, 2012, corresponding to the six-month period ended December 31, 2011. 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 credit portfolio, we determined that the provisions maintained by the Bank for Credit Portfolio and Returns Receivable on Credit 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, 2011, the Bank maintains for Other Assets, a provision of Bs. 53,554,895, and during the six-month period under review write offs for Bs. 63,447,325 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. During the six-month period ended December 31, 2011, the Bank decreed cash dividends for Bs. 175,000,000 to be paid to common shareholders, based on the payment schedule approved and Bs. 19,975,000 to preferred shareholders.
- Consequently, and based on the Report of the Independent Auditors Márquez, Perdomo & Asociados (Crowe Horwath International), issued on February 15, 2012, on the balance sheet as of December 31, 2011, and on the related income statements and appropriation of net income, changes in stockholders' 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, 2011, and the results of its operations and appropriation of net income, changes in stockholders' 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, 2011, submitted by the Board of Directors, as well as its administrative management.

February 17, 2012



GORDY PALMERO
Statutory Auditor
C.P.C 7.202



IGOR WILLIAMS
Statutory Auditor
C.P.C 20.427

Management Report



Banesco
BANCO UNIVERSAL

Human Capital

Part of our philosophy as an Organization to improve the quality of life of all our collaborators, we are continuously looking for new strategies that allow us evaluate the needs of our Human Capital to hold our position as a leading company in giving the best labor conditions. Following are some details on the benefits we offered and our achievements during the second half of 2011.

Tu Casa con Banesco (Your Own Home with Banesco)

In Banesco, we strive to optimize the social-economic benefits of our employees to improve their labor conditions. The main part of the Organization's success is supported by the quality and skills of its human capital. Therefore, during our Social Responsibility initiatives we constantly seek to enhance the quality of life of our employees through the design of benefit programs providing, beyond economic incentives, support to employees and their family group, always focused on higher performance and merits. In this regard, we continue supporting "Tu Casa con Banesco" (Your Own Home with Banesco) program, with investments amounting to Bs. 81,786,706 through own resources and Bs. 17,926,381 through recourses from the Mandatory Housing Savings Fund (FAOV).

Also, we continue granting loans for home purchase and down payment reserve, which are paid by our employees with years of services. During the second half of year, we granted 328 loans for Bs. 9,155,449.

Ongoing Development

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 year, we worked in:

- ▶ Activities focused on Profitability, Productivity, People Supervision, Credit, among others. Likewise, and under the laws, we issued the activities of Lopcymat and Prevention and Control of Money Laundering.
- ▶ We offered the First Corporate Training Workshops. Focused on profitability, we aimed to quality in order 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 Organization working efficiently toward the goals set. We focused on Customer Guidance,



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During the second half of year,
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Bs. 9,155,449.**





Commitment to Profitability and Productivity, in addition to the core knowledge in the regulatory framework of Prevention of Money Laundering (PCLC). 1,024 employees from the basic, technical, and professional levels participated in this activity.

- ▶ In October, we started 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 cordial, dedicated and excellent service. This program is structured in six modules as follows: Module 1: Service Relevance; Module 2: Service Conducts; Module 3: The Internal and External Customer; Module 4: Personal Quality; Module 5: Response Speed; and Module 6: Claim Management and Customer Satisfaction. As of December, we had a total of 6,456 active users, representing a 47% of the entire Banesco population.
- ▶ In the Management of Mass Segments and Channels (Agency Staff) the First Update and Integration Workshops were offered at Super-

vision and Management Level for 471 officers from the Metropolitan Area and 350 officers from the Regions, thus creating a space to align key skills of People Supervision, as well as to unify regulatory criteria in the supervising processes. The topics developed were: *Inteligencia Emocional para el Liderazgo Banesco* (Emotional Intelligence for Banesco Leadership), *Yo pionero como Gestor de Aprendizaje* (I as Learning Agent Pioneer), *Sensibilización al Trato Preferencial* (Preferential Treatment Awareness), *Impulsar al personal hacia la excelencia y su máximo potencial* (Boosting Staff toward Excellence and Full Potential), *Relaciones Laborales* (Labor Relationships), *Actualizándome en la Seguridad de mi Agencia* (Getting Up to Date in my Agency's Security), and the Discussion Tables about “Internal Policies in Prevention of Money Laundering and Terrorist Financing (PCLC/FT)”.

- ▶ The Community Bank Training met 100% of the training plan designed for the different teams with a total of 1,364 participations. In 2011, 122 community consultants, supervisors, and coordinators were certified in microcredit to open the agencies in

Maracay, Barquisimeto, and Maracaibo. As part of this training process, 102 technical assistances were provided to evaluate the application quality of this methodology in the placement of the microcredit portfolio on an individual basis. Likewise, new products were designed and implemented in BCB agencies, including, Methodological Reinforcement, Didactic Committee to evaluate the placement quality of the credit product to work, and *Tertulia de Valores* (Value Discussion Group), the latter having an impact on 75% of the BCB population (334 workers).

All these activities allow us having the following results in 2011:

- ▶ Training of 74,457 participants
- ▶ Training of 13,247 assistants
- ▶ 437,759 man/hours
- ▶ Average training of 518 INCE (National Institute for Educational Cooperation) apprentices nationwide

Cafeteria and Transportation between Facilities

Approximately 2,000 employees enjoy the allowance granted by the organization for the cafeteria located in Ciudad

CORPORATE VOLUNTEER WORK

During this six-month period, Banesco Corporate Volunteers dedicated 1,052 hours to volunteer work together with our Social Partners (Fundana, Red de Casas Don Bosco, Instituto Universitario Jesús Obrero of Fe y Alegría, and the Venezuelan Red Cross), and the volunteers took part in the 2011 World Beach Day.

Additionally, our Corporate Volunteers in Caracas, Maracaibo and Barquisimeto dedicated 560 man/hours to training and coaching activities, specifically in educational skills for children with medical conditions and creation of a Network of Volunteers to prevent the use of alcohol, tobacco, and other drugs.



Banesco. Likewise, since September we are offering employees the breakfast service in the cafeteria, an important meal at prices adjusted to cost, enjoyed every day by 120 workers in average.

The transportation between facilities is also still in effect for workers located in El Rosal and nearby areas, for them to enjoy this benefit in an easier and safer manner.

Since July, a night-shift transportation service is being offered for the benefit of workers of Ciudad Banesco, Torre América, and El Recreo, available from 7:00 PM to 11:00 PM, with a circuit route to the Subway Station in Plaza Venezuela.

Comprehensive Occupational Prevention and Quality of Life Plan

The purpose is to enhance the quality of life of our employees, provide a better use of their leisure time, and prevent the use of alcohol, cigarettes and other drugs through the development of sport, cultural and recreational activities.

The Vacation Plan took place during July and August with the participation of 1,486 children nationwide.



We continued organizing weekly sport and leisure activities (Dancing, Tae-boxing and Yoga) at the facilities of Ciudad Banesco and in Valencia, Maracay, and Maracaibo with the participation of 3,245 people in the second half of year. We carried out Volleyball, Kicking ball, Softball, Futsal, and Basketball practices in the Metropolitan Area and in Maracaibo, as well as Football practices in San Cristóbal and the Mini Olympic Events “*Sin Drogas sí se puede*” (You Can Do It without Drugs) with the participation of 3,110 people, including employees and relatives.

We promoted culture with the creation of Banesco Theater Group, and three Culinary Culture workshops were given in the facilities of Ciudad Banesco, emphasizing the importance of balanced nutrition, reinforcing healthy life habits.

Skills Diagnosis

During the second half of year, we offered our Banesco Citizens a new technological platform in our Employee Self-service Portal, which allowed us to measure the skills of a person over the skills required for a successful performance of the duties and responsibilities of the position held.

With the first 360° Skills Diagnosis, we diagnosed 85% of the permanent and contracted staff nationwide. Through conduct monitoring, the Skills Diagnosis guarantees us the identification of strengths and areas for improvement regarding the profile of the position held by the employee, aims for ongoing improvement of his/her skills, facilitates objective information for feedback, hence promoting effective communication between the supervisor and his/her collaborators, gives the Organization information about the employees’ profile for staff turnovers and to supervise the training and development actions of all Banesco Citizens.

In Banesco we are aimed to be at the forefront of the best practices in talent management matters. The 360° Skills Diagnosis is a major tool that helps promote the development of our human resources, leading them toward their professional success, which will be reflected in the achievement of our strategic planning; it gives our Banesco Citizens equal opportunities in promotion processes and the execution of succession plans; and it guarantees the Organization that it has the right people holding the right positions.



The purpose is to enhance the quality of life of our employees, provide a better use of their leisure time, and prevent the use of alcohol, cigarettes and other drugs



Marketing and Innovation

Because we want to be with you, we have a Plan for Each Need

Planes Contigo Banesco (*Banesco with You Plans*) for Natural Persons

Pide Tu Combinación de Cuenta + Tarjetas de Crédito (Ask for Your Account + Credit Card Combination) was the slogan of the Banesco Plans re-launch campaign. With a new image, positioning, and a new basic promise of offering a new Account plus Credit Card combination, from October 10 to November 7, 2011, we announced the new offer of financial product and service packages adapted to each need.

Through a mixture of mass and direct media, we presented our public and the general public the Banesco with You Plans: Ecological Plan, Professional Plan, Family Plan, and Golden Years Plan.

Plan Tu Negocio (*Your Business Plan*) for Legal Persons

From September 21 to November 21, 2011, we launched the “Your Business Plan” campaign, which counted on our *MultiCréditos 48 Horas* (48-hour Multiloans) as a leading product in order to immediate and timely address the cash or inventory replacement needs of small- and medium-size companies.

Upon acquiring this loan, the companies could immediately enjoy a financing of up to Bs. 800,000 with a 3-month promotional offer and 12 to 18-month terms.

Tus Compras Gratis en Navidad, con Ticket Premiado Banesco (Your Christmas Purchases Free with Banesco Winning Ticket)

In Christmas, 5,000 Banesco customers had their purchases for free when making purchases with their cards through Banesco point of sales thanks to the *Programa Permanente Ticket Premiado* (Permanent Winning Ticket Program). This campaign was promoted through the mass media since October with a fun TV advertisement.

In addition, we created a promotion specially aimed to businesses with cash awards to salespeople and store managers based on the number of purchases made through Banesco points of sale; hence, a two-way push and pull strategy was guaranteed to promote this attractive offer.

Contigo en el Deporte! (By Your Side in Sports!) Banesco, Official Bank of the Venezuelan Professional Baseball League

Banesco Banco Universal is and will be

the Official Bank of the Venezuelan Professional Baseball League for the next five national seasons. Banesco is proud to support national sports, and activity that generates passion and entertainment for all fans, apart from representing a role model and hope for all Venezuelan children and youth playing this sport.



