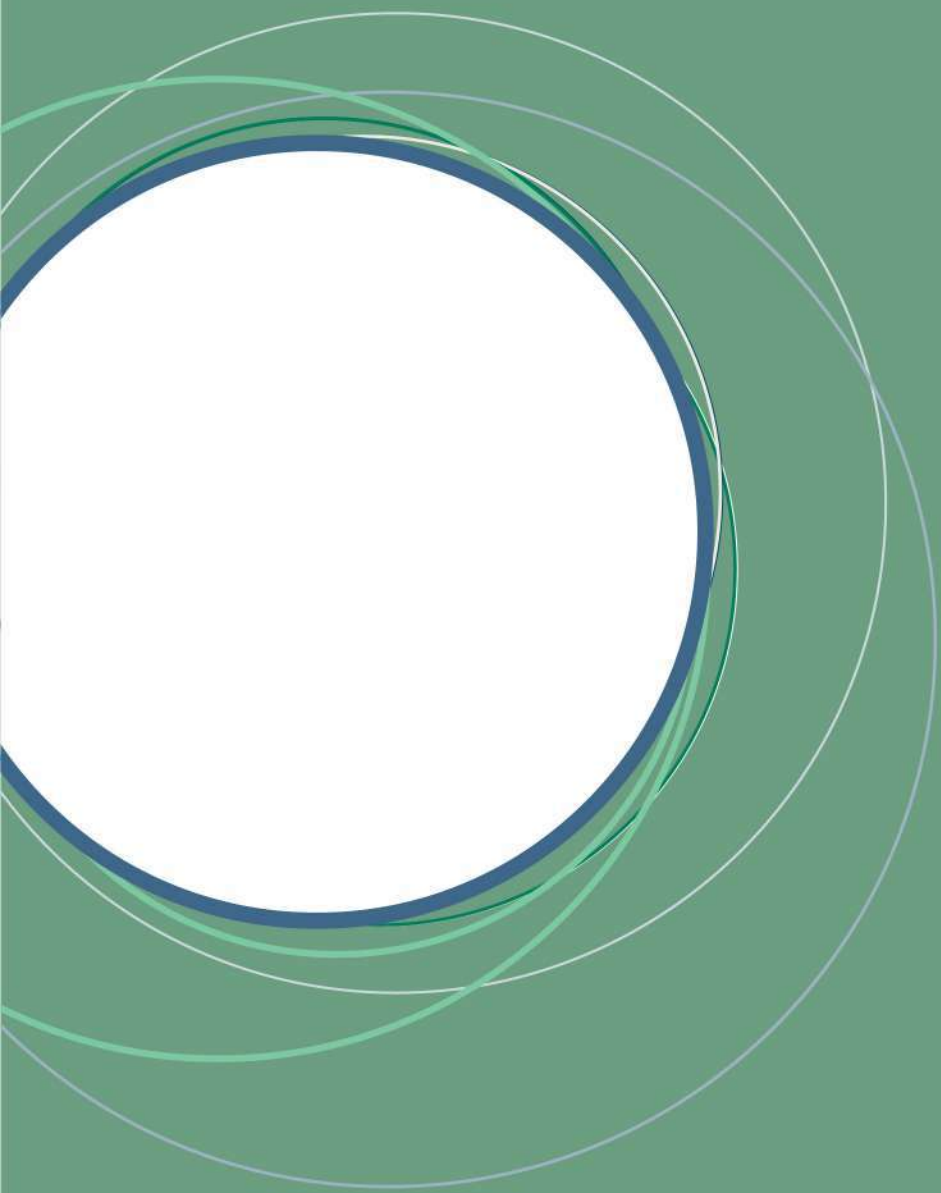
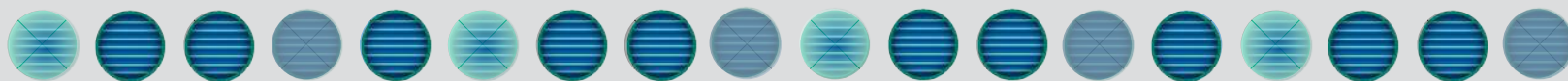


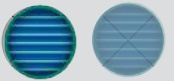
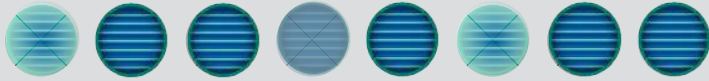
CORPORATE AND
SUSTAINABILITY
RESPONSIBILITY
REPORT
2016





INDEX

To Our Clients, Workers, Shareholders and Social Partners	2
Organizational Profile	
● Mission, Vision and Values	4
● Main Impacts, Risks and Opportunities	5
● Financial Summary	9
The Internal Dimension of our Social Responsibility	
● Corporate Government	14
● Our Shareholders	25
● Our Human Capital	27
The External Dimension of Our Social Responsibility	
● Our Social Partners and Social Action in the Community	52
● Banesco Corporate Volunteering Work	62
● Our Clients	65
● Banesco Community Bank	78
● Our Environmental Commitment	82
● Our Suppliers	87
● Our Commitment with the Authorities	92
Drafting process of the Corporate Sustainability and Responsibility Report	95
Our Commitment	98
1998-2016 Banesco Social Balance	102
GRI-G4 Table of Contents	103
Specific and General Basic Contents	
Performance Assessment Approach	
Auditor's Report	118
Opinion Survey	121



TO OUR CLIENTS, WORKERS, SHAREHOLDERS AND SOCIAL PARTNERS

G4-1, G4-2

In Banesco's history, 2004 represents a qualitative leap forward: that year we published for the first time a Corporate and Sustainability Responsibility Report. Thirteen years have passed since then. During that time, many things have changed in Venezuela and around the world regarding the link between business and society. I would like to dedicate some brief reflections on this particular issue.

At that time, barely auspicious forecasts were circulating for Corporate Social Responsibility: many people said that it was a passing phenomenon, a variant of philanthropy, which had acquired the connotations of a temporary fad. Consequently, it would have a short existence. Other criteria, also respectable, held that the main responsibility of companies -producing and generating employment- should not be distracted or moved away from those objectives. Following this perspective, it seems that essential tasks such as education, culture, sports or health should remain the exclusive competence of the State.

Although it seems a relatively short time to make a definitive diagnosis, what has happened so far goes in the opposite direction to those estimates. Corporate Social Responsibility has shown that it is not a passing fad. On the contrary, inside and outside Venezuela it has expanded in many directions.

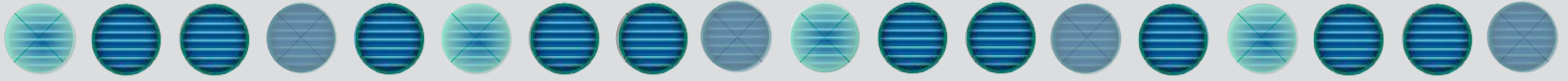
In thousands and thousands of companies in all countries, Corporate Social Responsibility has been incorporated into the conceptual and operational core of organizations, with all its implications and consequences. An enormous effort is made in planning, goal setting, development of professional practices and program execution, with the same discipline and rigor with which productive

tasks are executed. Indeed, more and more companies are assuming the real exercise of solidarity as one of their primary tasks.

The other issue is, if you like, even more important: the idea that social objectives are the exclusive responsibility of States. This is undoubtedly a complex issue, which requires nuances. It is true that the State has and must retain the power to direct policies and action programs that guarantee the fulfilment of social rights: health, education and cultural goods. But this does not mean that other actors in society, while respecting the legal and ethical framework, do not contribute, to some extent, to the responses demanded by the society, not only in the areas previously mentioned, but also in many others.

If we compare the state of affairs between now and 2004, we must recognize that the general situation, within and outside our borders, has become more complex. There are growing difficulties, unrest and debates that have intensified. Businesses are not immune to them. Often, many of these issues question them directly. It is enough to mention the question of the indispensable welfare of the workers to understand that Corporate Social Responsibility has become a key factor of Sustainability. I believe that it is more than necessary for companies to join social efforts: it is urgent and strategic. And that is what, in Venezuela and in all the operations of Banesco International, we are doing great efforts since this policy is a priority for the bank.

This 2016 Corporate and Sustainability Responsibility Report not only presents the economic results of the management area, but it sets out the achievements in two fundamental areas of our endeavors: the social responsibility and the environment. These are the emblems of these reports: we have conducted a solid transparency



G4-1 policy for our customers, our social partners, the authorities and the citizens interested in these issues. This 2016 report fully responds to these parameters:

Among the things that I have chosen to mention in this letter, one is particularly relevant: we have consolidated our programs of technological updating and strengthening of critical processes. We have made significant investments, which are doubly beneficial: they help improve our response capabilities today, but we want that our platform becomes more robust in the future. Our customers and Banesco's team are the first to benefit from this. Readers of this report should know that there is not a minute of our management time when we are not executing a project for the next few years. We are ready to meet the demands of our customers and the times ahead.

2016 was a year of great significance: Banesco Community Banking -BCB- celebrated its tenth anniversary. It would be difficult to sum up the emotions experienced here, when assessing the personal, family and social impact of this initiative, which has occupied and continues to occupy a privileged place in our prides. A few figures can give a clear idea of what the BCB has executed in a decade: almost 440,000 clients, distributed in 8,653 communities, who have been granted with more than 300,000 loans for labor and productive purposes. These numbers are the doors to thousands and thousands of stories of entrepreneurship, progress and an unwavering faith in the future of the Venezuelan nation.

Inseparable from the above, due to its sense and penetration, the results of the Micro-entrepreneur Training Program are a great example: there are more than 16,651 new graduates. They, from now on, will have better management skills, administrative capacities, managerial and technological tools that improve the productive reality of their businesses and increase their competitive potential.

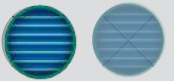
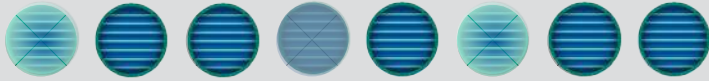
Some of the figures for 2016 are very relevant and they have to be highlighted: at the end of the year, the financial

assets accounted for VEF 2.15 B, equivalent to 16.45% of the market. This confirms us as the first bank in the country in this line. Our gross loan portfolio reached VEF 64 B, equivalent to 16.11% of the market. This amount represented the largest volume among Venezuela's private equity banks. In the following pages, you will find information on the growth of our network of Points of Service (agencies, ticket offices and Banesco Express), points of sale, ATMs and non-bank correspondents.

An overall view leads to this conclusion: 2016 was a period of consistent work in favor of the future of Banesco, its workers, its customers and the country. Our organization has established agreements with prestigious institutions such as Universidad Católica Andrés Bello –the campus of Caracas and Puerto Ordaz- and Universidad de Margarita. We have kept our social projects through the support of foundations such as the Venezuelan Association of Catholic Education –AVEC by its acronym in Spanish- the Venezuelan Foundation against Child Paralysis, the Maracaibo Pediatric Specialties Hospital, the Venezuelan Anticancer Society, Fundana, SenosA-yuda and other institutions. We have undertaken numerous actions for the benefit of our workers. This policy constitutes itself a particularly relevant chapter in this accountability process. We want to ratify that Banesco's activism is not rhetorical: we work every day with discipline for the welfare of our workers. We have a solid plan and we have the best expectations, which will clearly described in the pages of the 2016 Corporate and Sustainability Responsibility Report.

JUAN CARLOS ESCOTET RODRÍGUEZ

**Chairman of the Board of Directors
Banesco Banco Universal, C.A.**

G4-3, G4-5, G4-6,
G4-7, G4-56

ORGANIZATIONAL PROFILE

MISSION, VISION AND VALUES

Banesco Banco Universal, C.A. is a 100% Venezuelan capital and financial institution. By means of the Decree with Value and Force of Law of Institutions of the Banking Sector, Banesco is allowed to perform all kinds of licit banking operation. The bank is subjected to the supervision, inspection, control, regulation and surveillance of the Superintendence of the Institutions of the Banking Sector (SUDEBAN).

Its headquarters is placed at Ciudad Banesco, a modern building located in Colinas de Bello Monte, Caracas. Banesco is the financial institution with the largest subscribed and paid-in capital in the Venezuelan financial system, accounting for VEF 1.25 B.

MISSION INNOVATIVE, COMPREHENSIVE AND FINANCIAL SERVICES

We are an entity of comprehensive and financial services, dedicated to know the customers' needs and their satisfaction through relations based on mutual trust, easy and secure access, and excellence in quality service. We combine tradition and innovation with the best human talent and updated technology. We also work to offer a higher customer experience. We are committed to our community

well-being, developing win-win relations with our suppliers and employees and optimizing profitability for shareholders.

VISION INNOVATION AND HUMAN-SENSE EFFICIENCY

- **Banesco is leader in customer experience:** we offer models of attention and customized services, comprehensive, simple, rapid and reliable through the best omni-channel national network.
- **Pioneers in innovation:** we aim at knowing our customers' needs and habits in depth, so we may anticipate their requirements with products, services, innovative channels, technologically integrated. We want to offer a better life quality.
- **Being a human-sense reference:** we keep training our human talent to boost balance, profitability and human quality, deriving into the highest performance standards.
- **With innovation, efficiency and human talent, we support our premise of being close to our clients.** This is the purpose of the "being with you" slogan.

BANESCO VALUES

RESPONSIBILITY

We comply with our tasks devotedly and accurately. We fulfill our promises and make the best use of time. We give the best of ourselves to any person.

RELIABILITY

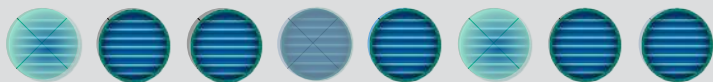
We tell the truth under any circumstances and answer with sincerity. We recognize our mistakes. We ask for help when necessary.

QUALITY

We do our tasks with the greatest care. We intend to be better persons and do our best to overcome our customer's prospects.

INNOVATION

We are a visionary organization. We offer new solutions. We look for ideas and technologies that promote changes.



MAIN IMPACTS, RISKS AND OPPORTUNITIES

G4-2, G4-14,
G4-24, G4-45

Banesco Banco Universal, C.A., is fully committed to pursue its business vision. The bank aims at developing strategies to satisfy the needs and expectations of its customers. Given the current competitive environment, Banesco wants to assure differentiation by anticipating the needs of customers, designing customer service models and personalized, comprehensive, simple, and reliable services, through the best nationwide network.

In this regard, we kept in 2016 our focus on the control and mitigation of global losses. We promoted and strengthened the continuity and monitoring of the key risk indicators approved by the Board of Directors. Those factors remained within the risk levels accepted by shareholders, based on the identification of risks. This identification is achieved through the constant review and monitoring of exposures, evaluation of new and existing products, as well as the accompaniment associated with this analysis. The Risk Models are continuously updated and communication, measurement and training actions are implemented constantly as part of our Risk Culture Plan. Our main goal is providing the necessary tools to Citizens Banesco for risk management in all of their processes.

As part of our strategies, in 2016, we enhanced our systematic training and development plan for our active staff. We follow the last tendencies of the knowledge management, always in search of new strategies to foster the learning of our Human Talent. In 2016, we have taken actions directed to generate the technical improvement of the Citizen Banesco with the purpose of efficiently performing its functions and producing high quality results.

Banesco identifies opportunities with the aim of generating positive experiences and thus contributing to the Bank's level of preference and recommendation. Under the framework of Innovation, Banesco strives to consolidate new trends: the target is focused on Electronic Commerce, a service that supports the activities of our entrepreneurs. Our good and constant attention toward digital businesses has allowed us to have an important growth, which has increased the potentiality of the business, in terms of sales.

The digital culture and awareness is a commitment that Banesco assumed for the savings and collaboration with the environment. We want to make our customers aware of the environment preservation. That is why we promote no printing copies "In our points of sale" for transactions with approved debit and credit cards". This measure allows the rational use of our services and shows the advantages and benefits that our customers have when using the electronic channels consulting the web service BanescOnline for their operations.

During 2016, no significant changes were made to the organizational structure, shareholder ownership or chain of directors of the bank. G4-23

DIALOGUE WITH STAKEHOLDERS, CONSULTATIONS TO CUSTOMERS AND EMPLOYEES

G4-LA15

For Banesco Banco Universal, C.A. -as part of its Corporate Social Responsibility Policy- it is important to know and understand the opinion of its stakeholders in all the implemented projects. That is why we have undertaken actions to develop a strategy based on the relevant issues for them. (See chapters Shareholders page 25; Human Capital page

¹ BANESCO BANCO UNIVERSAL, C.A., considers Stakeholders to be all those individuals or organizations that significantly affect the activities and/or decision-making processes executed by the bank and, at the same time, the people and organizations that in some way may feel impacted by the performance of its business units. The stakeholders at the time are made up of Shareholders, Human Capital, Social Partners, Community, Customers, Suppliers and Authorities.

28; Our Social Partners and Social Action in the Community page 55; Customers page. 69; Our suppliers page 92).

TANGIBLE DIRECT VALUE

G4-EC1
G4-2, G4-13
G4-45

The economic value generated (EVG) at the end of 2016 accounted for VEF 200.93 MM, which represents an increase of 181.85% with respect to VEF 71.29 MM in the previous year.

In 2016 and 2015, among the items that make up the EVG, approximately 82.04% and 84.97% respectively (VEF 199.82 MM and VEF 60.57 MM) correspond to the Trading Market, while 17.41% and 14.55% correspond to the Net Commissions.

The relative participation of the components of the Direct Taxable Value at the end of 2016 and 2015 was represented by: supplier expenses of 37% and 27.68% of the Economic Value Distributed (EVD) and personnel expenses of 20.55% and 16.80%. Regarding the taxes, the tributes accounted for 41.00% and 45.01%, respectively. Thus, the complement corresponding to dividends was equal to 1.44% and 10.50, respectively.

On the other hand, the Economic Retained Value (ERV) increased 207.27% with respect to 2015, closing this period in VEF 80.77 MM.



CREATION OF THE TANGIBLE DIRECT VALUE: DETAILS BY STAKEHOLDERS

THE FIGURES ARE STATED IN MM (VEF)

Stakeholders	Value indicator	2016	2015
Shareholders	Dividends ¹	1,729,219	4,726,469
Employees	Personnel staff ²	24,697,706	7,562,893
Clients	Interest and similar charges ³	25,679,167	14,284,217
Suppliers	Other general administrative expenses ⁴	44,464,361	12,458,722
Society	Taxes ⁵	49,272,913	20,257,566
	Resources for community projects ⁶	184,726	81,153

(1) Source: The Shareholders' Unit Management Area.

(2) Source: SUDEBAN Supplementary Income Statement or CONRP, Transformation expenses (Personal Expenses Group No. 441).

(3) Source: SUDEBAN Supplementary Income Statement or CONRP, Public Collection Expenses (Financial expenses for collection. Group No. 411).

(4) Source: SUDEBAN Supplementary Income Statement or CONRP, Transformation expenses (Item 440 General and Administrative Expenses, excepting 441 Personnel expenses; 449-12 Contributions to the Guarantee of Deposits and Banking Protection Funds; 449-13 Contributions to Superintendence of Banks and Other Financial Institutions).

(5) Source: CONRP (Financial Statements of Banesco Banco Universal, C.A). This item includes: income taxes, municipal taxes and VAT; Contributions to SUDEBAN, FOGADE, SSO, SPF, LPH, INCE and LOSEP. (Accounts: 445-01 Municipal Taxes; 445-99 Other taxes and contributions; 441-22 Employer Contributions; Contributions to the Guarantee of Deposits and Banking Protection Funds; 449-13 Contributions to Superintendence of Banks and Other Financial Institutions; 471 Income Taxes: Contributions to LOSEP [See Published Balance Sheet]. Dispositions of the Law of Communes and the Organic Law on Science and Technology.).

(6) Source: SUDEBAN Supplementary Income Statement or CONRP, Extraordinary expenses (group 450).

ECONOMIC VALUE GENERATED AND DISTRIBUTED

THE FIGURES ARE STATED IN MM (VEF)

G4-2, G4-EC1

Stakeholders	2016	2015
Economic Value Generated (EVG)	200,938,337	71.293.747
Brokerage Margin ⁷	71,293,747	60.579.273
Net Commissions ⁸		10.372.539
Other ordinary incomes ⁹	199.612	291.093
Other Profits and net loss ¹⁰	911.834	50.842
Economic Value Distributed (EVD)	120.164.199	45.005.650
Dividends ¹	1.729.219	4.726.469
Suppliers and general administrative expenses ⁴	44.464.361	12.458.722
Taxes ⁵	49.272.913	20.257.566
Personnel expenses ²	24.697.706	7.562.893
Economic Value Retained (EVR=EVG-EVD)	80.774.138	26.288.097

(7) Source: SUDEBAN Supplementary Income Statement or CONRP (Item 510 Financial Incomes less 410 Financial Expenses plus 520 Incomes for Financial Assets Recovery less 420 Uncollectibility expenses and impairment of intangible assets plus 530 Other Operational Incomes (excepting 533 Incomes for Realizable Property; 537 Incomes for Special Programs and 539 Operational Incomes) less 430 Other Operational Expenses (excepting 433 Expenses for Realizable Property; 435 Depreciation, Amortization and Assets' Impairment Expenses; 439 Other Operational Expenses).

(8) Source: SUDEBAN Supplementary Income Statement or CONRP (Item 530 Other Operational Incomes, excepting 533 Incomes for Realizable Property; 537 Incomes for Special Programs and 539 Other Operational Incomes) less 430 Other Operational Expenses (excepting 433 Expenses for Realizable Property; 435 Depreciation, Amortization and Assets' Impairment Expenses; 439 Other Operational Expenses).

(9) Source: SUDEBAN Supplementary Income Statement or CONRP (Account 539 Other Operational Incomes).

(10) Source: SUDEBAN Supplementary Income Statement or CONRP (Account 533 533 Incomes for Realizable Property less 433 Expenses for Realizable Property).

PERCENTAGE SHARE RATE OF THE ECONOMIC VALUE GENERATED

THE FIGURES ARE STATED IN MM (VEF)

G4-2, G4-9, G4-EC1

Economic Value Generated (EVG)	2016	2015
Economic Value Generated (EVG)	281.85%	197.22%
Brokerage Margin ⁷	82.04%	84.97%
Net Commissions ⁸	17.41%	14.55%
Other ordinary incomes ⁹	0.10%	0.41%
Other Profits and net loss ¹⁰	0.45%	0.07%
Economic Value Distributed (EVD)	281.85%	197.22%
Dividends ¹	1.44%	10.50%
Suppliers and general administrative expenses ⁴	37.00%	27.68%
Taxes ⁵	41.00%	45.01%
Personnel expenses ²	20.55%	16.80%

PARTICIPATION OF BANESCO IN THE EMPLOYMENT
AND THE BANKING GDP SYSTEM

Banesco Banco Universal, C.A., due to its size and volume of business, is the first Venezuelan private banking group. This financial institution has an outstanding place in the creation of economic value at national level and contributes significantly to the generation of the GDP with its business activity.

At the end of December 31, 2016, the total number of employees of Banesco Banco Universal, C.A. accounted for 8,981: 5,747 (69.99%) women and 3,234 (36%) men.

G4-2; G4-9
G4-33; G4-37
G4-EC1

INDIRECT AND INDUCED GENERATED VALUE

The Indirect Value is the specific set of incomes and other shares resulting from the indirect employment driven by the bank's activity. As a whole, these effects operate through multiple channels, such as: the activities stimulated by the bank's customers by virtue of the products and services provided to them, and the dynamics generated by suppliers through the operations they execute to materialize the activities contracted by customers. The identified effects can also be extended to the more indirect impulses generated by the bank's actions on the environment.

DIALOGUE WITH THE STAKEHOLDERS AND MATERIALITY

It is important for Banesco Banco Universal, C.A. to maintain a dialogue process with its stakeholders to identify relevant issues and, thus, define the sustainability strategy to be implemented.

These relevant issues are the objectives on which the bank has developed its Strategic Planning. This policy will enable Banesco to have a better relationship and approach with all its stakeholders. This strategy is focused on managing the business in a responsible, ethical and sustainable manner to have a high impact on the stakeholders.

In this sense, we have aligned ourselves with the guidelines issued by the Specialized Agencies, since this strategy allows us to optimize the processes designed in terms of Corporate Social Responsibility. Likewise, this Report has been prepared under the guidelines established by the Global Reporting Initiative through Guide 4, jointly with the provisions established in its sectoral supplement.

The Bank has kept a process of identifying, segmenting and prioritizing its stakeholders, taking into consideration the specific characteristics that make up each one of them. This approach has been implemented considering the experience of the relationships that we have kept with the stakeholders over the years. This has allowed us to set objectives and interact with each group in order to know their demands and the environment in which they operate, as well as designing strategies in order to respond to their expectations over time.

To prepare the Matrix containing the material aspects on which this Sustainability and Corporate Social Responsibility

Report is based, we take into account the country context and the needs that our Stakeholders have expressed to us through the different forms of dialogue and listening that we have established with each of them.

According to the recommendations of the Global Reporting Initiative (GRI) Standards, the Process consists of 3 stages: identification, prioritization and validation.

1. **Identification:** In this first step, a detailed review of the issues raised by our groups of interest was executed through the following mechanisms:

- **External Reputation Surveys:** Internal Orientation, Ethics, Work, Leadership and Innovation (Among other variables to be measured).
- **Customer Experience Plan:** these are executed to improve the quality of service offered to our customers. The idea is to provide positive, consistent and permanent interactions over time in all customer contacts. This includes, among others: Banesco Channels Net Recommendation Index (POS/ATM/ CAT/BOL), Benchmark, TDC SMEs and Satisfaction Community Banking Satisfaction.
- **Brand Equity.**
- **"Communication Leadership and Reputation".** This study aims at evaluating the contribution and impact of the communication of the Banesco brand, its reputation and corporate leadership. This has a periodicity of 3 to 4 years.

2. **Prioritization:** Once the internal analysis had been done to determine the level of attention to each of the stakeholders, the issues requiring greater attention were redirected according to their indications, establishing strategic lines and including the necessary actions in order to cover their demands.

3. **Validation:** Upon detailing these important issues, the Executive Vice-presidency of Corporate Social presented before the Committee of Communications and Corporate Social Responsibility and the Board of Directors, the topics relevant for the entity and the stakeholders.

G4-DMA

FINANCIAL SUMMARY

GROWING

	I SEMESTER 2015	II SEMESTER 2015	I SEMESTER 2016	II SEMESTER 2016	II SEMESTER II SEMESTER 2015		II SEMESTER I SEMESTER 2016	
					ABSOLUTE	%	ABSOLUTE	%
The figures are stated in MM (VEF).								
TOTAL ASSETS	509.381	789.266	982.065	2.150.046	1.360.780	172,4%	1.167.981	118,9%
<i>Availabilities</i>	157.050	209.004	260.161	905.021	696.017	333,0%	644.860	247,9%
<i>Investments in securities</i>	104.065	152.381	154.581	189.015	36.634	24,0%	34.434	22,3%
<i>Gross Credit Portfolio</i>	235.245	386.778	522.615	976.914	590.136	152,6%	454.299	86,9%
PUBLIC COLLECTIONS	453.842	701.077	859.762	1.918.802	1.217.725	173,7%	1.059.040	123,2%
<i>Demand Deposits</i>	387.279	605.820	752.409	1.723.375	1.117.555	184,5%	970.965	129,0%
<i>Saving Deposits</i>	59.851	87.884	99.364	182.924	95.040	108,1%	83.560	84,1%
<i>Time Deposits</i>	732	861	852	1.170	309	35,8%	318	37,3%
<i>Others</i>	5.980	6.512	7.137	11.334	4.822	74,0%	4.197	58,8%
TOTAL PATRIMONY	37.920	54.209	65.976	101.999	47.790	88,2%	36.023	54,6%
TRUST ASSETS	18.774	20.985	28.125	34.701	13.716	65,4%	6.576	23,4%
HOUSING SAVINGS FUNDS	15.750	19.096	23.105	30.916	11.820	61,9%	7.811	33,8%
<i>Financial Incomes</i>	26.821	44.746	62.204	111.577	66.832	149,4%	49.374	79,4%
<i>Financial expenses</i>	6.299	8.059	12.141	13.934	5.874	72,9%	1.793	14,8%
<i>Gross Financial Margin</i>	20.521	36.686	50.063	97.644	60.958	166,2%	47.581	95,0%
<i>Brokerage Financial Margin</i>	21.706	38.873	56.320	108.534	69.660	179,2%	52.214	92,7%
<i>Transformation Fees</i>	9.835	16.395	29.941	48.659	32.264	196,8%	18.718	62,5%
<i>Income taxes</i>	1.244	5.850	8.199	16.373	10.522	179,9%	8.173	99,7%
NET INCOME	9.364	13.935	13.955	35.344	21.409	153,6%	21.389	153,3%
ACCRUED AGRICULTURAL PORTFOLIO	36.042	55.155	73.335	96.502	41.347	75,0%	23.167	31,6%
OFFICIAL ENTITIES COLLECTION	21.008	21.459	42.953	49.033	27.574	128,5%	6.080	14,2%
MICROCREDITS	11.918	17.994	19.425	22.810	4.816	26,8%	3.385	17,4%
COMMERCIAL CREDITS	97.149	176.914	241.357	538.245	361.330	204,2%	296.888	123,0%
CONSUMPTION CREDITS	44.465	81.372	125.604	212.775	131.403	161,5%	87.172	69,4%
VEHICLES	8.990	12.980	15.155	23.973	10.993	84,7%	8.818	58,2%
CREDIT CARDS	44.465	81.372	125.602	212.775	131.403	161,5%	87.173	69,4%
MORTGAGE LOANS	12.545	16.870	18.923	23.737	6.867	40,7%	4.814	25,4%

RATIO

<i>Provision of Credit Portfolio / Gross Immobilized Portfolio</i>	678,80%	2196,79%	1475,34%	1824,74%
<i>Immobilized Portfolio / Gross Credit Portfolio</i>	0,41%	0,12%	0,17%	0,14%
<i>Net Result / Average Assets</i>	4,29%	4,42%	3,21%	4,21%
<i>Net Result / Average Patrimony</i>	56,58%	60,40%	46,19%	69,45%
<i>Extended Liquidity</i>	42,52%	39,00%	38,08%	51,58%

MATRIX OF MATERIALITY

The material issues included in the materiality analysis are under constant review. If adjustments are required over time, they will be made and reported to all stakeholders in a timely manner, indicating the impacts they cause, as well as the actions taken to ensure the strategies adopted. In this way, we remain at the vanguard to consolidate our capacity to respond for future contingencies.