Home Club Banesco

An innovative initiative that combines virtual and actual experiences, #Home ClubBanesco was the name of the promotion designed for our followers in Twitter: @Banesco. Due to this promotion made from October 6, 2011 and January 30, 2012, we could talk with our followers and reward their national baseball knowledge by giving away over 1,300 VIP tickets in all the stadiums of our

Through a mixture of mass and direct media, we presented our public and the general public the Banesco with You Plans





Venezuelan baseball for all regular, Round Robin, and final games.



Juego de las Estrellas Copa Banesco 2011 (Banesco's Cup 2011 All-Star Game)

On December 13, 2011, the Banesco's Cup All-Star Game took place, bringing together representatives of Venezuela and the Dominican Republic in Estadio Universitario de Caracas.

For this cup, a contest was made for the followers of our social networks and internal Banesco staff to get tickets; hence, we could invite over 500 people to enjoy with their family and friends a fun game. This event ratified Banesco's commitment as Official Sponsor of the Venezuelan Professional Baseball League and the fans.

Banesco-Lider 10K Race and 5K Race

On Sunday, November 13, 2011, the Banesco-Lider 10K Race and 5K Race was held under the slogan "¿Y tú por qué corres?" (Why Are you Running For?),

inviting the participants to tell their stories. This event was the result of an alliance between *Diario Líder* (newspaper) and Banesco Banco Universal, aimed to promote approach and complement of our brand in activities that are part of the daily lives of our public and communities. There were over 2,500 participants in the race.

Campaigns and 2.0 Platform

¡\$ 75.000 en premios! Un Año Soñado enseñando a otros (\$75,000 in prizes! A Heavenly Year Teaching Others)

Banesco awarded US\$75,000 to the winners of the "A heavenly Year" contest. This promotion was aimed to regular users of the Banesco online and electronic banking, for them to guide family and friends in the transition of their transactions in agencies to this varied offer of transaction mechanisms that make their lives easier and allow them 24-hour convenient access to their accounts wherever they are. Points were generated when making transactions through any channel (ATM, Internet, BanescoMóvil, or Telephone Banking).

Open Innovation

We continued launching campaigns based on the Open Innovation strategy,

looking for solutions to subjects of interest for the Organization with the support of Banesco Citizens, also creating an innovators network called *Espacio de Ideas* (Space for Ideas) comprised by employees showing constant interest in helping with this type of campaigns.

We also crossed Banesco's borders by paying attention to ideas from external groups. Likewise, we designed, for further implementation, a website as a meeting place beyond the 2.0, where people thinking out of the box and looking forward to the future will share ideas and subjects of interest centered on innovation.

PRODUCTS AND SERVICES

Online Securities Purchase

With the customer's convenience and self-management in mind, since March 2011, Banesco offers the service of Online Securities Purchase aimed to natural persons willing to acquire securities in initial issues, including purchase order placement and query. Since this application is available, most natural clients have made their securities purchase requests through this channel without having to go to an agency.



Banesco awarded US\$75,000 to the winners of the "A heavenly Year" contest. This promotion was aimed to regular users of the Banesco online and electronic banking



Demand Deposits for Private and Premium Banking Clients

Since February 2011, the product Demand Deposits is available for Private and Premium Banking natural clients, whereby they can make demand deposits maturing in less than 30 days, with sufficient mobility to have access to their money whenever they want it and at a better interest rate.

The launch of the Demand Deposit is aimed to expand the product offer for clients looking for profitable investments.

PROMOTIONS

Tu Empresa podrá dar un Gran Salto (Your Company May Make a Great Leap Forward)

With the promotion Your Company May Make a Great Leap Forward, the legal clients of the Mass Segment and SMEs.

The promotion was in effect since May until July 2011, and was intended to promote the withholding of liabilities in a group of clients having growth potential. The five clients with most points associated to the increase of their average checking account balance won.

The advertising activities were carried out through the direct market as part of the actions aimed to address the specific needs of each group of clients.



INNOVATION IN TECHNOLOGY

BanescoMóvil in Different Platforms and with New Functionalities

- ▶ Multiplatform BanescoMóvil (Android, iPhone, and BlackBerry)
- ▶ “Dónde está Banesco” (Where’s Banesco) Functionality (geographical location of the Bank’s agencies from mobile devices)
- ▶ New functionalities for BanescoMóvil: Movinet Payment/Recharge

The BB application is among the top ten popular financial applications for BlackBerry worldwide.

Implementation of BanescoMóvil Service in SMS (Micro-payment Project) with the following functionalities:

- ▶ Query of account and credit card balance and of the last three account movements
- ▶ Transfers between accounts and payment of personal and third-party Banesco cards
- ▶ Query of Cadivi (Foreign Exchange Administration Commission) quota, query and payment of CANTV (phone bill)

Development of multiplatform application (Android, iPhone, and BlackBerry) that sends transactions via SMS

Implementation of Appointments with Cadivi

Boosting Banesco brand as an innovative bank through an application using the “Cloud” Service, being the first financial company in Venezuela using it.

Migration Metroethernet in the WAN of Agencies

Technological update of Frame Relay to Metroethernet in 150 Agencies: The agencies count on a more robust telecommunication medium that enables a more stable, reliable data transmission with higher capacity and speed.

1 Source: <http://appworld.blackberry.com/webstore/category/10?lang=es>

Banesco Móvil
MULTIPLATAFORMA

AHORA EN BANESCO MÓVIL CONSULTA EL SALDO DE TU CUPO DE DIVISAS

ESTO ES LA PRIMERA VEZ UNA SERVICIO DE SERVICIOS FINANCIEROS

• Consulta el saldo de tu cupo de divisas desde tu celular
 • Consulta el saldo de tu tarjeta de crédito
 • Consulta el saldo de tu tarjeta de débito

Recuerda que puedes seguir realizando desde tu celular:
 • Consultas • Pago de Tarjetas de Crédito • Transferencias en Banesco • otros bancos • Pago CANTV

EXPERIMENTA LA INNOVACIÓN FINANCIERA PENSADA EN TI

Banesco
 CONTIGO

QUALITY MANAGEMENT

Banesco Service Quality

We are committed to Banesco trademark service satisfaction

The Venezuelan banking market and its constant evolution has transformed this category into a commodity, while current or potential customers continue to increase their demands and expectations. Gaining and retaining customers imply to maintain an element that becomes into a competitive advantage. Within this context, difference is mainly generated by service rendering.

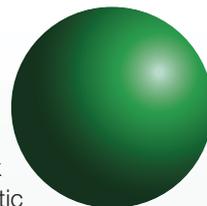


Accordingly, follow-up and administration of quality is a main element within the Banesco trademark strategy, which leads to a systematic and objective management of customers and public satisfaction.

Image, infrastructure, service processes along with a follow-up on customers' expectations and perceptions on quality provided translated into customers' satisfaction. The foregoing are the main components of Banesco quality management.

Through permanent quality programs, the different client segments and attention channels and portfolio products are monitored, identifying reference areas and improvement opportunities making a follow-up on updates and changes from the results of this monitoring.

During July-December 2011 period, improvements were applied to the corporate Key Performance Indicators (KPI) with the incorporation of more complex statistical models that allow to measure ratios and impacts between



the customers' service and satisfaction components.

During this period we also conducted Service Satisfaction Programs in segments such as: Mass, Private, Premium, Community, SMS, Commercial Customers, as well as *ad hoc* evaluations that allow the follow-up and definition of actions in the Organization's areas, finding high levels of satisfaction. In Agency Service Audits, Management Efficiency Levels reached 93.69% while Users' Satisfaction in Agencies reached 8.7/10 points (4,745 Banesco customers were surveyed).

Likewise, for October 2011, Bureau Veritas Multinational recertified the Customers' Satisfaction and Quality Measurement Programs in Banesco agencies under the ISO 9001:2008 standard by validating through the corresponding audit on the follow-up of the Quality Management System implemented in the Corporate Intelligence Vice-presidency, that we met the requirements of this international standard.

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Business Management

NATURAL PERSONS

For the second six-month period of the year, the results from the Executive Vice-presidency of banking services for Natural persons increased their contribution as segment through the growth of the lending and borrowing portfolio, in order to continue enhancing the value offer to our customers, considering service quality and specialized advisory as main attributes.

By the period closing, total deposits corresponding to the Executive Vice-presidency of banking services for Natural persons represent 14.9% of the Bank's total liabilities and 40% over total liabilities corresponding to services to Natural persons, evidencing an improvement of 6 points in the liability position of the Checking Account, which implies a higher contribution to the Organization's profitability.

The commercial loan portfolio had an increase of 62% with respect to 2010 closing, resulting from the credit management focused on the diversity of the portfolio and a progressive increase in segment intermediation, being the vehicles caption the one with the highest impact with 117.5% increase with respect to previous year.

Another main aspect is an excellent performance in terms of default indices, which as of June 30, 2011 reached 0.67% and at 2011 closing reached 0.55%, due to an efficient credit analysis prior granting the loans and strict controls on the follow-up of the portfolios.

We are proud to mention that at the beginning of December, we celebrated the 5th Certification of Premium Business Advisors, graduating 71 professionals, reaching during the last five years a total of 350 certified executives in order to reaffirm the quality and distinction of our customized service.

LEGAL PERSONS

Banking services for legal persons were focused on the growth of their lending and borrowing portfolios in a diversified and profitable manner, oriented towards those economic sectors with more growth and contribution to the GDP and compliance with directed portfolios.

The enhancement of the supply of Payment Means and Services as well as the participation of new sectors and customers served as basis for Banesco growth with respect to legal segments.

The borrowing portfolio recorded an increase of 29% with respect to the first six-month period of 2011 and 54% of annual variation. The lending rate showed an increase of 48% if compared to June closing and 77% for 2011, for the purpose of achieving the goals of directed portfolios as well as the expansion of commercial loans.

Each Banking Service for Legal persons excelled in their performance based on the priorities defined in their Strategic Plan.

Corporate Banking

During the second half of 2011, we continued implementing the customer approach strategy, mainly from the main country development sectors, based on a service model intended to get closer to customers, which allowed us to be more aware of their needs and provide them more financial support, both in credits and transactions. This had an effect on the increase in cash flows, through the placement of products for billing and payment that give our clients added value to address their administrative requirements. We also put a special effort into addressing the import volumes and granting financing to the sectors requiring it.



The commercial loan portfolio had an increase of 62% with respect to 2010 closing



Our business management generated an increase over June close of 35.7% in total customers' deposits and 24.6% in credits.