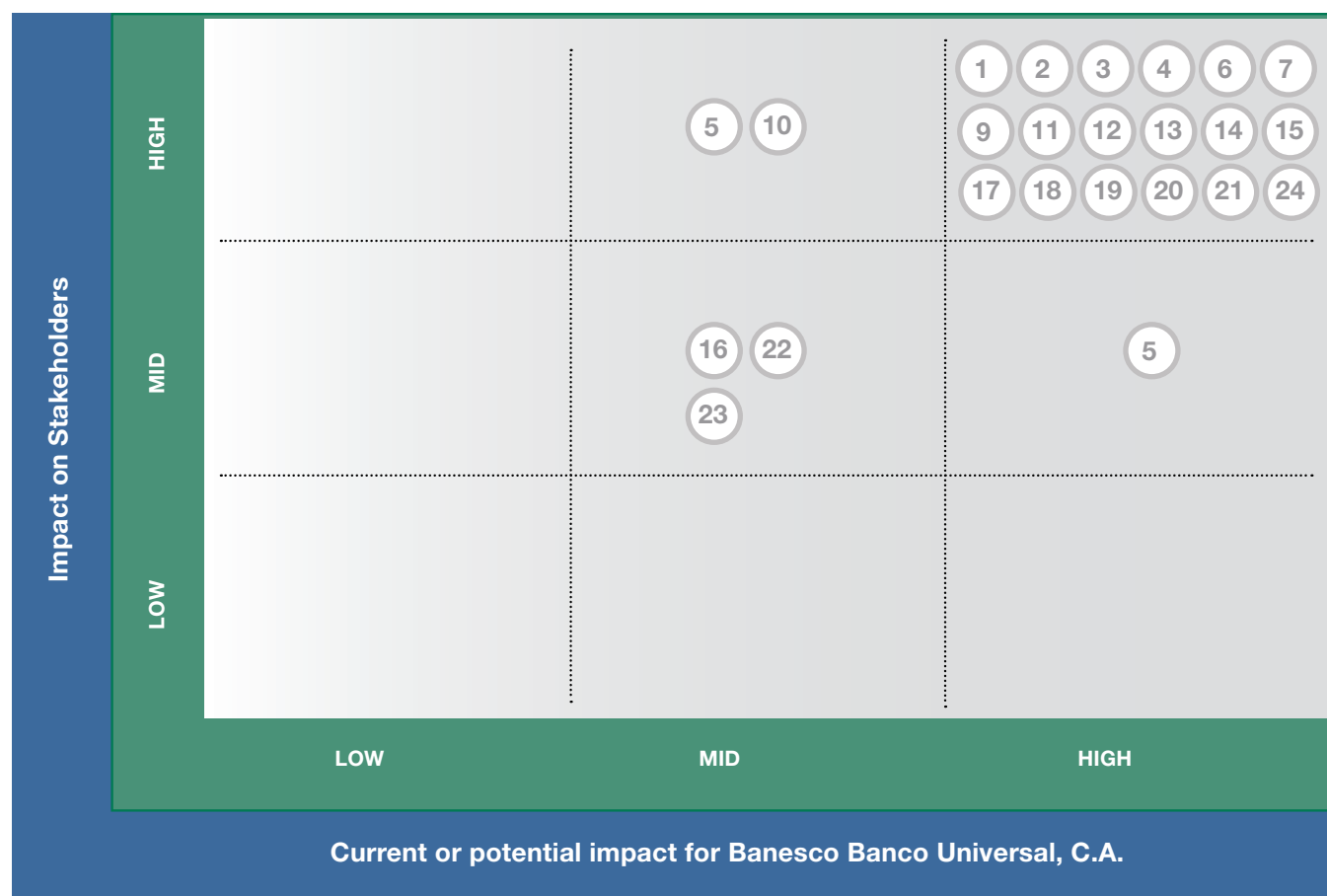
Our business model considers the material issues important for the Stakeholders and the Bank. Responding to their expectations is within the priorities and strategies executed by senior management.

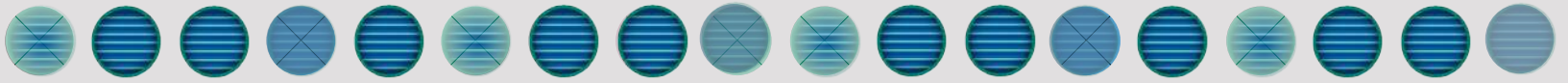
N°	Matters and Material Issues	STAKEHOLDERS						LEVEL OF RELEVANCE		Main Actions
		Shareholders	Human Capital	Clients	Social Partners Community	Suppliers	Authorities	Bank	Stakeholders	
1	● Maintaining the highest ethical standards and transparency in operability and the comprehensive business development.	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Maintenance and boosting of good corporate governance. ► Active answer to new normative requirement.
2	● Ensuring the bank's financial solvency.	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Continuous monitoring of the Control Systems.
3	● Boosting good corporate governance and the application of best practices.	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Monitoring of the fulfillment of the Code of Ethics of Citizen Banesco.
4	● Transmitting all financial, corporate and relevant information in a sufficiently and accurately manner.	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Creation of Economic, Direct and Indirect Value through the efficient banking activity. ► Maintenance of financial indicators, solvency, profitability, liquidity, etc.
5	● Presence in the market.	X		X	X			High	Mid	<ul style="list-style-type: none"> ► Management of delays and provisions.
6	● Prevention of Banking and Financial Crimes and Training Programs in the Prevention of ML/FT.	X	X	X		X	X	High	High	<ul style="list-style-type: none"> ► Management of business diversification.
7	● Model of Social Corporate Responsibility Management/Management/ Dialogue with our stakeholders	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Support and bank inclusion of all sectors in the country. ► Constant update. Technology and innovation of products and services to the people's needs.
8	● Legal aspects: Fines, administrative procedures, claims before regulating bodies and other entities	X	X	X	X	X	X	Mid	High	<ul style="list-style-type: none"> ► Presence of the Customer Defender and the Bank User ► Unit for Customer Defense./
9	● Maintaining lasting relations with clients, in a long term, staying, through products and innovative services, adapted to the needs and client risk profiles.	X	X	X	X	X	X	High	High	<ul style="list-style-type: none"> ► Compliance of provided time with greater efficiency and accuracy ► Studies on the different business sectors. Interaction with the clients and the community based on their specific needs. Interaction based on segmentation to know and tackle the timely needs.
10	● Optimizing the claims mechanisms and Quality Management.	X	X	X		X	X	Mid	High	

G4-19, G4-20
G4-21, G4-24
G4-25, G4-26
G4-27, G4-37
G4-43, G4-45
G4-46, G4-47
G4-49

		STAKEHOLDERS						LEVEL OF RELEVANCE		Main Actions
N°	Matters and Material Issues	Shareholders	Human Capital	Clients	Social Partners Community	Suppliers	Authorities	Bank	Stakeholders	
11	● Information Security.	X	X	X			X	High	High	Adaptation in the headquarters and in the branches, boxes and preferential customer attention for disabled people, elderly and pregnant women.
12	● Maintaining promotions and benefits: Relation Quality/Price (Commissions and regulating interests)	X	X	X		X	X	High	High	Support for entrepreneurs, small mid-sized companies regarding the training of activities under process.
13	● Access to people with disabilities	X	X	X	X	X	X	High	High	Development and sustenance of productive projects.
14	● Management of the Organizational Environment	X	X					High	High	Assessment of the Organizational Environment and determination of the actions to apply.
15	● Boosting the training and professional development of the staff	X	X	X			X	High	High	Programs and Training and Professional development designed for the bank's personnel.
16	● Boosting the dialogue with High Management Employees.	X	X					Mid	Mid	Programs and Activities oriented to life-work conciliation.
17	● Promoting non-contracting benefits.	X	X					High	High	Development of Corporate Volunteering.
18	● Methods of Assessment and Performance.		X					High	High	Implementation of the Code of Ethics of Citizen Banesco / Mailbox for Suggestions and Claiming Procedure.
19	● Assessment of particular community needs.	X		X	X			High	High	Assessments by taking into account the consideration of performance and the level of responsibility / assumed functions.
20	● Management of Social Programs.	X			X			High	High	Diversity and opportunities equality.
21	● Corporate Volunteering.		X		X			High	High	Non-contracting benefits Initiatives to improve the access of disfavored people to financial services.
22	● Contributing to the adequate application of eco-efficiency.	X	x		X			Mid	Mid	Generation of microcredits programs in the mid-low areas to foster financial inclusion
23	● Process of Suppliers contracting.	X				X		Mid	Mid	Management and efficiency in the administration of all the bank's resources.
24	● Adhesion to the Code on Ethics and Behavior of Citizen Banesco	X	X	X	X	X	X	High	High	

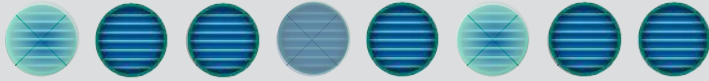
G4-19, G4-20
G4-21, G4-27
G4-37, G4-45
G4-46, G4-47





THE INTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY

G4-13

G4-40
G4-49

CORPORATE GOVERNMENT

OUR MISSION

The Corporate Government is responsible for the design, development and implementation of effective strategies aimed at optimizing the management and performance of the Corporate Governance System in Banesco Banco Universal, C.A. We promote an articulated system based on synergy schemes, which ensure a correct functioning of the governing bodies' and the decision-making processes. We are focused on the profitability and sustainability of the bank.

MANAGEMENT

In 2016, Banesco Banco Universal, C.A. enhanced the promotion of its practices by implementing the following world standards in the Corporate Lines (aimed at guaranteeing the effective operation of the Corporate Governance System of Banesco):

- | Implement a governance structure model aligned with the corporate standard,
- | Ensure that the profiles of the Board of Directors are tailored to particular challenges with a high level of commitment,
- | Develop a management scheme based on the best practices of "Good Corporate Governance" and
- | Develop a management scheme based on the best practices of "Good Corporate Governance".

BODIES AND MECHANISMS OF THE CORPORATE GOVERNANCE SYSTEM

The Bank holds a governance structure consisting of the Shareholders' Meeting, the Bank's Board of Directors, the Chairman of the Board of Directors, the Executive Chairman, the Compliance Officer for the Prevention of Money Laundering and Terrorism Funding, the Internal Auditor, the Executive Committee, the Thematic Committees (Directors and Executives) and the different Executive Directors of the bank.

The Vice-chair of Corporate Governance defines and creates the normative base for the implementation and development of the management of the bank's Corporate Governance System under the highest world standards of corporate governance in order to ensure the bank's preservation and the creation of value for shareholders and other stakeholders.

SHAREHOLDERS MEETING

It represents the universality of the shareholders and has the supreme management of the company. Its acts and resolutions are binding on the company, as well as all its shareholders.

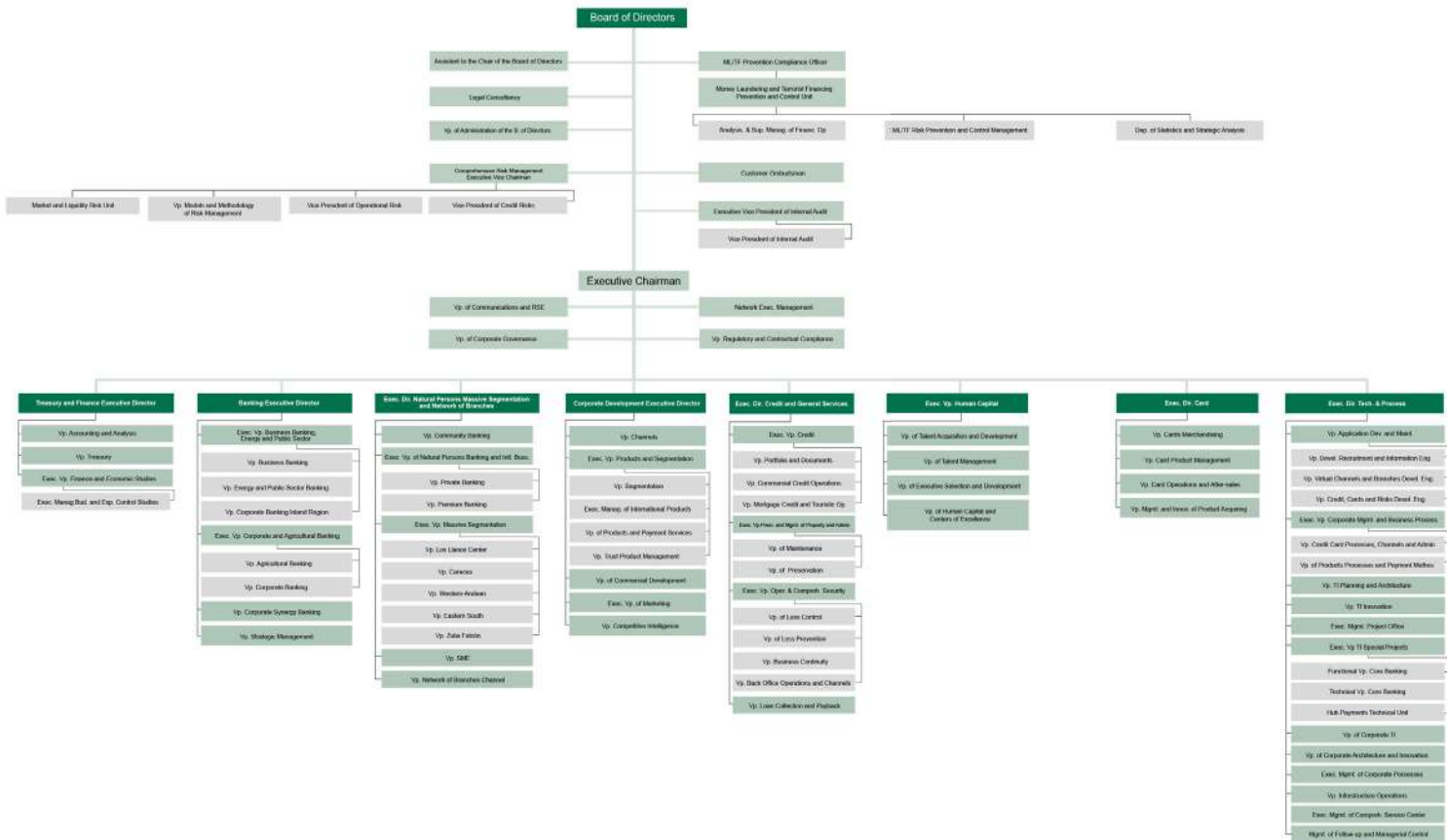
BOARD OF DIRECTORS

The Board of Directors of Banesco Banco Universal, C.A. is made up of qualified people, with wide experience in different banking areas, with recognized solvency and reputation. This philosophy guarantees the best fulfillment of their duties. The majority of the incorporated Directors are independent from the administrative bodies of the bank. Its main function is the management and general administration of the businesses and operations of the Bank, including its policy of Corporate Social Responsibility.

The Board of Directors is responsible for the definition and strategic direction of the Organization, and also approves the business principles and policies, regulating the autonomy of executive decisions to ensure the interests of shareholders and the continuity of the business. Additionally, the Board of Directors controls the work of the bank's operating and functional areas. Likewise, this body assesses and compares the business projections and results of each year with those of previous years. The Board of Directors meets every two weeks.

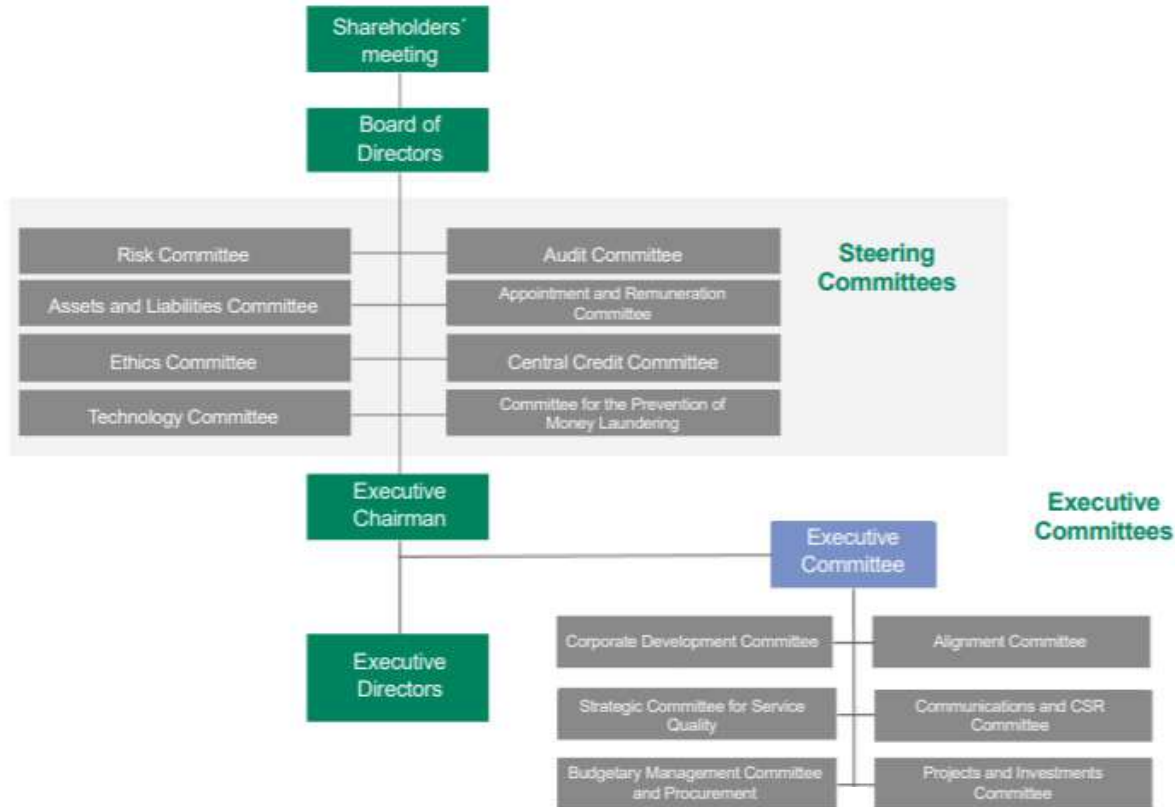
G4-34, G4-35
G4-38, G4-40
G4-42

ORGANIZATIONAL CHART OF THE CORPORATE GOVERNMENT OF BANESCO BANCO UNIVERSAL, C.A.



ORGANIZATIONAL CHART OF THE CORPORATE GOVERNMENT OF BANESCO BANCO UNIVERSAL, C.A

G4-34, G4-35
G4-38, G4-40
G4-42, G4-49



This governance body is also responsible for the identification and management of economic, environmental and social impacts, as well as risks and opportunities. The Board of Directors analyzes the effectiveness of the organizational processes for risk management in matters of economic, environmental and social issues. The Board works with all the processes for assessing the performance of the higher governance body in the administration of economic, environmental and social issues.

However, these functions of the Board of Directors are delegated to the Risk Management Committee, which comprehensively manages the risks faced by the bank, as well as all the Committees that make up the corporate structure.

Article 30 of the Decree with the Status, Validity and Force of Law of Banking Institutions, published in the Special Official Gazette No. 6,154 dated November 19, 2014, reprinted in the Official Gazette No. 40,557 dated December 8, 2014, provides that the Board of Directors must consist of no less than seven (7) main directors and their respective alternates. One third (1/3) of main and alternate directors may not be shareholders of the Bank, directly or indirectly.

The appointment, re-election and removal of the members of the Board of Directors are undertaken in accordance with the Bank's bylaws, the guidelines established by the Human Capital Steering Committee and the Banking Sector Institutions Law, as well as other provisions issued by the Superintendence of Banking Institutions (SUDEBAN)

The Board of Directors establishes the Bank's remuneration policies. These are applied with the support of the Human Capital Steering Committee, which is responsible for "compensation and remuneration" issues.

Banesco Banco Universal, C.A. has complied with Resolution No. 099-12 and No. 340.08 of the Superintendence of Banking Institutions (SUDEBAN), dated July 10, 2012 and 19 December 2008, respectively, concerning the "Standards to determine compliance with the moral and ethical quality requirements for the conduct of banking business". Likewise, in accordance with the provisions set forth in article 33 of the Banking Institution Law, the Bank reports about designations of executives and Directors appointed by the General Shareholders' Meeting, who shall only perform their functions upon strict compliance with the current legislation.

AVERAGE AGE OF THE
REPRESENTATIVES
OF THE SUPREME
GOVERNING BODY

< 59 YEARS

GENDER RATIO:
REPRESENTATIVES OF
THE HIGHER
GOVERNMENT BODY



G4-34, G4-35
G4-38, G4-39
G4-40, G4-42
G4-48, G4-49
G4-50, G4-51
G4-52, G4-53
G4-DMA

Collaborators can request, through the Secretariat, an agenda item at the Board of Directors to consider their proposals if deemed convenient. Otherwise, they may request the agenda item at any of the Thematic Committees, to use them as a primary discussion channel and a means of institutional support for the topic. In addition, the Bank has different communication and participation channels for workers, such as Buzón Contigo, which allows Citizens Banesco to make comments, ask questions, make recommendations and know more about the products, services and benefits offered by the Organization.

These committees submit a monthly report of their management to the Board of Directors, including the control and follow-up of the commitments taken on by their deliberations, which allows them to finalize the level of effectiveness in the management of these governing bodies.

CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors is subordinate to the Shareholders' Meeting and the Board of Directors and chairs the discussions.

Additionally, he represents the bank and, on behalf of the bank, grants contracts, agreements and, in general, all kinds of documents. The Chairman of the Board of Directors carries out all those actions that are entrusted to him by the Board. The Chairman and the Board of Directors exercise the supreme command of the Bank's activities and represent the institution before any public or private authority. The Chairman of the Board of Directors does not hold an executive position within the Bank.

EXECUTIVE CHAIRMAN

He is appointed by the Board of Directors and is responsible for directing and controlling the administration, processes and integral management of the businesses related to the banking activity executed by Banesco Banco Universal, C.A. in accordance with the powers conferred upon him by the Board of Directors. The Executive Chairman chairs the

Executive Committee and is responsible before the Board of Directors for his actions and management. He is also responsible for the review and approval of the Corporate Responsibility and Sustainability Report and his presence before the Executive Committee.

The executive committees of the bank are structured as follows:

● COMPLIANCE OFFICER ON THE PREVENTION OF MONEY LAUNDERING AND TERRORISM FUNDING

The Compliance Officer is exclusively responsible for the prevention and control of ML/TF offences, and reports directly to the Board of Directors of Banesco Banco Universal, C.A.

He undertakes the supervision and control of the LM/TF Prevention and Control Unit of the Bank and his functions include:

- Chair of the ML/TF Prevention and Control Committee.
- Submit annual and quarterly reports to the President and the Board of Directors of the Bank, containing, inter alia, the progress of the Annual Operational Plan, Annual Training Program on Prevention and Control of ML/TF, and recommendations to improve the adopted procedures.
- Promote and supervise compliance with the policies, procedures, provisions and controls approved by the Board of Directors of the Obligated Party, related to the operation of the Comprehensive Risk Management System of ML/TF.
- Participate with voice in the Risk Committee and report immediately to the Organization's Board of Directors.

G4-34, G4-38
G4-39, G4-40
G4-42, G4-S03

INTERNAL AUDITOR

He is responsible for evaluating the effectiveness and reasonableness of the internal control system and identifying risks, providing timely information, analysis and recommendations in order to ensure that the Organization acts in accordance with the legal and regulatory framework applicable, including the policies and procedures established by the legislation in force. He reports to the Board of Directors, organically, functionally and administratively. The internal auditor relies on the Audit Committee of the Board of Directors to coordinate and supervise the Internal Audit function and assess the performance and evolution of internal controls and risks identified. He suggests necessary modifications and corrections, applies them and makes follow-up on the identified corrective actions.

THEMATIC STEERING COMMITTEES

These bodies support the exercise of the Board of Directors' responsibilities. This organ ensures the correct execution of controls, promoting compliance with corporate policies and the transparency of the business conducted by the Management Area. Banesco is structured by the following Committees:

● ASSETS AND LIABILITIES COMMITTEE

At Banesco, the Assets and Liabilities Committee (ALCO,

by its acronym in Spanish) is the equivalent body to the so-called "Assets and Liabilities Management Committee", identified in Chapter IV of the "Regulations for the Adequate Comprehensive Management of the Liquidity Risk of Banks" of SUDEBAN (through Resolution No. 136.15 dated 11/11/2015). It is directly responsible for the management of market and liquidity risks (price; interest and exchange) and for the adequacy of assets. It periodically analyzes the degree of exposure to risks and defines the short- and medium-term financial strategies to deal with the risks assumed in accordance with the foreseeable evolution of markets.

● AUDIT COMMITTEE

The Audit Committee has the responsibility of knowing the financial statements to be considered by the Board of Directors and to submit them to the Shareholders' Meeting for approval, assisting the Board of Directors in the implementation of measures to preserve the integrity of the company's financial information. The Committee collaborates, supervises and monitors the internal and external audit of the Bank. The Independent Directors participate in this Committee. The information provided by the Audit Committee eases the supervision, identification and management of the organization's performance. The Committee has its own Rules of Procedure (Statute) for its operation. It meets monthly and is chaired by an Independent Director.

SUMMARY: AUDIT COMMITTEE

Audits performed	Reports issued in 2016		Reports issued in 2015	
	First Semester	Second Semester	First Semester	Second Semester
Branch offices and Agencies				
Caracas	-	157	-	168
Central-East Region	-	66	-	68
West-Andean Region	-	52	-	59
South-East Region	-	64	-	66
North-West Region	-	48	-	49
Total	-	387	-	410
		387		410
Centralized Areas				
Audits performed	First Semester	Second Semester	First Semester	Second Semester
Centralized Areas	17	48	14	57
Integral Risk	1	1	-	6
Compliance Officer	2	11	1	10
Total	20	60	15	73
		80		88

G4-34, G4-38
G4-S03

The Audit Committee arises from the Bank's Bylaws, the Law of Banking Institutions, the Code of Commerce and the Regulations set forth by the Superintendence of Banking Institutions (SUDEBAN). Additionally, Banesco strives to be at the forefront of this field, analyzing and studying the latest global trends in order to adapt its structure to efficient management practices and transparent administration. This policy is based on the highest professional and ethical principles that frame the relationship with shareholders, customers, creditors and employees of the bank.

In 2016, 387 branches and 80 centralized areas were audited, amounting to 100% and 95%, respectively, of the planned total. Likewise, in 2015, 410 branches and 71 centralized areas were audited, accounting for 100% and 74%, respectively, of the planned total.

The VP of Auditing has executed regulatory audits in the area of risk and ML/TF Prevention and Control, which are reported to the Audit Committee, the Bank's Board of Directors and the Regulatory Body in accordance with existing regulations.

● HUMAN CAPITAL COMMITTEE

Its general objectives are: a) Be the collegiate body in charge of ensuring the adequate management of the human team at Banesco Banco Universal, C.A.; b) Assess constantly the demands and requirements derived from the organizational changes by means of a strategy based on the interrelationship with the human capital. This approach aligns the best practices in personnel management with the real needs of the business. This Committee meets monthly and is made up by members of the Board of Directors, Executive Directors and representatives of the Human Capital area.

● CENTRAL CREDIT COMMITTEE

- This committee aims at covering the following aspects:
- Decide on credit applications submitted in accordance with the levels of autonomy authorized by the Board of Directors in strict compliance of the applicable regulations.
- Decide on credit applications and releases of credit guarantees without prior payment of the guaranteed obligation, when the client's consolidated risk in the bank is within the autonomy level authorized by the Board of Directors.