Business Banking

It is worth mentioning the great work done by the Business Banking to the compliance with the credit portfolio required for the manufacturing and tourism sectors and the expansion of the commercial credit, especially focused on the commercial, industrial, and manufacturing sectors with a significant share of clients in the provinces of the country in order to support the financial development of the Venezuelan regions, showing an overall 103.6% increase in the credit portfolio over the first half of 2011.

In the period subject to analysis, the Business Banking showed a 68.5% increase over June 2011 close, significantly meeting Sitme's requirements as to client portfolio, thus successfully coordinating the allocation of US\$ 411.8 million aimed to imports required by our clients.

We focused our efforts on target clients, with priority to the commercial sector (retail sale), clients engaged in the health sector (medical equipment), State con-

tractors and companies engaged in product manufacturing and industrial sector activities, as well as clients engaged in the food sector (supermarket chains and food wholesalers).

Energy Banking

The favorable results in liabilities and assets are due to a business coordinated management and the outstanding performance of the team of professionals who provide specialized service in nine points nationwide.

During the period, we capitalized the boost recorded by the different oil and energy-related activities, as well as their value chain, which significantly contribute to the Gross Domestic Product, thus achieving the following:

- ▶ A 7% increase in liabilities over the previous six-month period close given the payment contraction in this last six-month period, for an annual increase of 48%.
- ▶ A 59% increase in assets over June 2011, with an inter-annual variation of 103%.
- ▶ Maintain a low delinquency rate (under 0.2%) throughout the six-month

period through control systems of the payments of the sector, its projects, and works.

- ▶ Continue with management and negotiation in the energy sector to achieve a leading position in collection via POS, cash and check collection in commercial offices, projecting an increase of over 200%.
- ▶ Development of the energy sector chain value by supporting the main players in thermoelectric generation projects, granting credits for approximately Bs. 130 million.

Public Sector Banking

During the second half of 2011, we maintained the portfolio diversification strategy, thus boosting service provision in: Collection (taxes, employer contributions, and municipal and state taxes), Payment to Third Parties, Direct Billing, etc.

The main collections showed a 30% increase over the previous six-month period, particularly those corresponding to employer contributions provided by the Law.

The segment also records a 7.3% increase in the volume of liabilities during the



AGRICULTURAL BANKING

During the period, the Agricultural Banking settled 1,234 credit transactions for approximately Bs. 2,548 million. Its management was based on the compliance of regulations in force and emphasis on the integral service to our clients to support them in contingencies for climate events, and continue supporting small producers with financing plans within the framework of the Agricultural Law and *Misión Agrovenezuela* (Venezuelan Agricultural Mission). We also focused on providing service to the value chain of the food and agriculture circuit, including the needs of the primary producers, the agroindustrial and marketing for both working capital and investment projects that translate into increases in the installed capacities. In the agroindustrial sector the bank transaction activity experienced a boost and the volumes of imports processed through the Bank increased.

Hence, the Bank experienced a 34.9% increase in total customers' deposits over June 2011 and 35.0% in loans.



last six months and a 21.5% increase during 2011, thus maintaining the market share, particularly in the sectors of: Employment and Social Security, Safety and Defense, Community, Transport and Communication, Health, Internal Affairs, Culture, Planning and Finance, and Municipal Government.

As to Human Capital, we incorporated a new Account Executive in the Eastern Region, specifically in Maturín, hence strengthening our presence in this area.

Finally, we are proud of the result obtained in the Specialized Banking Satisfaction Research, particularly in the rating our clients gave us for the service received.

Mass Segments and SMBs

We provide service to all customers from the Natural Person segments (emerging and mass C and D segments), and Legal Person of the SMBs segment, through our agency network, thus guaranteeing ongoing improvement of service quality, satisfaction, loyalty, and profitability. We currently have 3,923,916 clients.

In the second half of 2011, we consolidated our commitment to make the most of clients and contribute with the

goal achievement through the execution of specialized campaigns, placement of credits and cards, attracting funds, implementation of actions to increase the migration of transactions in order to provide a high-quality service in the agencies, attending over 600,000 customers.

As to the figures, during the second half of year the credit portfolio experienced a 48.6% increase with an outstanding management of the commercial portfolio with a 78.5% increase, the manufacturing portfolio (80.1%), microcredit (41.5%). The growth of our credit portfolio aimed to the tourism sector deserves special attention as it increased by 96.0% over the first half of year. Customers' deposits increased by 58%.

We count on 120 Consultants in the SMBS Segment nationwide, extending our service model in order to cover the specialized service needs of this important segment. We continued with the third edition of the event "Hablando de Empresario a Empresario" (Speaking from Entrepreneur to Entrepreneur), with the presence of a selected group of clients of the SMBs segment, where talks were offered regarding the financial environment, market positioning, and keys to

powerful negotiations, in order to give them valuable tools for the development of SMBs.

In line with the strategy of service quality excellence, we continued following up the Service Quality initiative aimed to promote motivation and commitment by the customer service staff and reinforce the supervising role, thus assuring quality culture at work, promoting the exchange of ideas, and improving the practices followed by employees. We currently have a payroll of over 8,500 employees in the agency network.

BANCA COMUNITARIA BANESCO (BANESCO COMMUNITY BANKING)

Banca Comunitaria Banesco (BCB), the Bank's initiative in micro-finances to meet the financial needs of low-income people, began doing business on July 31, 2006, and to date, it has been consolidated as a profitable business with social responsibility, and by mainstreaming a significant number of people into the banking, thus contributing to improve their quality of life.

During the second half of 2011, BCB granted 16,313 micro-credits for a total

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paid amount of Bs. 304.6 million. 25,789 Community Accounts were opened with an account balance of Bs. 67.6 million. On the other hand, 26,010 clients were affiliated to *Ahorro Paso a Paso* (Step-by-Step Savings) with an account balance of Bs. 4.8 million.

From the beginning to December 2011 close, BCB has benefitted 171,262 clients, providing indirect service to 856,310 people, granting a total of 176,672 *Préstamos para Trabajar* (Working Loans) with a low delinquency rate of just 0.65%, the portfolio being focused on five economic activities: transport, clothing stores, grocery stores, markets, and food sales.

37% of the clients were brought to the banking for the first time, that is, for out of ten clients used the financial systems for the first time. On the other hand, in the segment of service to micro entrepreneurs, BCB ranks second with a market share of 35% at December 2011 cutoff.



As to the service network, a new agency was opened in Aragua State, located in C.C. Gran Bazar in Maracay, for a total of 19 Community Agencies, thus consolidating our presence in: La Vega, Antímano, San Martín, Petare, Catia, El Cementerio, Santa Teresa, Maiquetía, Higuerote, Guarenas, Valencia, Puerto Cabello, Los Roques, Cúa, Aragua, Barquisimeto, and Maracaibo.

In addition, we have 217 Business Allies divided into: 74 Businesses with Personal Service o *Barras de Atención* (Service Counters) and 143 non-banking correspondents (POS WEBS). In total, with the assistance of Community Consultants and their service network, the Community Banking is present in 4,146 neighborhoods in eight states.

The Microentrepreneurs Training Program is part of the non-financial services offered by BCB. On November 8, 167 entrepreneurs graduated in Carabobo State. It was a 48-hour program, divided into three modules: the first one was about teaching values for life, the second was aimed to give different administrative and management knowledge, and the third one was to explain microentrepreneurs how to manage several technical tools.

Finally, the microentrepreneurs were provided technical assistance in their work place.

In order to award the clients that timely paid the installments of their Working Loans, BCB launched the third *Pago al Día* (Timely Payment) campaign, where 60 clients were awarded Bs. 500 each to be redeemed in *Practimercados Día Día* market network.

Lastly, as a Corporate Social Responsibility initiative, on December 10, the networks of Banesco Banco Universal and Banca Comunitaria joined the "Santa en las Calles" Foundation, activity that benefitted over 15 thousand homeless people or part of the more needed sectors of Caracas. The activity gathered over 900 volunteers that collected and classified clothing, toys, and food in Don Bosco de Altamira School, who drove along in convoys to the different popular areas of the city. Thanks to the solidarity of Banesco Banco Universal's team, 1,850 toys were collected, and 5,800 toys were distributed among children with low-income parents in Mariche, La Dolorita, Guatire, Guarenas, Antímano, El Valle, and Petare, among others.

We also visited foundations, casas hoga-

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res (home-shelters), shelters, jails, and Libertador, Andrés Bello, Francisco Solano, Bello Monte, Rómulo Gallegos, and Francisco de Miranda avenues.

ELECTRONIC CHANNELS AND SERVICE POINTS

We implemented new Electronic and Virtual Bank services such as: CADIVI Appointments + Binder Service, electronic bank account, new BancaMóvil functionalities (query of exchange transactions and Movilnet payment and recharge), BanescoMóvil SMS and increase of the daily cash withdrawal limit in ATMs to Bs. 1,200, thus giving our clients more options to carry out their transactions.

In the second half of 2011, transactions through electronic channels experienced a relative growth of 11.6% over the same period in 2010—from 74,253,374 transactions to 82,889,036 average monthly transactions. The share of transactions carried out through electronic channels was 89.6%.

Service Points

In order to optimize the service provided to our customers, we opened to new service points in *Mercado de Chacao* (popu-

lar market) and C.C. La Vela (shopping mall) in the Margarita Island, and reconverted four points to increase the transaction capacity in its circuit in C.C. Caribbean (shopping mall) in Valencia, C.C. Unicentro El Marqués (shopping mall), Miranda Governor's Office, and La Urbina Av. Principal, for a total of 437 service points nationwide to provide service to over 5 million customers.

BanescoOnline

December 2011 closed with 2,638,644 affiliated clients, that is, 160,402 clients joined the channel, which represents a 6.5% increase over June 2011.

On average 50.1 million transactions were made per month through this channel. The average amount managed by business during the second half of 2011 was Bs. 20,857 million, which showed a 74.5% increase over 2010.

Call Centers

For the second half 2011, the call center received a monthly average of 3.5 million calls, of which an average of 775,514 were received by the Call Center Agent per month. The channel managed in average 1.3 transactions per month during the second half of year with an average

participation of the robot (IVR technology) of 80.3%.

Service Points, Points of Sale, ATMs, Self-Service Banking and Checkbook Dispensers

At December 2011 close, Banesco had:

- ▶ 54,748 Points of Sale, whereby 15.1 million average monthly transactions were made, showing a relative growth of 18.6% over the same period in 2010.
- ▶ 1,783 ATMs, through which 10.6 million (Issuer) and 11.4 million (Acquirer) average monthly transactions were made during the second half of 2011, that is, 3% and 4%, respectively, less than the previous year. We maintain our leading position in transactions as acquirers in Suiche 7B and Conexus networks.
- ▶ 316 Self-Service equipments, which recorded 710,841 average monthly transactions during the second half of 2011, which represents a 21.5% increase over the same period in 2010.



Service Points, Points of Sale, ATM's, Self Checkbooks and Dispensers at 31, december 2011

VICEPRESIDENCIES

	Agencies	Satellite	Counter	Drive-up Teller	Banesco Express	Total Services Points	Total ATMs (Micro-ATM's, Machine) Teller	Self-Service Equipments	POS (Points of Sale)	Checkbook Dispensers
Vp. Reg. Gran Caracas Centro	29	10	6	-	3	48	193	33	13.865	25
Vp. Reg. Gran Caracas Este	42	10	3	-	8	63	311	52	7.764	42
Vp. Reg. Gran Caracas Noroeste	49	15	6	-	4	74	290	60	5.297	43
Vp. Reg. Centro Los Llanos	46	14	8	-	3	71	264	40	7.362	41
Vp. Reg. Occidental Andina	42	8	9	-	2	61	276	52	8.557	27
Vp. Reg. Oriente Sur	41	13	8	1	4	67	248	42	6.748	34
Vp. Reg. Zulia Falcón	28	9	13	-	3	53	201	37	5.155	29
Total	277	79	53	1	27	437	1.783	316	54.748	241



- ▶ 241 Checkbook Dispensers, through which an average of 128,462 transactions were carried out per month.

MANAGEMENT OF PAYMENT PRODUCTS, MEANS, AND SERVICES

Cash Management Services

During the second half of 2011, the services of Payroll Payment, Suppliers Payment, and Direct Billing experienced an overall increase of 46.5% in managed amounts and of 6.12% in transactions made through the Electronic Data Interchange (EDI) platform in comparison with last year's same period.

The joint operation of the Specialized Banking and our executives of Payment Means and Services facilitated the incorporation of 353 clients to the portfolio during the second half of year. Payroll Payment, Suppliers Payment, and Direct Billing recorded a total of 2,061, 2,396, and 201 affiliated clients, respectively.

During the second half of year, tax collection recorded a 57.2% increase over the same period in 2010, while the transaction activity experienced an increase of

40%, —from 4.7 million in the second half of 2010 to 6.9 million in the second half of 2011. During this last period, a total of 106 new services were incorporated into the collection service management.

New Developments

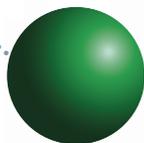
In the second half of year, **Electronic Payment** functionalities were implemented and widely applied, specifically:

- ▶ Improvements to the multiple account statement and standard account statement to:
 - Generate and export the account statement for ranges of over one day.
 - Include new attributes for client selection in the option to set up the fields of the configurable account statement.
 - Include the Multicash export format in the multiple account statement.
 - Include additional information in Excel and PDF export formats.
- ▶ Payment retry of file sent /Payment of Payroll and Suppliers.

Likewise, the new **BanescoMóvil** service via SMS was developed and implemented, which allows clients make financial transactions by simply sending an SMS from their cell phone to 22626. The service offers two affiliation options, from the IVR and from BanescoOnline. The transactions possibilities are:

- ▶ Consultation of account balance and movements
- ▶ Consultation of personal credit cards balance and movements
- ▶ Consultation of foreign currencies
- ▶ Consultation of CANTV telephone service
- ▶ Transfers to the same account holder in Banesco
- ▶ Payments of credit cards of the same cardholder in Banesco
- ▶ Transfers to third parties in Banesco
- ▶ Payment of third parties' credit cards in Banesco
- ▶ Payment of CANTV telephone service

Payroll Payment, Suppliers Payment, and Direct Billing recorded a total of 2,061, 2,396, and 201 affiliated clients, respectively.



- ▶ Consultation of service commands
- ▶ Consultation of identifiers (Accounts /credit Cards).

In addition, in the second half of 2011, the pilot of the Core Standard for the collection service was implemented in order to centralize in one module simple, standard, and quick-activation parameterizations of collection transactions in Batch under a multichannel perspective, in order to reduce the service times to the Business Associate as to service implementation. This first handout covers parameterizations for teller window channels, Internet, and services managed by Backoffice (Remittances).

DEBIT AND CREDIT CARDS

Debit Card Issuing Business

Banesco maintains its leadership in the Debit Card Sales market, with a share of 24.9% at 2011 close, due to the different strategies implemented by the business, which follow Banesco's innovation path.

The clients have rated Banesco in the measurement studies on Debit Cards satisfaction indicators with an excellent

rate of 94% liking of the products and services offered by the Bank.

In the second half of 2011, Banesco completed the campaign for the replacement of 2,300,000 debit cards from magnetic stripe card technology to chip card technology (EMV), thus providing more service and security to our clients in electronic transactions made in POS and ATMs. Likewise, the replacement of credit cards to EMV technology continued, replacing nearly 1 million credit cards, thus offers the clients improvement in the credit card acceptance and authorization parameters.

Credit Card Issuing Business

Banesco maintained in this six-month period its leadership in credit cards in the Venezuelan market reporting a share of 25.12% of sales at 2011 close.

The credit card portfolio grew by 7% over 2010, plus a 7% increase in the quantity of cards. Sales with Banesco credit cards increased by 32% and payments by 40%; hence, the delinquency rate of the



Banesco
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CC portfolio decreased by 7% over the previous year. The growth was mainly experienced in the natural persons sector.

As part of our different strategies and loyalty and good credit record recognition of our clients, different processes were carried out to increase the lines of credit, benefitting over 770 thousand cardholders, thus consolidating the financial relationship with our clients and their loyalty.

Banesco re-launch 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.

Banesco is the institution of the Venezuelan market that offers the widest range of benefits to its clients, aimed to ensure loyalty and fidelity to our brand through business partnerships and promotions with brands recognized in the country aimed to increase the sales of commercial clients and the card transaction volume.

Banesco also offers its clients Permanent Programs that promote the use and timely 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 1,400 winning clients, representing over Bs. 430 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 the customers, Banesco cardholders and cardholders from other banks using their DC and CC in our POS, with free purchases. In 2011, over 11 thousand customers were rewarded, that is, Bs. 2,520 thousand in awarded prizes.

Cinex. A program that gives a 50% discount when buying movie tickets in Cinex theaters with Banesco debit or credit cards from Tuesday to Friday. Banesco also offers special programs for exclusive movie premiers for Banesco clients, like The Smurfs and Breaking Dawn.

Banesco, also offered the following promotions with the support of Visa, MasterCard and American Express franchises:



► *Usa tus Tarjetas Visa y podrás ver las nuevas estrellas* (Use your Visa Cards and You May See the New Stars), with five awarded clients, who traveled to Bogota for the Sub 20 Cup.

► UEFA Champions League MasterCard, two clients went to Spain to watch a Champions game.

► *¡Tus TDC MasterCard y TDD Maestro te pueden llevar Directo a la Final de la Copa América!* (Your MasterCard CC and Maestro DC Can Take You Directly to the America's Cup Final!). Two awarded clients traveled to Argentina for the cup final.

► *Tus Tarjetas MasterCard te llevan a disfrutar del Concierto de Jazz en el Lincoln Center* (Your MasterCard cards Take You to the Jazz Concert in the Lincoln Center), with one winning client who went to New York.

► *Tus compras internacionales te pueden salir GRATIS!!!* (Your international purchases could be FREE), which awarded 325 of our Amex clients, who received a reimburse for their purchases abroad.

Banesco re-launch 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.

AHORA TUS TARJETAS TIENEN UN MAYOR LÍMITE DE



Leveraged on the Visa, MasterCard and American Express franchises, the following benefits to clients were issued:

- ▶ *MasterCard Wendy's.*
- ▶ *MasterCard, Tu suerte está en camino* (Your Luck is on the Way).
- ▶ *Disfruta lo mejor de Miami* (Enjoy the Best of Miami with MasterCard Black, Platinum, and Gold).
- ▶ *Priceless Moments Miami* – Christmas with MasterCard Black, Platinum, and Gold.
- ▶ Amex Selects- all its clients with American Express.
- ▶ Cinex Go Visa Experience – for Signature and Platinum.
- ▶ Teatrex Go Visa Experience – for Signature and Platinum.
- ▶ Avis discounts for MasterCard clients.
- ▶ *Fin de Año Inolvidable de MasterCard y Maestro* (Unforgettable End-of-year with MasterCard and Maestro).

TRANSACTIONS, INTERNATIONAL AND CUSTODY

Foreign Trade

We continue growing in the sector of clients importing goods, who have chosen Banesco as their best option to process their applications and use foreign trade instruments to support their economic activity. During the second half of 2011, we managed imports for US\$1,950 million, which represents a 24% increase over the first half of year. During this period, the transactions at an international level materialized, showing a significant trend to imports in the Latin American region, guaranteed through the use of foreign currencies under ALADI and the SUCRE modality.

International Correspondents

We continue fostering the international relationship with correspondent banks with the main financial institutions at a regional and international level. As in previous years, we actively participated in the Latin American Foreign Trade Congress and the Annual Meeting of the Latin American Federation of Banks, thus boosting our foreign trade activity with our main correspondent banks. We also attended the Annual Meeting of the Institute of International Finance, the sole

global entity that affiliates over 450 banks and financial institutions worldwide, which was held in Washington DC, with the presence of the top authorities of the main multilateral financial institutions, like the International Monetary Fund and the World Bank. This opportunity allowed us to know and evaluate the global financial perspectives in the short and the medium term.

Securities and Bonds Custody

During the second half of year, a total of 58,291 operations of sales and securities transfer in foreign currency corresponding to the third-party custody portfolio were carried out, which represents a 30% increase over the first half of 2011.

Cash Management

At the end of the second half of 2011, the technological SAP-CMO tool was implemented, which is mainly intended to optimize the use of cash at a central level, the agency network, and ATMs. This will enable the efficient management of this resources and significant savings in cash mobilization-related costs.

EXCHANGE CONTROL OPERATIONS NATURAL PERSONS

In agreement with the growth rate we have experienced in foreign exchange activities for natural persons, during the second half of 2011, we continued growing a closed the year with a 12% growth. The transactions recording a total of 834,263 applications processed at year close include granting of foreign currency for Credit Cards for Travelers and Internet Purchases, in addition to Cash for Trips and the modalities for Students, Family Remittances, among others.





Comprehensive Risk Management



To continue reinforcing the risk management during the second half of 2011, our main approach was focused on business-oriented activities, assistance in global loss prevention, maintenance of business continuity, and increase efficiency in credit portfolio management. This included a follow-up of key risk indicators institutionally established in order to process the evolution of the risk levels and the performance observed on a timely manner, as well as an ongoing internal work regarding the risk culture transfer, emphasizing this aspect in the values of the Bank and showing the clear benefits it brings.