The Central Credit Committee decides on credit applications submitted in accordance with the levels of autonomy authorized by the Board of Directors in strict compliance of the applicable regulations.

- Decide on proposals to renegotiate any of the terms and conditions of the approved credits. Renegotiations shall include (but are not limited to) modifications to the approved conditions, such as: payment terms, interest rates, credit amortization extensions, substitution, addition or release of guarantees and any other credit aspects approved by the Board of Directors and/or this committee. This procedure is implemented without changing the financial terms of the loan when the consolidated customer risk in the bank is within the autonomy level authorized by the Board of Directors.

Submit to the Board of Directors a Monthly Report of the authorized credit approvals according to the levels of autonomy (General Management Report).

● COMMITTEE FOR PREVENTION AND CONTROL OF MONEY LAUNDERING AND TERRORISM FUNDING (CPC ML/TF)

The CPC ML/TF shall control and supervise the faithful compliance of the preventive measures to tackle Money Laundering and Terrorism Funding within Banesco Banco Universal, C.A. This Committee acts as an advisory and consulting body in support of the work performed by the Board of Directors, the President of the Bank and the Compliance Officer concerning compliance with the issues related to the prevention and control of Money Laundering and Terrorism Funding.

Likewise, the body remains at the forefront under its area of authority, analyzing and studying the latest global trends to tackle money laundering and Terrorism Funding. This is a way of adapting its structure to efficient and transparent management practices, based on the highest professional and ethical principles that frame the relationship with shareholders, clients, creditors and employees of the bank, always within the framework of the applicable legislation in the country. This Committee is also integrated by execu-

G4-15, G4-34
G4-36, G4-37
G4-38, G4-41
G4-46, G4-47

tives of other Committees that may collaborate for the good performance of the ML/TF CRMS, with main and alternate members.

● ETHICS COMMITTEE

Its main function is to guarantee the adequate reception, analysis, assessment and resolution of denunciations, questions and themes, which could affect the compliance of the norms related to the ethical values set forth in the Code of Ethics and Conduct of Citizen Banesco. It also assesses some facts that could affect the integrity and image of Banesco.

● RISK COMMITTEE

This Committee aims to be responsible for the correct comprehensive management of the risks incurred by the bank. To this end, this body will guarantee a system that includes objectives, policies, procedures, and the capacity of identifying, measuring, assessing and monitoring risks. The Committee supports the Board of Directors in the achievement of its strategic planning and reasonably ensures the achievement of its objectives. The Risk Committee meets monthly and is coordinated by a Director, who is independent of the Bank's management.

● TECHNOLOGY COMMITTEE

The overall goal of this Committee is ensuring that the technological implementations are aligned with the strategies and goals of Banesco Banco Universal, C.A. The Bank has a global and horizontal vision of the business, which is illustrated by the responsible use of the available resources and the identification and management of the risks associated with the area.

EXECUTIVE COMMITTEE

This main executive body is responsible for ensuring compliance with the policies, strategies, rules, procedures and guidelines established and approved by the Board of Directors, since it acts by delegation of the Board. The role of this Committee is the approval of the most relevant issues related to the administration, monitoring and control of the bank's business plans, its financial results and profitability. It takes the necessary actions for the effective and optimum control of executive management in order to achieve the objectives, indicators and growth targets established in the

The overall aim of the Technology Committee is ensuring that the technological implementations are aligned with the strategies and goals of Banesco Banco Universal, C.A.

Strategic Plan. It is integrated by the Executive President and the Executive Directors of Banesco Banco Universal, C.A. and meets at least once (1) a week.

In order to comply with the above mentioned functions, the Executive Committee has the **Executive Thematic Committees**:

● ALIGNMENT AND MONITORING COMMITTEE

The Alignment and Monitoring Committee of Banesco Banco Universal, C.A. is appointed by the Bank's Board of Directors. This body is directly responsible for the coordination and decision making processes. It aims at developing and supporting the bank's management strategy.

This Committee promotes mechanisms for reporting and aligning the bank's executive strategy. It aims at ensuring a common understanding of the bank's performance and its main strategies. The body provides a timely follow-up structure, whose goal is guaranteeing the prompt management of important issues. This body provides an executive-level forum for discussion and preparation of proposals for inherent issues, which require multi-unit agreements and for which there is no other specific corporate governance body.

● COMMUNICATIONS AND CORPORATE RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

This committee is responsible for designing, implementing and ensuring faithful compliance with Banesco's Corporate Strategic Communications Plan. This body guarantees the alignment of the communication process variables with the business strategy. It also facilitates interaction with the various stakeholders and contributes to strengthening and improving organizational identity and performance.

The Committee defines and coordinates strategies to foster the company's culture as a way of incorporating the Citizen Banesco in all the processes of the bank, as a way of drawing

G4-15, G4-34
G4-36, G4-37
G4-46, G4-47

together the bank's values and promoting an organizational philosophy that facilitates change processes. This body works to identify and place the company's mission, vision, values and its philosophy through the internal communications means.

This committee facilitates the management of the business with a long-term view, assessing and monitoring economic, social and environmental risks. It is appointed by the Bank's Board of Directors. This body reports to the Executive Chairman and is directly responsible for implementing and developing the Responsibility and Sustainability policy with the participation of all the executive areas of the bank.

● CORPORATE DEVELOPMENT COMMITTEE

It is the body responsible for the definition, prioritization and monitoring of the commercial strategy of Banesco Banco Universal C.A. This is understood as the set of initiatives that enable the business plans to be made operational under a philosophy that aligns the segments, products and service channels, guaranteeing the customer experience as a structural component of differentiation.

● STRATEGIC COMMITTEE FOR SERVICE QUALITY

Its overall objective is to promote and ensure the delivery of value and services promised to customers, always fitting their needs. This Committee monitors the policy, standards, continuous improvement of processes/ products / services and human capital in order to promote a culture of service quality aligned with the strategic framework of the Organization and its accountability.

● COMMITTEE OF MANAGEMENT AND PROCUREMENT

This body manages and governs the processes of Budgetary Management and Procurement of Banesco Banco Universal, C.A. The Committee is responsible for the budget draft and the contracting of goods and services, guaranteeing the efficient levels of expenditure. The body chooses among the best options offered in the market to meet the organization's strategic objectives.

These functions include:

- Ensure compliance of the Expenditure Budget, which will be recommended to the Executive Committee for approval (annual or emerging) with factors that justify the allocation of resources in terms of:

The Committee of Management and Procurement manages and governs the processes of Budgetary Management and Procurement of Banesco Banco Universal, C.A.

— Guaranteeing business continuity, without affecting the operation, service quality and risk exposure of the Bank's areas.

— Compliance with Regulations.

— Analysis of the expense rationality (including saving initiatives for the optimal use of the assigned resource).

- | Ensure the reasonableness and feasibility of the budget allocated to each area of the Bank, as well as ensuring its control and monitoring.
- | This body ensures, within its level of autonomy, the control of the purchases and contracts in the organization, through mechanisms that guarantee transparency in the selection of the best option offered by the suppliers. The Committee assesses the quality of the goods and/or services offered in order to satisfy the requirements of the organization, leveraging the strategic vision and improving the relationships with the suppliers.

● PROJECT AND INVESTMENT COMMITTEE

This Committee mainly aims at ensuring the compliance of the Portfolio of Projects and Investments that will be recommended to the Executive Committee for approval (annual or emerging) with factors that justify the allocation of resources in terms of impact on the strategy achievement; the value generated for Banesco; continuity of business; the compliance with regulations; the feasibility of the investable amount and the required execution capacity. This approach ensures the reasonableness and feasibility of the business cases for each of the approved investments. This body secures the control and follow-up of the approved projects and the investments portfolio, specifically the return on investment (value promise).

G4-15, G4-34
G4-38

COMPLIANCE MANAGEMENT REPORT OF THE RULES OF GOOD CORPORATE GOVERNANCE

The compliance with the principles of good corporate governance means for Banesco Banco Universal, C.A. executing its activity in accordance with the following standards:

- **Efficiency:** the bank is focused on creating the highest value at the lowest cost, in less time and achieving the proposed objectives.
- **Equity:** the bank strictly follows the right to equal treatment of shareholders, employees, customers and suppliers, as well as anyone else who has any relation with Banesco.
- **Respect:** the bank defends the economic and political rights of its shareholders.
- **Transparency:** the bank provides proper communication and information, by building up the public's greatest trust and credibility. Bank secures the full and truthful disclosure of all the information necessary for the full knowledge of the company.

Therefore, Banesco Banco Universal, C.A. adheres to the principle of "one share, one vote"; thus recognizing the certifiable proportionality between the percentage interest in the capital and the corresponding right of interest in drawing up the will of the bank. This policy is always implemented through the informed exercise of the political rights of the shareholders.

Banesco Banco Universal, C.A., through the Vice-chair of Corporate Governance, assesses and promotes the constitution of new governance mechanisms through Thematic Directive and Executive Committees, which support the management of the Board of Directors and its Executive Direction. This is a way of benefitting and protecting the interests of its shareholders, clients and workers, as well as the generation of action lines for the administration of managerial stimulus and discipline.

In order to guarantee compliance with global standards of good corporate governance, the VP for Corporate Governance annually assesses the performance of each of the government agencies, based on indicators that measure their management. This body analyses their results to apply the necessary actions for the optimization of its own operation, taking into consideration criteria of efficiency and effectiveness in meeting the objectives of each

Committee. Likewise, through the Board of Directors, the Committee annually reviews compliance with the best practices, world-wide trends, standardization processes by each Committee. This body reviews the Committees' agendas for their alignment with the objectives, control and follow-up process of the Bank. The Committee's activities are directly reported to higher levels of government within the bank.

Likewise, the VP of Corporate Governance periodically coordinates with Independent External Consultants the performance of Surveys among Directors and Senior Management to perform the Diagnosis and Measurement of the Maturity Level in Corporate Governance. This process is undertaken to establish if the bank strictly follows the highest international standards.

G4-16

REGULATION, UNION AND BUSINESS PARTICIPATION

Banesco Banco Universal, C.A. is one of the banks regulated by the Superintendence of Banking Institutions (SUDEBAN), as well as by the Deposit Guarantee and Bank Protection Fund (FOGADE). The bank attends meetings organized by these regulatory bodies, and provides proposals for the implementation of changes.

It also participates in and is an active member of:

Central Bank of Venezuela (BCV): Regional Operations Committee, Means of Payment Project, Truncation and Imaging, and Electronic Clearing House (checks, transfers and direct credits).

Venezuelan Banking Association (ABV):

- Mortgage Affairs Committee.
- Swift Executive Committee.
- Legal Management Committee.
- Manufacturing Committee.
- Bank Security Committee.
- Agricultural Services Committee.
- Tourism Committee.

Additionally, Banesco Banco Universal, C.A. is a member of the Federation of Chambers and Associations of

G4-57, G4-DMA
G4-S04, FS12

Commerce and Production of Venezuela (FEDECA-MARAS), and is part of the franchises and committees related to its businesses, such as: Suiche 7B, Visa, MasterCard. Additionally, the bank participates in the Chamber of Credit Cards.

G4-HR5, G4-HR6
G4-HR7

From the standpoint of its social action, Banesco Banco Universal, C.A. is a member of the Venezuelan-American Chamber of Commerce and Industry (Venamcham) nationwide.

OUR ETHICS AND HUMAN RIGHTS POLICY

We promote equality among our staff and in the treatment of our clients regardless of ethnic, socioeconomic status, marital status, age, physical appearance, disability, political affinity, religious belief (or lack thereof), sexual orientation or any other particularity, respecting their dignity and guaranteeing equal opportunities.

In our business relationships, we follow the principles of equity, fair transactions and mutual benefit. We work with suppliers that promote an environment free of discrimination. We are therefore strict in avoiding conflicts of interest.

FS-12

Banesco Banco Universal, C.A. takes into account social and environmental issues in its activities, although there are no formal voting policies yet for those entities in which Banesco has voting rights or voting advice.

Banesco is signatory to the United Nations Global Compact: an agreement that supports global organizations voluntary commitment to establish -in their strategies and operations- labor standard principles, the environment, human rights, corruption and transparency.

Banesco communicates annually its progress in the implementation of the Ten Principles through a public corporate report. Banesco Banco Universal, C.A. seeks to implement these commitments as part of its business strategy. Thus, the bank has complied with these initiatives:

The content of the Ten Principles of the Global Compact was disseminated through our internal and external media (blog).

G4-HR9

In 2016, 92 service contracts were signed with its suppliers: 20 of these contracts included a clause that

guarantees the acceptance and compliance of the Ten Principles of the Global Compact.

OUR RESPONSIBILITY AND SUSTAINABILITY POLICY

Our Responsibility and Sustainability Policy aims at achieving Economic, Social and Environmental Sustainability and responsible management in all areas of the organization.

We are committed to the sustainable development of our stakeholders and to achieve this goal we have established a value proposal based on products, services and programs that promote balanced economic, social and environmental development. Therefore, we assume our responsibility to respect and promote human rights, to contribute to the well-being of the areas in which we operate, and to interact, under ethical precepts, with all the different stakeholders: workers, customers, suppliers, authorities, shareholders and society in general.

Banesco Banco Universal, C.A. aims at being an active agent in supporting small and micro-entrepreneurs, providing initiatives for training entrepreneurs and developing inclusive products and services that offer opportunities to those sectors of the population that lack access to the advantages of the financial system.

COMPREHENSIVE RISK MANAGEMENT SYSTEM FOR MONEY LAUNDERING AND TERRORISM FUNDING (ML/TF CRMS)

G4-S04

In the area of Prevention and Control of Money Laundering and Terrorism Funding (PCML/TF), Banesco Banco Universal, C.A. is governed by Resolution No. 119-10 and Resolution No. 427 of the SUDEBAN, which lay down "Rules for Risk Management and Control related to the Prevention, Control and Prosecution of Money Laundering and Terrorism Funding Operations, applicable to entities regulated by the Superintendence of Banks and Other Financial Institutions.

Additionally, it is governed by the Organic Law against Organized Crime and Financing of Terrorism, the Organic Law on Drugs. Banesco Banco Universal, C.A. is also supervised by the National Financial Intelligence Unit (UNIF).

G4-57, G4-58
G4-S04
G4-DMA**DISTRIBUTION OF EMPLOYEES BY THEIR EXECUTIVES ROLES**

Category	2016	2015
Operational Regional Managers	10	11
Regional Managers	45	48
Financial Services Managers (Agencies' Network)	263	274
Managers/Supervisors (Potential Risk Areas)	18	18
Operational Managers (Community Bank)	4	5
Human Capital Managers	2	2
Microfinance and Community Bank Managers	5	4
Otros cargos Gerenciales (Áreas Sensibles de Riesgo)	43	19

Banesco Banco Universal, C.A. as a regulated entity, maintains its Comprehensive Risk Management System for Money Laundering and Terrorism Funding, in accordance with the existing regulations. The bank has optimized its control mechanisms by taking into account the observations indicated by the regulatory body through its official letters and notices, as well as observations made by the external and internal auditors in their half-yearly and annual reports.