Credit Risk

During 2011, Credit Risk management was oriented to maintaining reinforcement, measurement, control and monitoring of the credit portfolio's risk levels, directing the vision of the various 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 goals.

We have worked in line with different initiatives to designing new credit sup-

port models by client segment and to improving existing credit products, by partaking in the assessment and analysis of risk exposure levels, and formalizing the submittal of results of the different business requirements (surveys, analysis and evaluations) for consideration by the Risk Committee.

Likewise, we have continued promoting initiatives oriented to the implementation of technology platforms and methodological developments necessary for the application of the models for admission and monitoring of credit transactions within the Bank's portfolio.

As part of monitoring credit risk measurement, we tested the methodology for Expected Loss calculation, through an internally-generated stress model of macroeconomic variables that allows visualizing different risk scenarios and their possible outcome in relation to the effective performance of the credit portfolio and potential impact thereof on the Bank results.

In addition, actions and strategies aimed at maintaining the portfolio quality were focused on the ongoing monitoring of credit transactions.



During 2011, Credit Risk management was oriented to maintaining reinforcement, measurement, control and monitoring of the credit portfolio's risk levels

For mass credits, adjustments and calibrations to the granting model showed favorable results that are consistent with the expected profitability/risk level. Also, the performance of corporate credits was specifically managed through close and regular follow-up at the meetings of the Sub-Committee of Portfolio Quality and Monitoring.

Market Risk and Liquidity Risk

As for management of the Market and Liquidity Risk, Banesco applies in its analyses 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.

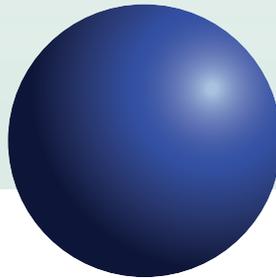
Indicators used for monitoring Liquidity Risk management showed that, during the second half of the year 2011, the liquid assets levels exceeded the enforceability of our liabilities, both in regular and extreme conditions.

Operational Risk

In Banesco, the Operational Risk management has been focused on the prevention thereof through the implementa-

tion of analysis methodologies in processes, value chains, new products and services that allow conducting evaluations of the risk levels and maintaining the business continuity. In addition, we developed and incorporated activities that foster and support the implementation of the Modelo de Gestión de Riesgos Operativos (Operational Risk Management Model) (MGRO) in core business processes, and we implemented the monitoring of certain Key Risk Indicators (KRI).

On the other hand, the Organization has maintained its approach aimed at promoting and consolidating the risk culture for the Comprehensive Risk Management to continue being a way of thinking and acting of all its employees.



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Loss Prevention Management and Business Continuity

During 2011, we continued to optimize, within our initial strategy, the internal synergies of the value chain, as well as the external synergies with other business and support areas, in the search for greater efficiency and pointing to Convergence as part of our evolution and vision.

Our main achievements by chain value link are as follows:

Loss Prevention: We managed to successfully migrate, jointly with the business areas responsible for the EMV Project (Chip Technology - Products and Channels) all Banesco ATMs and the Points of Sale and Merchant Devices to the Chip Technology, which will provide greater transaction security in this channel and will help us comply with the deadlines and regulations of SUDEBAN.

Likewise, within the frame of the EMV Project, we have given support to the Cards Area in the migration and activation of all Chip Cards.

As for the process of mitigation and strengthening of our channels, products, and services, we have continued to implement prevention initiatives aimed at the optimization of the control of POS

installed at affiliated merchants. In addition, we have enhanced Checks' security through coordinated activities focused on their Clearance process, with satisfactory results. We have continued our work to improve security at our office networks in an effective and efficient manner, through sorting and sourcing thereof in accordance with specific risk levels. With regards to Internet Banking (BanescOnline) through implementation of the Dynamic Password Project and actions from the Security Operations Center, we have improved security levels in this channel, ensuring service simplicity and customer convenience.

In order to provide greater information on our customers' transactions and prevent losses in the different channels and products, we have implemented a new text messaging (SMS) modality, such as Credit Card Payments that provide real-time transaction information.

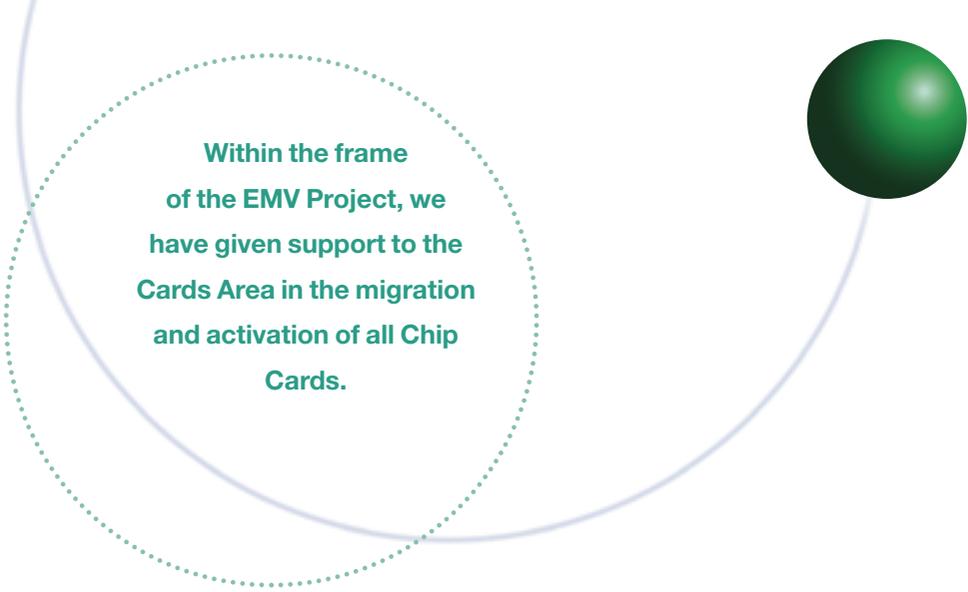
We have kept effective service levels over 97%, which places us at the top of the highest international standards for Call Center services of the Security Operations Center, having reached high customer satisfaction levels, and making ongoing improvements in service time and quality, so to ensure a timely and effi-

cient response to the requirements and transactions associated with fraud inquiry process and to guarantee full compliance and the service level required by the regulatory agencies.

We have proactively participated in the work sessions of the Banking Association through proposals for union actions oriented to collective solutions for improving security of the sector in a effective manner, which include check digitalization and exchange and migration to a nation-wide single check scheme for all the banking institutions.

Protection Area: Within the plan for technological security upgrading of our offices, we met the targets set for this year as to optimization and renewal of the CC TV and alarm systems in our offices. Also, as a result of criticality level assessment, we installed security doors at offices deemed to be of high-risk for the greater safety of our customers and employees. We also contributed data and analytical components to the Organization to effectively respond to any security-related event.

Specifically, in the Occupational Health and Safety area, we launched several education and training campaigns, and



Within the frame
of the EMV Project, we
have given support to the
Cards Area in the migration
and activation of all Chip
Cards.



delivered lectures and workshops to prevent labor injuries and illnesses, and to raise greater awareness thereon among our personnel. As a result of our proactive actions and prevention campaigns, we observed a decrease in the rate of medical leaves, reaching levels comparable to those of the World Health Organization, with greater availability of effective employee hours for the Organization due to labor absence reduction, and with a healthier and more productive plaintiff for the year 2011.

As a socially responsible organization, Banesco ensured strict observance of the regulations on prevention, conditions

and work environment, and performed ergonomic examinations of our work stations, supporting the optimization of our employees' workplace and fostering an environment that is more aligned with the activities developed.

Business Continuity Area: Jointly with the responsible areas, we have taken actions for the continuous optimization of the electrical and technological infrastructure that supports key business or mission-critical processes, and for the upgrading and preparation of related business continuity processes, based on our analysis of the different work scenarios and our business needs.

Also, we have deepened into projects for self-power generation capabilities, achieving greater autonomy and office-reliability levels.

In addition, we strengthened the contingency plan of the Internet Banking platform through compliance with our targets and norms and the regulations established in this regard.

Through our Command and Control Center, we carried out activities relating to monitoring and production-passing activities related to the Blocking (Check

Clearance) projects, by monitoring and tracking all the project phases, effectively controlling and managing their stabilization and mitigating the customer impact in any circumstances that may compromise our services.

We successfully conducted contingency or high-availability drills in order to guarantee the service continuity in the event of major failures of the production environment and critical business operations. We achieved significant progress in the problem resolution procedures, as well as improvements in the recovery times at the simulations performed

LOSS CONTROL

In the Loss Control Area, we continued being focused on optimizing the synergies with the rest of the value chain in order to minimize recurrence of events by generating timely measures and effective close of gaps.

In addition, we continued reinforcing the Ethics and Behavior System through timely and effective follow-up of the cases, thus guaranteeing fair and transparent results.

On the other hand, we continued emphasizing on the strengthening of our relationships with Official Agencies and Bodies in order to have more accomplishments in the goals set within the framework of our management.





Corporate Social Responsibility

For the second half of 2011, Banesco Banco Universal reported a social investment of Bs. 14,805,527. 61% of the resources (Bs. 9,078,374) was allocated to out-of-contract benefits for its workers, such as student grants, lunchroom subsidy, provision of uniforms, sport days, and vacation plans. Likewise, to support Banesco Corporate Voluntary Service, the Institution contributed with Bs. 19,853. The difference, Bs. 5,727,153 (39% of the total amount), was allocated to the strengthening and development of different initiatives that we have been developed with our social partners, such as:

Fe y Alegría

During the second half of the year 2011, we donated Bs. 740,820 to Fe y Alegría to complete the third classroom module of Instituto Universitario San Francisco, located in the San Francisco Municipality, State of Zulia. IUSFRA offers undergraduate degrees in Education, with concentration Pre-School education and Integral Education; Accounting, Information Science, Electrotechnics and Electronics. Fe y Alegría has been one of Banesco's main social partners. In 2011, as it became our social partner, we entered into an agreement for the construction and conditioning of its superior education seats in Caracas and nation-wide; ever since, we have dona-

ted over Bs. 23 million for the construction and conditioning of its three superior education centers that provide quality training to less-favored youth.

Fundación Musical Simón Bolívar

In 2011, we donated Bs. 1 million to the State Foundation for Sistema Nacional de Orquestas Juveniles e Infantiles de Venezuela (National System of Youth and Children's Orchestras of Venezuela), led by maestro José Antonio Abreu, as and became sponsors of Orquesta Latino Caribeña Simón Bolívar (Simón Bolívar Latin Caribbean Orchestra), joining its celebration of our Caribbean identity and roots. Overall, we have donated Bs. 10,853,665 since the first agreement entered into between Fundamariscal and Banesco in 2004.