The members of the Board of Directors of the bank engage in the definition of policies, strategies and prevention and control plans, which are documented in the Manual of Policies and Procedures for the Management of Money Laundering and Terrorism Funding Risks, required and assessed by the Regulatory Body. The Board of Directors approves within the time limits established by the Regulatory Body the Annual Operating Plan, Annual Training Program, Annual Assessment and Control Program: the latter to be executed by the internal audit area. It also maintains a risk-based approach to prevention, monitoring, detection and control of unusual and/or suspicious ML/FT activities, which if it is deemed proper is reported to the authorities.

The organizational structure of the Bank's Comprehensive System of Money Laundering and Terrorism Funding Risk Management adopted by the Board of Directors, is composed of:

BOARD OF DIRECTORS

Juan Carlos Escotet • President

PRINCIPAL DIRECTORS

Oscar Doval – Executive Chairman

Miguel Ángel Marcano

José Grasso (Independent)

Emilio Durán (Independent)

Josefina Fernández (Independent)

Mario Oliva (Independent)

Luis Xavier Lujan (Invited)

ALTERNATE DIRECTORS

Carlos Eduardo Escotet Alviarez

Juan Carlos Alviarez Hurtado

Antonio Pardo Tolo Lalli

Patricia Riera Chaparro

Jorge León Salas Taurel

Juan Francisco Yagüe Fuschino

María del Pilar Escotet de Martínez

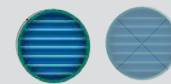
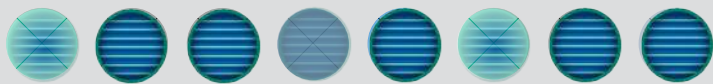
Susana María Guzmán Estarellas

- The Board of Directors.
- The Bank's Chairman.
- The officer of Compliance with Prevention of Money Laundering and Terrorism Funding.
- The Money Laundering and Terrorism Funding Prevention Committee.
- The Money Laundering and Terrorism Funding Prevention and Control Unit.
- The Compliance officer.

The compliance officers of Banesco accounted for 390 and 381 executives as of December 31, 2016 and December 31, 2015, respectively. These officers have worked in different regions of the country. They were appointed by the Board of Directors. In addition to the duties inherent to their positions, they should operate under

the requirements of SUDEBAN.

- This body serves as a liaison with the Compliance Officer by supporting his efforts against the prevention, control and management of Money Laundering and Terrorism Funding.
- This body applies and supervises the standards, policies and procedures of prevention and control of Money Laundering and Terrorism Funding activities in their areas of responsibility.
- This body advises and supports the staff, under its sphere of responsibility, on the procedures of prevention, control and regulation governing Money Laundering and Terrorism Funding.

G4-DMA
G4-9, G4-37

OUR SHAREHOLDERS

OUR POLICY

We confirm our will to manage the business in a plural and participatory manner. We firmly believe in the exchange of ideas and thoughts. For that reason, we involve our shareholders in our daily operations. We have a broad base of individual shareholders who benefit from a high profitability and solvency.

We have a transparent relationship with the shareholders through the Shareholders' Meeting and the Shareholders' Unit Management Area. We annually hold two General Shareholders' Meetings. In 2016, said Meetings were held on March 30 and September 28, while in 2015, the meeting took place on March 26 and September 28. Furthermore, two Special Meetings were held in 2016 and 2015, on the same dates in which the General Meetings took place.

We have a broad base of individuals who benefit from a high profitability and solvency. We respect the rights of all the shareholders regarding the payment of the dividend rate.

Our commitment is a way of corresponding to the confidence placed by the shareholders in Banesco, Banco Universal, C.A., through a proper profitability for their capital, a transparent corporate government and a careful risk management. The return on capital policy seeks for balance between the payment of dividends and the levels of funding necessary to

At the close of 2016, Banesco Banco Universal, C.A. had a total of 29,615 shareholders: 23,666 of them are in possession of preferred shares, while the remaining 5,949 shareholders have common shares.

face the challenges, opportunities and difficulties that may arise.

THE SHAREHOLDERS' UNIT MANAGEMENT AREA

This area, created in 2009, aims at giving prompt answers to the shareholders' needs in an expeditious and transparent manner. To that end, Banesco keeps a service system both via telephone and via e-mails that provides prompt answers to the needs of the users. Through this management area, the shareholders obtain all the necessary information about their investment: statements of account of their dividends (history), claims, certifications of external auditors, transfer of share in case of divorce or death, guarantees, delivery of reports to whoever requests them and, in general, every aspect related to their shares.

In 2016 and 2015, this area has answered 4,657 and 3,723 phone calls, respectively. In this same period, 3,700 and 2,187 e-mails were sent to our users. It should be noted that the most frequent inquiries were aimed at knowing the process of capital increase, preemptive subscription for shares, the shareholding position and the amount of the dividends receivable.

PREFERRED SHARES

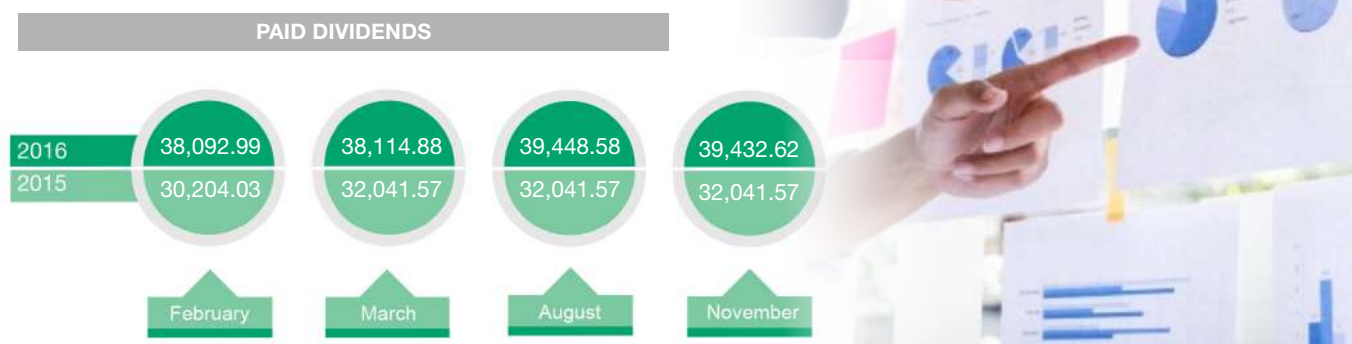
At the close of 2016, Banesco Banco Universal, C.A. had a total of 29,615 shareholders: 23,666 of them are in possession of preferred shares; while the remaining 5,949 shareholders have common shares. At the close of 2015, the Bank had a total of 38,331 shareholders: 32,397 of them are in possession of preferred shares, while the remaining 5,934 shareholders have common shares.

In 2008, in recognition of their work and high commitment with the Organization, 8,811 employees of the Bank, who represented 65% of the staff to that date, became sharehol-

G4-9
G4-DMA

ders. They represented 65% of the staff to that date. They are receiving dividends since August, 2008.

Following it is presented a list of the dividends paid in 2016 and 2015. These figures are stated in VEF:



DIVIDENDS *		
	2016	2015
In cash (VEF)	1,700,000,000	1,700,000,000
Earnings per shares	16.61	16.61
In cash (VEF)		3,000,000,000
Earnings per shares		29.316
In shares	1,500,000	
Earnings per shares	0.0015	
In shares	500,000	
Earnings per shares	0.0005	
En acciones	21,500,000	
Earnings per shares	0.021	
In shares	2,000,000	
Earnings per shares	0.0019	
Preferred shares: dividends		
In cash (VEF)	29,219,168	26,468,543

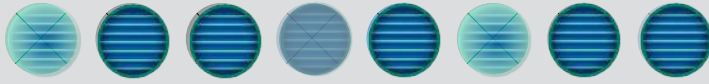
* The above mentioned figures have been paid in the periods referred to in this graphic.

BASIC FEATURES		
	2016	2015
Social Capital VEF	1,250,000,000	1,250,000,000
Shares		
N° of shares	125,000,000	125,000,000
Outstanding shares	122,045,466	122,045,466
Treasury shares	2,954,534	2,954,534
N° of Shareholders		
Common shares	5,949	5,934
Preferred shares	23,666	32,397
Total	29,615	38,331

DIALOGUE WITH OUR SHAREHOLDERS

Information transparency towards our shareholders is one of the principles that we have established in our policies. We have the following means of communication:

- The Shareholders' Unit Management Area.
- General and Special Shareholders' Meetings
- Biannual Financial Reports.
- Annual Corporate Responsibility Report.
- Digital bulletin, sent via email to our clients.
- Contacts and direct meetings with the shareholders.
- Branch offices network.
- The corporate website **www.banesco.com**, which provides information related to financial information issued by the Bank and by the External Auditors, CSR and the biannual financial reports.



G4-9, G4-41
G4-50, G4-56
G4-57, G4-58
G4-DMA

OUR HUMAN CAPITAL

OUR POLICY

We promote equality, fairness and mutual satisfaction with our employees, thus creating a harmonious working environment and a better quality of life for all of them.

We manage the Human Capital through the experience of our corporate values and the anchoring of the core competences that all the members of the institution must have. The individual and Social Responsibility IS an essential part of said Human Capital management efforts.

In that sense, the Human Capital policy fosters significant development levels, competitive salary, results-oriented individual and team motivation, as well as the promotion and welfare of its workforce. We have the conviction that our workers are the Bank's fundamental axis.

The Human Capital area is responsible for the selection and hiring process. This process is executed following a specific methodology applied by Banesco Banco Universal, C.A., which is based on respect, non-discrimination and equal opportunities. The company also carries out several initiatives aimed at the direct recruitment of people with disabilities.

OUR MANAGEMENT

In 2016, we strove to maintain our workforce despite the impact of the global economic crisis. In that way, we guaranteed stability and security for our employees and filled vacant positions with 2,112 new employees. At the end of 2016, our employee workforce was 8,981 employees.

The distribution of employees by position and age shows that we are a young and dynamic institution, with an average

age of 35. During this year 84.16% of Our Human Capital team, which accounts for 7,558 workers, is made up of employees whose ages are between 18 and 45 years old.

The intention of Banesco Banco Universal C.A. is to generate a stable source of employment without discrimination of any kind, which is evidenced by the fact that 87.63% of the employees are permanent. 63.99% of the employees are females and the staff that makes up the permanent and contracted base positions represents 29.83% of the total number of the workforce.

ETHICS CODE

Banesco Banco Universal, C.A. strictly follows the Code of Ethics and Conduct of Citizen Banesco, which was adopted by the Board of Directors. This instrument is of obligatory compliance and application by all the members of the staff and people associated with it. Every time an induction to new employees or active staff is given, the content of the Code of Ethics and Conduct of Citizen Banesco is delivered. The importance of knowing the principles that made up this Code is emphasized, so that they always act observing its tenets. The Code of Ethics is disseminated through electronic media and mass releases on issues related to Values and Prevention of Money Laundering and Terrorism Funding. Besides, it is available at the Intranet portal and at the website (<http://www.banesco.com/somos-banesco/informacion-corporativa/código-de-ética>) to be accessed by the general public. The Code has been distributed in special journeys to all the collaborators in the administrative headquarters and network of branches throughout the country. Additionally, this legal document establishes rules aimed at

G4-HR2, G4-HR3
G4-HR5, G4-HR6
G4-HR7, G4-HR9
G4-HR11, G4-HR12
G4-LA16

G4-9; G4-10
G4-37, G4-41
G4-50, G4-56
G4-57, G4-58
G4-LA12, G4-DMA
G4-LA16, G4-HR2
G4-HR3, G4-HR7
G4-HR9, G4-HR5
G4-HR6, G4-HR11
G4-DMA, G4-HR12

regulating the handling of possible conflicts of interest. This code refers to some important content related to Human Rights.

In our effort to maintain constant and straightforward communication with our collaborators, the Human Capital Service Center Coordination was created to meet the requirements of Citizens Banesco involved in Human Capital management and require an immediate or short-term response. The requests received are dealt coordinately with the areas linked to their resolution. The employee receives a response through the channels designed for said purpose:

- Internal email

(Correo Contigo_Capital_Humano@Banesco.com).

- Intranet box for the reception of cases

- In-person service through personalized interviews and visits to the work teams in the branches and other service points throughout the country.

In 2016 and 2015, a total of 3,388 and 3,541 requests, respectively, were received by the platform Canal Contigo. Through the Ethics Code Hotline, no cases were received during 2016. In 2015, 6 cases were received and dealt with. In 2016, Banesco Banco Universal C.A. did not receive any human rights complaints related to workers, shareholders, clients, the community or suppliers.