IESA

We donated Bs. 1.24 million to Instituto de Estudios Superiores de Administración (Institute of Advanced Studies in Administration, IESA) as sponsorship of one of the most emblematic education programs of this Institution, the Magister of Finance. This contribution will sow the seeds of 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. With over 40 graduate students every year, our goal is to reach 70% growth for 2012.

Bello Monte Community

As part of its dialog with stakeholders, in 2008, Banesco reached an agreement with the organized community of the Bello Monte District, where its main offices are located, to set up a budget to materialize works for the benefit of the parish residents.

In 2011, we donated Bs. 441,550.92 for the construction of a book reading center for children and adolescents and for the delivery of lectures aimed to raise awareness in school-aged children towards disabled people, which also encompasses the construction of a physical rehabilitation center for senior citizens in addition to a training program for young school dropouts, and technology workshops for practicing teachers.

From 2008 to this present date, Banesco Banco Universal has donated a total of Bs. 1,756,960 to community projects and community-managed initiatives.

SUPPORT TO CULTURE AND WRITING

Banesco reaffirmed its support to *Editorial Equinoccio* from Universidad Simón Bolívar for the publication of the collection Papiros 2011. This cultural initiative represented a social investment of Bs. 400,000. The following titles were issued: *Dicha la Dádiva*, by Claudia Sierich; *Gesto quebrado*, by Leonardo González Alcalá; *Muchedumbre de uno*, by Florencio Quintero; *Todas las lunas*, by Gisela Kozak; *Diarios Literarios II y III*, by Alejandro Oliveros; and Book III of *Obra Dramática*, by José Ignacio Cabrujas.



During the second six-month period of 2011, we received a recognition plaque from *Fundación Científica Los Roques* (Los Roques Scientific Foundation), to thank Banesco support to the Environment Educative Program undertaken by such organization at *Escuela El Gran Roque* (El Gran Roque School) from that Archipelago.



¡CONTIGO!



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Corporate Governance

BANESCO BANCO UNIVERSAL, C.A. is a financial institution incorporated in the Bolivarian Republic of Venezuela and authorized to conduct any kind of operations and businesses allowed to universal banks in conformity with the Banking Institutions Law. Consequently, it is subject to control and oversight by the Superintendency of Banking Institutions. The Entity is domiciled in Caracas, and has agencies throughout the national territory.

The capital stock of Banesco Banco Universal, C.A. is Bs.F. 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.F. 10.00 each, and 25,000,000 of registered preferred shares, non-convertible in bearer shares, at a par value of Bs.F. 10.00 each.

Such capital stock has been fully registered and paid in the percentage evidenced in

the Stockholders' Book. Banesco Banco Universal C.A. maintains the following corporate governance:

Stockholders' Meeting

It represents the universality of the stockholders and has the company's supreme management. In compliance with the 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 stockholders representing at least 20% of the share capital. Its acts and resolutions bound the company and its stockholders. 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 the 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 stockholders 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; 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 11 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 Stockholders' Meeting or other bodies established by the Law or the Bylaws. It is responsible for defining and strategically managing the Bank, and also approves the business principles and policies, thus regulating the autonomy of executive decisions to protect the stockholders' inte-



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.





rest 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 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 Superin-

tendency of Banking Institutions, the Regular Stockholders' Meeting, and the Board of Directors.

Chairman of the Board of Directors

The Chairman of the Board of Directors is subordinated to the Stockholders' 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 Stockholders' Meetings and board of directors' sessions, and jointly with the latter, exerts the supreme management of Bank's activities.

Secretary

The Secretary of the Bank is an officer freely appointed and removable by the Board of Directors, in charge of keeping an organized record of the agreements of the Stockholders' Meeting and the Board of Directors, as well as cooperating with the collection, preparation, and maintenance of corporate information required by such bodies, the Stockholders, 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 Stockholders' 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 Stockholders' Meeting or by the Board of Directors.

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 Stockholders' Meeting, the Board of Directors, and the Superintendency of Banking Institutions; endorsing the financial statements jointly with



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 Stockholders' 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.

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 crea-

ted 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 Assets and Liabilities 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 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.



Boards of Director

JUAN CARLOS ESCOTET | CHAIRMAN
LUIS XAVIER LUJÁN
SALVADOR EDUARDO CORES
MARÍA JOSEFINA FERNÁNDEZ
NELSON ORLANDO BECERRA
FERNANDO CRESPO
GONZALO CLEMENTE
MIGUEL ÁNGEL MARCANO
JOSÉ RAFAEL PADRÓN
DAISY JOSEFINA VÉLIZ
OLGA ELENA MARCANO

Commisaries

Main: Gordy Palmero Luján
Substitute: Igor Williams de Castro

Secretary

Marco Tulio Ortega Vargas

Judicial Representative

Marco Tulio Ortega Vargas

BANESCO BANCO UNIVERSAL, C.A. relies on a Stockholders' Unit the main priority of which is the service to stockholders 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 stockholders, 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 considered at the Stockholders' Meeting. The Stockholders' Unit is assigned to the Bank's Legal Vice Presidency.

Within the framework of the principles of good corporate governance, the Board of Directors of Banesco Banco Universal C.A. has taken the necessary measures to maintain the proper openness and reliance standards to contribute with a greater efficiency and responsibility in the Venezuelan securities market.

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. 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 stockholders, 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.



OUR CORPORATE GOVERNANCE PRINCIPLES

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 stockholders, workers, and suppliers, as well as any other person in connection with the partnership.
- ▶ **Respect to the stockholders' 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 of the company.

Management of Clients' and Users' Requirements

1. Banesco, since 2008, maintains a technological tool named SIR (Comprehensive Requirement System), allowing managing customers' requirements through the different service channels, such as: BanescOnline, national agency networks, call center and administrative offices, offering a timely and efficient response in line with current regulations.
2. During the second half of 2011, 60,895 financial requirements were processed, which represents a 23% decrease over the first half of year for an overall total of Bs. 58,055,858. Since 72% of the cases resulted to be favorable for customers (43,738 requirements), Bs. 40,293,991 were refunded to clients.

Financial Requirements Processed by Channel • II Half 2011

Channel	Number of Requirements	Customers	% Requirements for Capture Channel	Bs.
BanescOnline	36,218	31,574	59.5%	17,204,217.27
Agency Network	19,334	18,075	31.7%	33,690,449.21
Administrative / Specialized Segments	5,000	4,466	8.2%	6,745,310.04
Telephone Banking	343	327	0.6%	415,882.06
TOTAL	60,895	54,442	100.0%	58,055,858.58

The capture of requirements in the Agency Network decreased by 13% over the first half of year, but the capture via BanescOnline increased by 18% over the first half of year.

3. During this period, 506,339 service requirements were processed (updating of customers' data, increase in the credit cards limit, replacement of credit cards, among other) 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 2011

Channel	Number of Requirements	Customers	% Requirements for Capture Channel
BanescOnline	202,829	161,589	40.1%
Agency Network	120,316	95,272	23.8%
Administrative / Specialized Segments	95,117	76,206	18.8%
Telephone Banking	88,077	53,043	17.4%
TOTAL	506,339	383,110	100.0%

4. During the six-period that ended, the compliance level of the service offering in management of requirements was 93.3%.
5. During the second half of year, the Client Defender addressed 1,086 cases, 36.74% of which were reconsidered and Bs. 620,514 were refunded to clients.

CREDIT RISK REPORTS

The credit risk management at the end of the second six-month period of 2011 showed a performance characterized by the maintenance of value indicators in line with expected profitability/risk level.

The Default Index in Total Portfolio was 0.96% and the hedging level of the Provision for Loan Portfolio was 235.04%.

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

Collection strategies are in line with the expected risk profile, orienting its actions to the recovery management with a customer comprehensive approach, which has resulted in higher levels of effectiveness.

In 2011, the close monitoring of past-due balances and the joint management between the areas involved for the achievement of goals set under foreseen scenarios, was one of the most successful actions that generated value. Consequently, these actions will be maintained and reinforced for the upcoming year.

INFORMATION ON LENDING AND BORROWING OPERATIONS INDIVIDUALLY EXCEEDING 2% OF THE BANK'S EQUITY

During the second half of 2011, the Board of Directors of Banesco Banco Universal, C.A., in compliance with article 31 (3) of the Decree Law of Banking Institutions, considered, approved, and/or ratified forty-nine (49) credit transactions exceeding 2% of the bank's equity, for a total amounting to Bs. 8,378,788,383.00. Likewise, in compliance with said article regarding borrowing transactions, the Board of Directors authorized seventy-five (75) clients to carry out transactions exceeding 2% of the bank's equity.

PROPOSAL SUBMITTED BY THE BOARD OF DIRECTORS WITH RESPECT TO THE CONSIDERATION AND DECISION OF THE GENERAL ORDINARY STOCKHOLDERS' MEETING SUMMONED BY MARCH 26, 2012, FOR THE PURPOSE OF DECLARING AND PAYING CASH AND SHARE DIVIDENDS

Cash Dividends

The Board of Directors submits to the consideration and decision of the stockholders their proposal to declare and pay a cash dividend for THREE HUNDRED TWENTY-THREE MILLION NINE HUNDRED THIRTY-THREE THOUSAND TWO HUNDRED AND THIRTY-FIVE BOLIVARS WITH NINETY-ONE CENTS (Bs. 323,933,235.91) to be distributed as follows:

The amount of THREE HUNDRED MILLION BOLIVARS (Bs. 300,000,000.00) to holders of common shares.

The amount of TWENTY-THREE MILLION NINE HUNDRED THIRTY-THREE THOUSAND TWO HUNDRED AND THIRTY-FIVE BOLIVARS WITH NINETY-ONE CENTS (Bs. 23,933,235.91) to be paid to holders of preferred shares, corresponding to Issues 2008-I and 2008-II.

This dividend covers the payment of the three next periods due on 05/15/2012, 08/15/2012, and 11/15/2012, respectively; in conformity with the corresponding prospectus of issue.

Dividends in Shares

It is submitted to the stockholders' consideration, the decree and payment of dividends in shares for the amount of TWENTY-SIX MILLION BOLIVARS (Bs. 26,000,000.00), through the issuance of TWO MILLION SIX HUNDRED THOUSAND (2,600,000) new common shares. If approved, the Board of Directors shall determine the date of payment of dividends in cash and shares.



Juan Carlos Escotet R.
 Chairman of the Board

Communications of the Superintendence of Banks and Financial Institutions, in connection with the provisions, observations, recommendations or initiatives related to the Bank's operations.

DATE	COMMUNICATIONS
20-07-2011	SIB-II-GGIR-GRT-20595 Project for the installation of an Alternative Center for Data Processing, allowing to restore the operations of information systems, data structure and critical technological platform, stored in its principal computer facilities, in order to prevent that they might result simultaneously affected in case of a contingency.
12-09-2011	SIB-II-GGR-GNP-28428 Standards for a proper Comprehensive Risk Management. Proceedings performed by the financial institution regarding Comprehensive Risk Management are required.
14-10-2011	SIB-II-GGR-GNP-33054 Financial institutions shall not limit, condition, restrict, discriminate, dissuade and/or ban senior natural persons to obtain loans, credits or financing.
23-11-2011	SIB-II-GGR-GNP-38985 Authorization to increase the maximum amount to be granted by ATMs to Bs.F. 600, effective December 1, 2011.
01-12-2011	SIB-II-GGR-GNP- 40656 Criteria for the Recording and Valuation of Assets and Liabilities denominated in Foreign Currency.
19-12-2011	SIB-II-GGR-GNP-42102 Accounting record of Special Mortgage Values issued by BANAVIH.
DATE	COMMUNICATIONS
05-08-2011	SIB-II-GGR-GA-22958 The Superintendence of Banks and Financial Institutions shall not object the appointments of members of the Board of Directors, Statutory Auditors, Customers' Advisor and their designees and Internal Auditor.
22-09-2011	SIB-DSB-UNIF-30126 Reissuance of "Semiannual Report on Money Laundering Prevention and Control and Financing of Terrorism Activities", prepared by the External Auditors, including their Conclusions and Recommendations.
22-11-2011	SIB-II-CCSB-38804 Results obtained from the Special Inspection conducted on Banking Service Quality.
21-12-2011	SIB-II-GGIR-GSRB-42602 Results of the Special Inspection Visit conducted on November 25, 2011, regarding the compliance with the "Standards for a proper Risk Management".
28-12-2011	SIB-II-GGIBPV-GIBPV4-43186. Concession of an extension to complete the Adjustment Plan for 180 continuous days. Accordingly, it shall be executed before June 1, 2012.

Balance Sheet



Banesco
BANCO UNIVERSAL

Banesco Banco Universal, C.A. | Balance Sheet

Stated in Million VEF

ASSETS	DEC. 2011	JUN. 2011	DEC. 2010	JUN. 2010	DEC. 2009	JUN. 2009
CASH AND DUE FROM BANKS	22,718	13,710	17,345	11,284	11,611	9,475
Cash	2,226	1,784	1,798	1,139	1,340	755
Central Bank of Venezuela	18,877	10,106	14,697	8,978	9,563	7,453
Local banks and Other Financial	125	162	74	130	136	48
Foreign Banks	96	127	73	99	54	52
Head Office and Branches	0	0	0	0	0	0
Notes Receivable	1,393	1,531	703	938	518	1,167
(Provision for Bank Accounts)	0	0	0	0	0	0
INVESTMENTS SECURITIES	11,518	8,016	4,782	5,011	5,983	6,635
Investments in Central Bank	506	474	406	757	531	3,106
Investments in Trading Securities	0	0	0	0	0	0
Investments in Securities Available for Sale	6,585	5,772	2,066	1,977	3,380	1,471
Investments in Securities Held to-maturity	1,429	1,505	1,497	1,530	1,544	1,961
Limited Availability Investments	535	265	762	371	303	151
Other Security Investments	2,464	0	53	376	241	33
(Provision for Security Investments)	0	0	0	0	-16	-88
LOAN PORTFOLIO	41,905	31,741	27,654	24,589	22,739	19,958
Outstanding Credits	42,346	31,996	27,922	24,889	22,773	19,958
Restructured Credits	113	67	50	34	22	24
Past Due Credits	397	443	362	339	436	383
Credits in Litigation	14	5	8	37	17	7
(Provision for Credit Portfolio)	-965	-769	-688	-711	-509	-414
INTEREST AND COMMISSIONS RECEIVABLE	615	562	453	466	378	434
Interest Receivable from Cash and due from Banks	0	0	0	0	0	0
Interest Receivable from Security Investments	172	131	57	49	34	69
Interest Receivable from Credit Portfolio	515	521	456	420	394	381
Commissions Receivable	68	69	74	69	72	83
Interest Receivable on Other Accounts Receivable	0	0	0	0	0	0
(Provision for Interest Receivable and Other)	-141	-159	-133	-72	-121	-99
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	4	4	8	8	7	167
Investments in subsidiaries and affiliates	4	4	8	8	7	6
Investments in branches	4	0	0	0	0	162
(Provision for investments in subsidiaries, affiliates and branches)	0	0	0	0	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	33	30	36	2	5	0
PROPERTY IN USE	1,041	984	887	840	863	855
OTHER ASSETS	1,464	539	922	485	1,482	456
TOTAL ASSETS	79,298	55,586	52,087	42,684	43,066	37,980

BanESCO Banco Universal, C.A. | Balance Sheet

Stated in Million VEF

LIABILITIES	DEC. 2011	JUN. 2011	DEC. 2010	JUN. 2010	DEC. 2009	JUN. 2009
DEPOSITS FROM CLIENTS	70,752	48,101	45,832	37,175	37,763	33,326
Deposits in Current Accounts	48,612	32,389	28,241	21,947	19,913	17,534
Non-Remunerated Checking Accounts	22,998	14,344	12,872	9,473	8,611	7,554
Remunerated Checking Accounts	25,614	18,046	15,369	12,474	11,302	9,979
Other Demand Liabilities	8,594	6,352	7,341	5,521	4,572	684
Obligations for Money Desk Operations	0	0	0	0	0	0
Savings Deposits	13,054	8,014	8,445	6,557	6,800	5,636
Time Deposits	491	68	11	3	21	3,500
Securities Issued by the Institution	0	0	0	0	0	0
Restricted Deposits from Clients	0	0	0	0	0	0
Right of Ownership and Participation on Security Investments	0	1,278	1,795	3,147	6,457	5,972
OBLIGATIONS WITH BCV	0	0	0	0	0	0
DEPOSITS AND OBLIGATIONS WITH BANAVIH	0	0	0	4	1	4
OTHER FINANCING OBTAINED	213	538	389	337	567	468
Liabilities With Local Financial Institutions Up To One Year	205	304	137	101	208	315
Liabilities With Local Financial Institutions More Than One Year	0	0	0	0	0	0
Liabilities With Foreign Financial Institutions Up To One Year	7	234	252	236	359	152
Liabilities With Foreign Financial Institutions More Than One Year	0	0	0	0	0	0
Other Liabilities Up To One Year	0	0	0	0	0	0
Other Liabilities More Than One Year	0	0	0	0	0	0
OTHER FINANCIAL OBLIGATIONS	77	32	60	20	28	4
INTEREST AND COMMISSIONS PAYABLE	14	17	21	49	130	118
Expenses Payable Due To Deposits From Clients	14	17	20	49	129	116
Expenses Payable Due To Obligations With BCV	0	0	0	0	0	0
Expenses Payable Due To Deposits And Liabilities With BANAVIH	0	0	0	0	0	0
Expenses Payable Due To Other Financing Obtained	0	1	0	0	0	1
Expenses Payable Due To Other Financial Obligations	0	0	0	0	0	0
Expenses Payable Due To Obligations Convertible To Capital	0	0	0	0	0	0
Expenses Payable Due To Subordinated Debt	0	0	0	0	0	0
ACCRUALS AND OTHER LIABILITIES	2,034	2,016	1,550	1,291	980	947
SUBORDINATED DEBT	0	0	0	0	0	0
OTHER LIABILITIES	0	0	0	0	0	0
TOTAL LIABILITIES	73,089	50,705	47,852	38,875	39,469	34,867
STOCKHOLDERS' EQUITY						
CAPITAL STOCK	1,250	1,250	1,250	1,204	1,125	1,050
Capital Paid-in	1,250	1,250	1,250	1,204	1,125	1,050
PAID-IN SURPLUS	0	0	0	0	0	0
CAPITAL RESERVES	903	766	705	654	614	582
EQUITY ADJUSTMENTS	317	264	158	174	0	0
ACCUMULATED INCOME	3,602	2,566	2,142	1,816	1,742	1,553
NON-REALIZED GAIN OR (LOSS) ON AVAILABLE FOR SALE SECURITY INVESTMENTS	171	68	15	-3	151	-37
(TREASURY STOCK)	-35	-35	-35	-35	-35	-35
TOTAL LIABILITIES	6,208	4,880	4,235	3,809	3,598	3,113
TOTAL LIABILITIES AND STOCKHOLDERS'	79,298	55,586	52,087	42,684	43,066	37,980
CONTINGENT DEBTOR ACCOUNTS	13,285	10,084	12,531	1,012	1,168	812
TRUST ASSETS	8,362	7,521	7,180	6,656	6,020	6,155
OTHER TRUST ASSIGNMENTS	198	177	198	148	159	130
DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (HOUSING MUTUAL FUND)	5,703	4,942	4,401	3,879	3,376	2,890
OTHER DEBTOR ACCOUNTS (HOUSING MUTUAL FUND)	12	12	10	9	8	8
OTHER DEBTOR MEMORANDUM ACCOUNTS	210,019	159,741	142,055	137,466	106,725	69,332
OTHER DEBTOR BOOK ACCOUNTS	27	26	26	25	25	25