G4-14

DISTRIBUTION BY AGE AND GENDER

Age Groups	2016			2015			Variation		
Age	Fem	Male	Total	Fem	Male	Total	Fem	Male	Total
15-17*	28	34	62	31	27	58	(9.68%)	(25.93%)	(6.90%)
18-25	921	644	1,565	1,192	722	1,914	(22.73%)	(10.80%)	(18.23%)
26-30	1,211	613	1,824	1,509	702	2,211	(19.75%)	(12.68%)	(17.50%)
31-35	1,228	578	1,806	1,512	723	2,235	(18.78%)	(20.06%)	(19.19%)
36-40	934	442	1,376	1,055	507	1,562	(11.47%)	(12.82%)	(11.91%)
41-45	631	356	987	691	412	1,103	(8.68%)	(13.59%)	(10.52%)
46-50	394	265	659	425	291	716	(7.29%)	(8.93%)	(7.96%)
51-55	228	203	431	257	202	459	(11.28%)	(0.50%)	(6.10%)
56-60	110	65	175	98	73	171	12.24%	(10.96%)	(2.34%)
61-65	45	25	70	45	20	65	0.00%	(25.00%)	(7.69%)
66-70	14	5	19	13	7	20	7.69%	(28.57%)	(5.00%)
71-75	2	3	5	2	2	4	0.00%	(50.00%)	(25.00%)
>75	1	1	2	1	-	1	0.00%		(100.00%)
Total	5,747	3,234	8,981	6,831	3,688	10,519	(15.87%)	(12.31%)	(14.62%)

* The group of employees made up by this age range corresponds to INCES trainees

DISTRIBUTION BY GENDER AND POSITION RANK

	2016			2015			Variation		
Denomination	Fem	Male	Total	Fem	Male	Total	Fem	Male	Total
Base	1,598	1,081	2,679	2,103	1,435	3,538	(24.01%)	(24.67%)	(24.28%)
Professional/Technician	3,304	1,652	4,956	3,689	1,649	5,338	(10.44%)	(0.18%)	(7.16%)
Supervisors	196	144	340	221	173	394	(11.31%)	(16.76%)	(13.71%)
Managers	602	305	907	771	382	1,153	(21.92%)	(20.16%)	(21.34%)
Vice-Chairs	42	46	88	42	43	85	(0.00%)	(6.98%)	(3.53%)
Directors	5	4	9	5	4	9	(0.00%)	(0.00%)	(0.00%)
Chairman	-	2	2	-	2	2	(0.00%)	(0.00%)	(0.00%)
Total	5,747	3,234	8,981	6,831	3,688	10,519	(15.87%)	(12.31%)	(14.62%)

G4-10, G4-EC6
G4-LA12, G4-HR2
G4-HR7**DISTRIBUTION BY AGE RANGE AND POSITION RANK**

Job Category/Age	2016						2015					
	15-17*	18-30	31-40	41-50	>50	Total	15-17*	18-30	31-40	41-50	>50	Total
Base	62	1,509	800	197	111	2,679	58	1,959	1,097	274	150	3,538
Professional/Technician		1,829	1,949	869	309	4,956	-	2,090	2,115	839	294	5,338
Supervisors		38	146	109	47	340	-	41	171	136	46	394
Managers		13	271	428	195	907	-	34	401	527	191	1,153
Vice-Chairs			15	41	32	88	-	1	13	39	32	85
Directors			1	2	6	9	-	-	-	3	6	9
Chairman					2	2	-	-	-	1	1	2
Total	62	3,389	3,182	1,646	702	8,981	58	4,125	3,797	1,819	720	10,519

DISTRIBUTION BY CONTRACTUAL RELATION AND GENDER

Denomination	2016		2015		Variation	
	Female	Male	Female	Male	Female	Male
Trainees	150	153	193	176	(22.28%)	(13.07%)
Interns	21	13	26	15	(19.23%)	(13.33%)
Employees (temporary contracts)	473	301	661	301	(28.44%)	(0.00%)
Permanent employees	5,103	2,767	5,951	3,196	(14.25%)	(13.42%)
Total	5,747	3,234	6,831	3,688	(15.87%)	(12.31%)
Total	8,981		10,519		(14.62%)	

NATIONAL DISTRIBUTION

The Bank maintains a territorial division in line with its business strategy, which represents an important source of employment in the different regions of the country. 87.63 % of our staff is made up of permanent employees.

The Executive Management of Human Capital is present in the country's main cities through a team of comprehensive consultants. They are experts in the management of Human Capital.

In the different regions of the country, the recruitment is executed following the same rules and procedures as in the Capital Region through the evaluation of candidates and profiles, which must be suitable for the organizational requirements.

In the inland regions of the countries, the Vice-Chairs responsible for the Sales Network are made up of local resident employees. Consequently, they have a better understanding of the economic dynamics developed in each location and the patterns of their customers.

In the inland regions, the recruitment of executives assigned to the sales area contributes to benefitting the local communities. At the same time, this process promotes a better knowledge of the regional situation, which strategically stren-

gthens a decision making based on the particular characteristics of each zone.

EMPLOYEES

Year	Total Employees
2016	8,981
2015	10,519
Variation %	(14.62%)

DISTRIBUTION BY GENDER

Year	Female	Male
2016	5,747	3,234
2015	6,831	3,688
Variation %	(15.87%)	(12.31%)

AGE: AVERAGE RATE

Year	Age: average rate
2016	35
2015	34
Variation %	2.94%

AVERAGE LABOR SENIORITY


Year	Average labor seniority
2016	7.28
2015	6.96
Variation %	4.60%

G4-10, G4-EC6
G4-LA4

NATIONAL DISTRIBUTION

Region	2016		2015		2014	
	Employees	% of the Total	Employees	% of the Total	Employees	% of the Total
Caracas	5,415	60.29%	6,074	57.74%	(10.85%)	(4.42%)
Central Region	1,086	12.09%	1,352	12.85%	(19.67%)	(5.90%)
West-Andean Region	898	10.00%	1,091	10.37%	(17.69%)	(3.58%)
South-East Region	853	9.50%	1,094	10.40%	(22.03%)	(8.67%)
North-West Region	729	8.12%	908	8.63%	(19.71%)	(5.94%)
Overall results	8,981	100.00%	10,519	100.00%	(14.62%)	(0.00%)

VICE-CHAIRS OF THE NETWORKS

Region	2016		2015		
	Amount	% Coming from the Local Community	Amount	% Coming from the Local Community	
Caracas	3	100%	2	100%	
Central Region	1	100%	1	100%	
West-Andean Region	1	100%	1	100%	
South-East Region	1	100%	1	100%	
Zulia-Falcón Region	1	100%	1	100%	
Overall results	7	100%	6	100%	



G4-L4

TURNOVER RATE

Concept	2016	2015
Entries (*)	2,112	2,426
Leavings	3,642	3,335
Population	8,891	10,519
Total	32.03%	27.38%

(*) In Entries, the transfers to Permanent Employees and contract renewals. The staff turnover rate is calculated by using the formula: $\frac{((\text{Entries} + \text{leavings})/2)/\text{population at the end of the year} \times 100}$.

G4-LA1

STAFF TURNOVER RATE BY REGION

2016			
Region	Population	Entries + Leavings	Turnover rate
Central-East Region	1,086	511	23.53%
Metropolitan Region	5,415	4,136	38.19%
West-Andean Region	898	363	20.21%
North-West Region	853	372	21.81%
South-East Region	729	372	25.51%
Overall results	8,981	5,754	32.03%

2015			
Region	Population	Entries + Leavings	Turnover rate
Central-East Region	1,352	509	18.82%
Metropolitan Region	6,074	4,145	34.12%
West-Andean Region	1,091	411	18.84%
North-West Region	908	367	20.21%
South-East Region	1,094	329	15.04%
Overall results	10,519	5,761	27.38%

STAFF TURNOVER RATE BY REGION, AGE AND GENDER

2016										
Banesco Banco Universal	<18		18-30		31-40		41-50		>50	
	Fem	Male	Fem	Male	Fem	Male	Fem	Male	Fem	Male
Central-East Region	0.00%	0.00%	35.98%	48.00%	19.22%	18.24%	6.80%	13.46%	15.15%	10.87%
Metropolitan Region	64.81%	50.00%	56.44%	66.53%	24.21%	31.26%	14.45%	16.20%	11.24%	9.60%
West-Andean Region	50.00%	0.00%	34.66%	31.20%	13.45%	23.93%	7.56%	6.32%	5.56%	14.58%
North-West Region	0.00%	0.00%	44.25%	52.60%	21.26%	25.00%	12.11%	16.67%	5.00%	11.76%
South-East Region	0.00%	0.00%	29.82%	36.73%	16.04%	28.24%	14.53%	22.39%	13.00%	26.09%

2015										
Banesco Banco Universal	<18		18-30		31-40		41-50		>50	
	Fem	Male	Fem	Male	Fem	Male	Fem	Male	Fem	Male
Central-East Region	0.00%	0.00%	28.65%	30.48%	13.66%	13.89%	9.75%	8.20%	5.26%	16.00%
Metropolitan Region	150.00%	125.00%	53.07%	55.99%	20.54%	23.82%	10.97%	15.63%	12.70%	11.75%
West-Andean Region	0.00%	0.00%	29.06%	35.93%	11.62%	13.30%	8.24%	8.72%	6.25%	14.81%
North-West Region	0.00%	0.00%	38.14%	41.15%	14.62%	14.86%	8.25%	10.45%	8.16%	8.97%
South-East Region	0.00%	0.00%	22.47%	37.69%	9.94%	16.07%	5.83%	10.47%	3.51%	13.33%

G4-44
G4-DMA
G4-LA1

ÍNDICE DE ROTACIÓN POR REGIÓN Y GÉNERO

2016						
Banesco Banco Universal	Population		Entries+Leavings		Turnover Rate	
	Fem	Male	Fem	Male	Fem	Male
Central-East Region	763	323	342	169	22.41%	26.16%
Metropolitan Region	3,402	2,013	2,449	1,687	35.99%	41.90%
West-Andean Region	530	368	205	158	19.34%	21.47%
North-West Region	472	257	219	153	23.20%	29.77%
South-East Region	580	273	210	162	18.10%	29.67%
Overall results	5,747	3,234	3,425	2,329	29.80%	36.01%

2015						
Banesco Banco Universal	Population		Entries+Leavings		Turnover Rate	
	Fem	Male	Fem	Male	Fem	Male
Central-East Region	958	394	357	152	18.63%	19.29%
Metropolitan Region	3,928	2,146	2,627	1,518	33.44%	35.37%
West-Andean Region	623	468	218	193	17.50%	20.62%
North-West Region	589	319	234	133	19.86%	20.85%
South-East Region	733	361	169	160	11.53%	22.16%
Overall results	6,831	3,688	3,605	2,156	26.39%	29.23%

BEHAVIOR OF ENTRIES AND LEAVING

The staff turnover rate is a function of the percentage rate between entries and leavings related to the number of employees of specific labor areas in a given period. Between 2015 and 2016, said rate went from 27.38% to 32.03%. In the Collective Bargaining Agreement of Banesco Banco Universal, C.A. no minimum period of notice related to organizational reassignments is established. The Bank acts according to the legal regulations set forth in the Organic Law of Labor and Workers (LOTTT) and the Organic Law on Prevention, Working Conditions and Working Environment (LOPCYMAT).

PERFORMANCE ASSESSMENT

PERFORMANCE ASSESSMENT			
	2016	2015	Var %
Total employees	8.981	10.519	(14,62%)
N° of employees under assessment	8.032	9.345	(14,05%)
% of employees (assessed)	89,43%	88,84%	0,66%



G4-44
G4-DMA

PERFORMANCE ASSESSMENT BY JOB POSITION

2016				
Banesco Banco Universal	Male		Female	
	Assessment	%	Assessment	%
Base	847	30.14%	1,311	25.11%
Professional/Technician	1,494	53.17%	3,104	59.44%
Supervisors	130	4.63%	176	3.37%
Managers	293	10.43%	583	11.16%
Vice-Chairs	44	1.57%	43	0.82%
Directors	2	0.07%	5	0.10%
Overall results by gender	2,810	100.00%	5,222	100.00%
Assessed staff (number)		8,032		

2015				
Banesco Banco Universal	Male		Female	
	Assessment	%	Assessment	%
Base	1,141	35.22%	1,670	27.35%
Professional/Technician	1,513	46.70%	3,432	56.22%
Supervisors	168	5.19%	211	3.46%
Managers	372	11.48%	747	12.24%
Vice-Chairs	42	1.30%	40	0.66%
Directors	4	0.12%	5	0.08%
Overall results by gender	3,240	100.00%	6,105	100.00%
Assessed staff (number)		9,345		

Since 2011, the Bank has proposed, in order to comply with the Performance Evaluation cycle, the measurement of quantitative objectives for the entire population of the bank. Therefore, all the organizational levels could describe and register their objectives. Their overall performance will be assessed based on those parameters. The total number of Citizens Banesco assessed in 2016 accounted for 7,938 employees, representing 88.39% of

PROMOTION POLICY

Direction	2016	2015	Variación
Board of Directors	20	22	(9.09%)
Executive Chairman	38	15	153.33%
Human Capital Exec. Dir.	44	51	(13.73%)
Commercial Exec. Dir.	678	722	(6.09%)
Credit and Bank Logistics Exec. Dir.	237	170	39.41%
Corporate Development Exec. Dir.	60	98	(38.78%)
Cards Exec. Dir.	63	43	46.51%
Technology & Processes Exec. Dir.	117	205	(42.93%)
Treasury & Finances Exec. Dir.	49	26	88.46%
Overall results	1,306	1,352	(3.40%)

G4-EC5, G4-LA2
G4-44, G4-51
G4-52, G4-53
G4-54, G4-55
G4-DMA

assets to the end of that year. The remaining percentage corresponds to trainees, staff members who do not apply for the evaluation due to their seniority, as well as those employees who left the Bank at the time of the 2016 Performance Evaluation.

PROMOTION POLICY

We believe in the talent of our collaborators. For that reason, we offer the possibility of growing within our organization toward positions of higher responsibility through our internal promotion policy. In 2016 and 2015 we have promoted more than 1,306 and 1,352 collaborators as the main source for filling vacancies.

SALARY POLICY

Banesco Banco Universal, C.A. is committed to continuously assess the needs of its employees as well as providing better working conditions. In 2017, an overall average pay raise of 90% was implemented for all Citizens Banesco at three different times: salary increases were approved in January (20%), May (25%) and November (30%). Additionally, improvements were made to the food voucher benefit in accordance with the issued and current regulations.

SALARY POLICIES FOR THE SUPREME GOVERNING BODY AND SENIOR MANAGEMENT

In 2015 and 2016, a pay raise was implemented for the executive segment of Banesco Banco Universal C.A. The fixed remuneration received by the collaborators was adjusted. In 2016, the food voucher benefit was granted to all the employees of the bank, including the executive staff. Regarding the variable portion of the salary granted to the executive segment, Banesco Banco Universal C.A. is still promoting annual variable bonuses. This special remuneration will be granted based on the executive's performance, as well as other assessment criteria.

The measuring elements used during 2015 and 2016 will be detailed as follows:

- The results obtained by the executive in terms of compliance with the objectives outlined in the Strategic and Operational Planning of the Department under his responsibility.
- Results of the competence assessment obtained through a 360-Degree assessment.
- Average result obtained by the peers during the year.
- Assessment performance qualification given by the direct supervisor of the executive.

● Linkage of Performance Criteria with Objectives of the Group.

Banesco Banco Universal C.A. recognizes the executive segment as a key pillar of its performance as a leading organization in the Venezuelan market. For that reason, year after year, the Bank assesses the individual performance of the executives within their sphere of competence. This methodology guarantees a growing cohesion and a solid teamwork among the collaborators. Besides, it is a way of aligning the organizational objectives with the responsibilities of the executive staff of the bank. Additionally, social and environmental objectives are included in the assessment of the Directors' performance, through compliance with Corporate Social Responsibility initiatives, as well as recycling and resource optimization projects.

G4-EC5

CALCULATION PROCESSES LINKED TO SALARIES AND WAGES

Banesco Banco Universal C.A. calculates its salaries by carrying out an analysis of the relative weights of its positions within each of its work units, taking into account the decrees on the matter issued by the National Executive. The following patterns are also included: the budget defined for that purpose, the macroeconomic indicators and any other relevant variable that allows for an equitable allocation of said salaries. The annual salary of a collaborator includes a basic monthly income, holiday bonuses, profits and contributions to the savings bank account, whose rate is equal to 11% of the total salary. This benefit is directly paid by the bank.