Banesco Banco Universal, C.A. | Statements of Earnings

Stated in million VEF

	DEC. 2011	JUN. 2011	DEC. 2010	JUN. 2010	DEC. 2009	JUN. 2009
FINANCIAL REVENUES	4,240	3,410	2,986	2,689	2,588	2,561
Revenues from Cash and Cash Equivalents	2	2	2	0	1	0
Revenues from Security Investments	641	397	179	179	247	307
Revenues from Credit Portfolio	3,535	2,956	2,733	2,475	2,281	2,224
Revenues from Other Accounts Receivable	40	29	32	32	34	27
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	0	0	0	0
Revenues from Head Office and Branches	0	0	0	0	0	0
Other Financial Revenues	22	26	40	3	25	2
FINANCIAL EXPENSES	829	734	794	901	1,174	1,268
Expenses Due to Deposits from Clients	824	726	779	894	1,117	1,250
Expenses Due to Obligaciones with BCV	0	0	0	0	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0	0	0	0	0
Expenses Due to Other Financing Obtained	4	6	6	2	10	9
Expenses Due to Other Financial Obligations	0	0	0	0	0	0
Expenses Due to Subordinated Debt	0	0	0	0	0	0
Expenses Due to Head Office and Branches	0	0	0	0	0	0
Other Financial Expenses	0	2	9	5	47	8
GROSS FINANCIAL MARGIN	3,411	2,676	2,192	1,788	1,414	1,293
Income from Recovered Financial Assets	86	69	62	34	29	11
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	629	426	330	612	483	261
Provision for Loan Portfolio and Other Accounts Receivable, Losses	629	426	330	612	483	261
Provision for Cash and Due from Banks	0	0	0	0	0	0
NET FINANCIAL MARGIN	2,869	2,319	1,925	1,210	960	1,042
Other Operating Income	940	702	749	2,046	1,209	739
Other Operating Expenses	227	178	219	1,042	396	222
FINANCIAL INTERMEDIATION MARGIN	3,582	2,843	2,455	2,215	1,772	1,559
TRANSFORMATION EXPENSES	2,075	2,039	1,856	1,603	1,312	1,176
Personnel Expenses	871	800	695	663	567	526
Administrative and General Expenses	855	907	891	748	651	556
Contributions to Deposit Guarantee and Bank Protection Fund	318	304	245	169	71	73
Contributions to Superintendency of Banks and Other Financial Institutions	32	27	25	24	22	21
GROSS OPERATING MARGIN	1,507	804	599	612	461	383
Income from Adjudicated Goods	11	7	8	6	11	11
Income from Special Programs	0	0	0	0	0	0
Income from Sundry Accounts	48	31	32	28	21	60
Expenses Due to Realizable Property	10	7	4	3	1	0
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0	0	0	0	0
Expenses Due to Dundry Accounts	181	220	124	232	152	155
NET OPERATING MARGIN	1,374	616	512	411	339	298
Extraordinary Income	0	0	0	0	0	0
Extraordinary Expenses	6	5	9	6	7	4
GROSS INCOME BEFORE TAXES	1,368	610	503	405	332	295
Income Taxes	0	0	0	2	10	5
NET INCOME	1,368	610	503	403	322	290
APPLICATION OF NET INCOME						
Legal Reserve	137	61	51	40	32	29
Statutory Utilities	0	0	0	0	1	1
Other Capital Reserves	0	0	0	0	0	0
ACCUMULATED INCOME	1,231	453	359	286	257	
LOSEP CONTRIBUTION	15	7	5	4	3	3
OTHER ACCOUNTS						
Third-Party Investments	0	0	0	0	0	223
Monthly Agriculture Credit Portfolio	353	1,011	295	469	400	494
Accumulated Agriculture Credit Portfolio	6,675	6,293	5,350	4,525	3,816	3,373
Public Sector Deposits	4,302	4,209	3,517	3,159	2,820	2,805
Micro-Credits	1,952	1,364	1,375	1,112	1,004	798
Credits to the Segment of Tourism in accordance to law in force	978	692	735	442	466	343
Mortgages according to the Special Law for the Protection of the Housing Loan Debtor	3,652	3,377	3,202	3,012	2,635	2,117
Financial Soundness Ratio	8.77%	10.15%	8.85%	9.73%	9.34%	8.80%
Manufacturing Loans	3,808	2,508	2,417	1,889	2,112	1,268

Banesco Banco Universal, C.A. | Trusts

Stated in million VEF

	DEC. 2011	JUN. 2011	DEC. 2010	JUN. 2010	DEC. 2009	JUN. 2009
HERITAGE TRUST	7,822	7,141	6,789	6,394	5,710	5,851
INVESTMENT TRUSTS	1,198	1,629	846	1,297	620	691
Individuals	127	712	91	64	50	57
Corporative Entities	521	138	144	114	98	84
Central Administration	5	2	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	546	776	611	1,120	472	551
GUARANTEE TRUST	1,776	1,339	1,338	1,251	1,078	1,078
Individuals	1	1	1	6	1	2
Corporative Entities	1,763	1,326	1,325	1,233	1,065	1,064
Central Administration	0	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	12	12	12	12	12	12
MANAGEMENT TRUST	4,438	3,896	4,387	3,635	3,802	3,896
Individuals	1,190	942	822	923	784	639
Corporative Entities	129	159	128	183	221	271
Central Administration	78	71	66	67	30	21
Public, State, Municipal and Central Administrations	0	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	3,041	2,724	3,371	2,463	2,766	2,966
FEATURES MIXED TRUSTS	410	277	218	210	210	186
Individuals	0	0	0	0	0	0
Corporative Entities	0	0	0	0	0	0
Central Administration	0	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	410	277	218	210	210	186
OTHER TRUSTS	0	0	0	0	0	0
Individuals	0	0	0	0	0	0
Corporative Entities	0	0	0	0	0	0
Central Administration	0	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	0	0	0	0	0	0

Banesco Banco Universal, C.A. | Principal Financial Indicators

	DEC. 2011	JUN. 2011	DEC. 2010	JUN. 2010	DEC. 2009	JUN. 2009
1. EQUITY						
Equity + Operative Management / Total Assets	8.77%	10.15%	8.85%	9.73%	9.34%	8.80%
Non-Productive Assets / Equity + Operative Management	391.00%	297.52%	435.39%	312.46%	372.98%	332.17%
2. ASSETS QUALITY						
Loan Portfolio Provisions / Gross Loan Portfolio	2.25%	2.37%	2.43%	2.81%	2.19%	2.03%
Non Accrual Loans / Gross Loan Portfolio	0.96%	1.38%	1.30%	1.49%	1.95%	1.91%
3. MANAGEMENT *						
Personnel Expenses + Operative Expenses/ Average Productive Assets	7.93%	8.97%	9.55%	9.30%	8.26%	8.10%
Personnel Expenses + Operative Expenses / Financial Income	44.88%	50.07%	52.81%	52.47%	44.68%	42.24%
4. EARNINGS *						
Net Results / Average Assets	3.35%	2.32%	2.06%	1.90%	1.60%	1.58%
Net Results / Average Equity	39.44%	26.45%	23.60%	21.95%	19.20%	19.02%
5. LIQUIDITY						
Availability / Customer Funds	32.11%	28.50%	37.85%	30.35%	30.75%	28.43%
Availability + Investment in Securities / Customer Funds	42.13%	41.49%	43.24%	37.71%	41.10%	42.16%

* Annual Percentages

Credit Portfolio per Type of Economic Activity | December 2011

Stated in Million VEF

	Total	Composition
Agriculture, Fishing and Forest	6,017	14.04%
Hydrocarbons and Mining Exploitation	3	0.01%
Manufacturing Industry	3,808	8.88%
Electricity, Gas and Water	52	0.12%
Construction	4,505	10.51%
Trade, Restaurants and Hotels	9,226	21.52%
Transport, Storage and Communications	771	1.80%
Financial Establishments, Real State and Services Provided to Companies	17,568	40.98%
Community, Social and Personal Services	919	2.14%
Non Well-specified Activities	0	0.00%
TOTAL	42,870	100.00%

Banesco Banco Universal, C.A. | Social Balance Accumulated 1998 - 2011

Stated in Million VEF

DESCRIPTION	2011	Accumulated 1998 - 2011
SOCIAL INVESTMENT		
Application Banesco Resources	29,146,327	181,187,114
Fe y Alegría	1,481,640	23,237,019
State Foundation for the Venezuelan System of Children and Youth Orchestras (FESNOJIV)	1,000,000	10,853,665
Association of Venezuelan Catholic Education (AVEC)	1,000,000	7,036,091
Universities and Other Institutions	858,128	7,505,203
Banesco Life-Long Scholarships	342,256	1,816,951
Other Education Institutes and Organizations	458,265	2,345,758
Venezuelan Foundation against Child Paralysis	—	1,693,919
Venezuelan Red Cross	—	701,945
Other Health and Medical Care Organizations	180,471	1,375,507
FUNDANA	—	1,725,254
Civil Association Don Bosco Houses Network	693,127	2,164,332
Salesian Ladies Civil Association	250,000	1,579,441
Attendance to the childhood and people with special neccessities	274,970	2,376,940
Toys donation to the communities	—	3,108,451
Editorial Projects	428,297	5,122,355
Computers donations	—	417,958
Other contributions	26,638	6,597,705
Solidarity (Capital and Regional)	—	4,173,892
Social Undertaking Project with the IESA	1,290,000	2,580,000
Words for Venezuela	—	3,307,401
Investment in works in Colinas de Bello Monte	358,409	3,391,532
Social work of the Church	—	947,717
Mayoralties, regional governments and other State Organizations	1,240,454	5,785,708
Non-Contractual Social Benefits for Banesco Employees	19,200,579	80,698,192
Corporate Volunteering Contribution	63,093	644,178
APPLICATION OF ARTICLE 96 (LOCTISEP)	—	33,612,457
Association of Venezuelan Catholic Education (AVEC)	—	4,434,352
Children Museum	—	300,000
FUNDANA	—	110,000
Alliance for Venezuela Free of Drugs	—	100,000
ABC PRODEIN (School Santa María City, Petare, CISAMA)	—	276,000
Educational Foundation Canaima Schools	—	571,950
Civil Association Don Bosco Houses Network	—	2,853,406
Education (Campaign against drugs and sports events)	—	24,966,749
TOTAL INVERSIÓN SOCIAL	29,146,327	214,799,571
CONTRACTED COMMITMENTS	333,324	333,324
Fe y Alegría	333,324	333,324
TOTAL CONTRACTED COMMITMENTS	333,324	333,324
GENERAL TOTAL SOCIAL INVESTMENT PLUS COMMITMENTS MADE	29,479,651	215,132,895

Directors

Juan Carlos Escotet	Gonzalo Clemente
Luis Xavier Luján	Miguel Ángel Marcano
Salvador Eduardo Cores	José Rafael Padrón
María Josefina Fernández	Daisy Josefina Véliz
Nelson Orlando Becerra	Olga Elena Marcano
Fernando Crespo	

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 Ganadero.

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

CANADA Royal Bank of Canada.

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

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, Banco Santander.

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

CURAZAO Maduro & Curiel's Bank.

DENMARK Danske Bank, 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 El Salvador (antes Banco Cuscatlán), Banco Agrícola, HSBC BANK (antes Banco Salvadoreño).

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

FINLAND Nordea Bank.

FRANCE Crédit Industriel et Commercial, 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 Banca Nazionale del Lavoro, Unicredit Group, Intesa – San Paolo.

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.

MALTA FimBank

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

NICARAGUA Banpro, Bancentro.

NORWAY Nordea Bank.

NEW ZEALAND ANZ 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., La Caixa.

SWEDEN Nordea Bank, Svenska Handelsbanken.

SWITZERLAND Commerzbank AG., Deutsche Bank

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

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

Banesco International Presence Group

- ▶ Banesco S.A., Panamá (before Banesco International Bank Inc.)
- ▶ Banesco USA (Miami, Puerto Rico)
- ▶ Banesco Banco Múltiple, S.A. (República Dominicana)

Representative Offices

Banesco Banco Universal C.A., Bogotá

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Semester Report Second Half 2011

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