RATIO: ANNUAL SALARY OF THE BEST JOB RANKS/ANNUAL SALARY OF THE REST OF THE ORGANIZATION

Salaries	2016	2015
Average salaries	1,071,651.72	334,880.20
Salary Ratio Total	26.79	11.46

- Average salary of the rest of the population does not include the best paid person in the Organization.
- The calculation includes full-time employees, part-time employees and contract workers.
- Given the local context where the activities of Banesco Banco Universal, C.A., are executed, there is information that is kept confidential to safeguard the personal security of our employees and the Institution's senior management.

RATIO: ANNUAL SALARY INCREASE OF THE BEST PAID EMPLOYEES/ANNUAL - SALARY INCREASE OF THE REST OF THE ORGANIZATION

Salaries	2016	2015
Best paid job ranks	648.01%	0.00%
Average salaries	220.01%	83.21%
% of annual salary rise	221.35%	83.21%

- Given the local context where the activities of Banesco Banco Universal, C.A. are executed, there is information that is kept confidential to safeguard the personal security of our employees and the Institution's senior management.

G4-LA9, G4-DMA

WORKERS WITH DISABILITIES

Since the beginning of our operations, we have been aware of the importance of generating employment for people with disabilities. We aim at assuring them their insertion in the labor sector, once they have been prepared and trained with specialized associations in the field. We have offered them to be in charge of flexible and dynamic activities. Their development has undoubtedly allowed them to feel and be productive for society. Their effort and perseverance are a great example for Banesco and the society.

G4-LA9, G4-LA10
G4-LA11**TRAINING AND FORMATION**

We are committed to strengthen the growth and development of our human talent. This is the reason why our purpose is providing our talents with formation experiences that will allow them to have the necessary tools and skills for the achievement of the goals set by Banesco.

EMPLOYEES WITH DISABILITIES

Region	2016	2015	Var %
Metropolitan Region	17	11	54.55%
Central-East Region	-	-	-
West-Andean Region	-	-	-
Total	17	11	54.55%

TYPE OF DISABILITIES

Type	2016		2015	
	Fem	Male	Fem	Male
Visual disabilities	2	2	2	1
Mental health disabilities	-	2	1	2
Multiple disabilities	4	5	2	3
Musculoskeletal disabilities and other	2	-	-	-
Results by gender	8	9	5	6
Total General	17		11	

TRAINING AND FORMATION FOR EXECUTIVE AND WORKERS


Denomination	Workers			Man-hours			Average time (hours)		
	2016	2015	Var	2016	2015	Var	2016	2015	Var
Base	3,305	3,811	13.28%	167,073	154,140	8.39%	51	40	27.50%
Professional/Technician	5,774	5,451	5.93%	393,006	198,761	97.73%	68	36	88.89%
Supervisors	405	314	28.98%	27,375	8,451	223.92%	68	27	15.85%
Managers	1,110	1,049	5.82%	122,155	74,466	64.04%	110	71	54.93%
Vice-Chairs	95	25	280.00%	5,424	538	908.26%	57	22	159.09%
Directors	9	—	—	277	—	—	31	—	—
Chairman	2	—	—	55	—	—	28	—	—
Total	10,700	10,650	0.47%	715,366	436,356	63.94%	67	41	63.41%

TRAINING AND FORMATION BY GENDER

Denomination	Employees under training (2016)				Employees under training (2015)			
	Fem	%	Male	%	Fem	%	Male	%
Base	1,969	29%	1,336	34%	2,344	34%	1,467	41%
Professional/Technician	3,792	56%	1,982	51%	3,806	54%	1,645	46%
Supervisors	227	3%	178	5%	193	3%	121	3%
Managers	746	11%	364	9%	686	10%	363	10%
Vice-Chairs	46	1%	49	1%	16	—	9	—
Directors	5	—	4	—	—	—	—	—
Chairman	—	—	2	—	—	—	—	—
Total	6,785	100%	3,915	100%	7,045	100%	3,605	100%

G4-43, G4-DMA
G4-LA9, G4-LA10
G4-LA11

TRAINING IN DIFFERENT DISCIPLINES



Disciplines	Training and Formation (hours)		
	2016	2015	Variation %
Banking and regulatory dispositions	310,292	77,003	302.96%
Technical Knowledge	307,445	315,882	2.67%
Talent Development	97,628	43,471	124.58%
Training (total hours)	715,366	436,356	63.94%
Total employees	8,981	10,519	14.62%
Average training period (hours)	67	41	63.41%
Total: trained employees	10,700	10,650	0.47%
% of trained employees	119.14%	101.33%	17.58%

TRAINING IN DIFFERENT DISCIPLINES

Our training and formation plans are thought in three knowledge areas: *banking and regulatory dispositions* (which include legal aspects and industrial, physical and information safety), *technical knowledge* (management control, marketing, sales, technology and specialized formation) and *talent development* (personal development, leadership and other general competences).

WORKSHOPS IN OPERATIONAL RISKS

Supported by a high-performance team with an integral vision of the key elements that may impact the achievement of our objectives, we have kept in 2016 a low loss level in accordance with our financial aspirations. The risk appetite set by the bank continued to be one of the key elements of the Integrated Risk Management, which was also driven by the multiplier effect of the policies that the Risk Department have implemented in the different areas of the organization, through a policy of advice, monitoring and knowledge transfer regarding risk management.

One of the most important projects, regarding technical capacitation, was the fourth edition of the AIRM Alarys International Risk Management Certification of the Latin American Association of Risk and Insurance Management, which was held in September 2015. There were more than 19 participants from the integral risk areas and other key areas associated with the Bank's risk management.

In this context, it was developed Banesco's Risk Culture Plan, through the joint work and participation of the employees

Banesco continues to promote The Young Talent Training Program: the objective of which is to train, qualify and develop a new generation, incorporating young people with a high level of competence and potential in the most important Departments of the organization

employees in charge of such processes within the organization. This key initiative represented an essential step to reinforce and leverage the continuity of the communication, measurement and training actions undertaken by Citizens Banesco in the Integral Risk Management Area. It was also an opportunity to strengthen the management methodology.

Banesco continues to promote The Young Talent Training Program: the objective of which is to train, qualify and develop a new generation, incorporating young people with a high level of competence and potential in the most important Departments of the organization, being the Executive Vice-Presidency of Risk Management one of the key areas. Banesco aims at welcoming young professionals and providing them safe spaces for theoretical and practical learning experiences under rotating schemes in internship formats. The program began with 30 participants, who were distributed in key areas (credit, finance, risk and technology).

G4-DMA, G4-LA9
G4-LA10, G4-LA11
G4-S04**WORKSHOP AND TRAINING IN OPERATIONAL RISK**

Denomination of the activity	2016		2015	
	Participants	Certified/ Approved	Participants	Certified/ Approved
Specialized Talks in Integrated Risk Management (Methodology and Application)	6,450	6,450	478	478
Workshops in Integrated Risk Management for new employees	1,265	1,265	1,208	1,208
Training Program for Young Talents*	32	32	23	23
Overall Results	7,747	7,747	1,709	1,709

BUDGET IMPLEMENTED FOR TRAINING AND FORMATION IN OPERATION RISK

In the period 2015-2016, this training activity did not generate costs for the Organization since it was executed through the team of facilitators of Human Capital and Risk. These experts carry out the training workshops in Operational Risk for new members of the staff working in the metropolitan area and in the regions. During these workshops, Banesco provides employees with general knowledge about this specialized area, its functions and the importance of identifying, valuing and managing the operational risks existing in the Bank. It is an opportunity for workers to clarify their doubts and learn from other work experiences. This training allows employees to relate the activities they perform with the management of operational risks.

TRAINING AND FORMATION IN MATTERS OF MONEY LAUNDERING AND TERRORISM FUNDING

G4-14

Banesco is committed to meet the current legal regulations on the prevention, control and supervision of operations that may be done through our Financial Institution, with the purpose of legitimating capital (and/or financing terrorism) coming from illegal activities. With strict compliance of the Organic Law on Organized Crime and the Organic Law

on Drugs and Illicit substances, Banesco Banco Universal C.A. executes an annual training program presented before The Money Laundering and Terrorism Funding Committee, which is oriented on the prevention and control of money laundering and terrorism funding. This program has been approved by the Board of Directors and involves all the employees of the bank. The program is enhanced by innovative training strategies such as specialized talks, theater plays, workshops in which the key and real aspects for the fight against money laundering and terrorism funding are presented vividly by experts in the matter

TALENT TRAINING AND FORMATION

Since 2011 we have been promoting Banesco's Virtual Learning Platform, which is an interactive training system with various tools and multimedia content aimed at developing the critical skills and knowledge that each employee must have according to its role in order to perform its duties successfully.

During the last six years, we have incorporated modular programs that address the different theoretical and practical aspects of Quality of Service and Customer Experience, as well as content for the development of Banesco competencies, which allow strengthening and closing the gaps

G4-HR2

TRAINING AND FORMATION IN MATTERS OF MONEY LAUNDERING

Nivel	Number of employees			Funds (VEF)		
	2016	2015	Var.	2016	2015	Var.
Nuevos Ingresos	2.130	2.411	(11,65)%	-	-	-
Personal Activo	7.409	8.341	(11,17)%	3.985.481	3.220.413	23,76%
Total	9.539	10.752	(11,28)%	3.985.481	3.220.413	23,76%

G4-LA9
G4-LA10
G4-LA11

identified inperformance evaluation processes. There are programs aimed at reinforcing critical technical knowledge of the business and the strict fulfillment of regulatory standards, such as the refresher course on Risk Prevention and Control of Money Laundering and Terrorism Funding. Learning Program: Culture of Efficiency and Culture of Risk; as the main strategies for the implementation of savings, profitability and comprehensive risk management initiatives for the entire organization.

Virtual Training Programs were granted in 2016 with internal and external certification, endorsed by different recognized universities, among which we can mention: the Client Experience Program endorsed by Universidad Católica Andrés Bello (second edition); the Professional Management ITIL Training Program endorsed by Global Desk and the Innovation Diploma endorsed by Universidad Simón Bolívar (USB). We have also offered internal courses such as the Management Program Project promoted by the Project Management Department and the Security Program developed by the Loss Prevention Office, which has great acceptance among Citizens Banesco since it has potentiated their professional development.

Through the Cloud Service Digital Portal, the Human Capital Department has managed to consolidate Banesco's Virtual Learning Program, which has strengthened the training strategy: the goal is to offer 60% of virtual lessons plus 40% of regular lessons, always giving priority to virtual learning experiences. The program already has 96,062 participants and 137,478 hours of training. Similarly, the benefits of the cloud system were enhanced, giving the employees the possibility of accessing from home to attend their virtual courses.

INTERNSHIP PROGRAM

The Internship Program of Banesco Banco Universal, C.A. aims at recruiting young talents with the purpose of fostering and training them for a long-term development vision. Annually, we received a group of high school students and middle school technicians for their occupational internships. Banesco gives them the opportunity to fulfill the corresponding academic requirement for the completion of their studies, as well as providing them with the theoretical-practical experience for them to join the active labor force of the country.



The duration of the internships is determined by the Ministry of Higher Education, Universities and Technical College Institutions. The Interns shall complete at least two hundred and forty (240) hours of formation to meet the Regulations enshrined by the National Internship Program

We have the responsibility of assigning a tutor to each intern (the so-called Business Tutor), who will review the execution of the program and the activities included in the internship study plan. The tutor will watch over the fulfillment of the program in order to guarantee a successful learning experience for our interns.

We actively respect the current legislation. We are training 178 apprentices from INCES: 71 of which are in the theoretical phase in Technical College Institutes to reach the necessary technical knowledge and develop competences that will allow them to be incorporated in the banking area. We have 107 apprentices in diverse units of the Organization carrying out their practical phase.. Approximately, 30% of the apprentices who support us in the practical phase will be effectively incorporated as regular members of the staff of our organization. In this way, the apprentices from INCES we train at Banesco become an excellent resource for acquiring new talents.

Additionally, we trained external interns -high school students and mid-level technicians- as well as internal Interns, who are employees of the bank. They are studying at the moment and they wish to do their internship within the Organization.

QUALITY OF LIFE, FREE TIME AND PERSONAL DEVELOPMENT

In 2016 and 2015, sports, recreational and cultural activities, as well as volunteer work, were executed as part of Banesco's Quality of Life Plan. This policy has contributed to improve the quality of life of our employees and it has motivated them to make better use of their free time. We have provided a space for the reconciliation of the work and personal lives of our Citizens Banesco. The recreational activities will be listed as follows:



QUALITY OF LIFE PLAN: ACTIVITIES

Activities	N° of beneficiaries		Investment (VEF)	
	Beneficiaries 2016	Beneficiaries 2015	Investment 2016	Investment 2015
Sport and recreational activities (Toning up)	668	989	8,538,620	1,102,438
Continuous Training	221	179	2,541,589	1,427,160
Theater / Plays	172	1,122	706,595	995,366
Gastronomic Workshops	-	62	-	-
Running Club	296	415	1,357,752	854,896
Indoor Soccer School (Children of the employees)	-	61	-	440,451
Choir Singing Workshops	56	21	417,016	244,655
Banesco's Reader Club	-	78	-	-
Banesco Experimental Group	27	16	2,793,392	739,200
Bowling	-	868	0	5,049,744
Recreational and Prevention Activities	1,125	1,347	7,810,760	3,411,520
Quality of Life Initiatives	-	402	—	6,561,946
Job Fairs	2,612	806	147,536	—
Banesco Marathon	-	4,525	—	39,372,372
Social Tourism	1,287	775	39,131,767	13,093,920
Banesco National Family Day	5,775	—	91,649,329	—
Specialized Talks	423	—	—	—
Services for employees	1,086	—	228,500	—
Total: Recreational and Cultural Activities	13,748	11,666	155,322,855.30	73,293,668.84

G4-DMA, G4-LA6
G4-LA7, G4-LA8**OCCUPATIONAL HEALTH**

The Workers' Health Management administers all issues related to the epidemiological surveillance of our employees and aims at integrating our preventive health policies, which is complemented by the prevention of occupational risks.

In Banesco Banco Universal, C.A. we are convinced that a healthy company is one in which the physical, psychological and well-being of the employee is important for the development of its objectives.

We are committed to providing safe and healthy working environments. We want to guarantee our workers' right to have access to healthcare, safeguard their health and integrity, beyond their own working environment and protecting their family group..

The healthy business model is based on the guidelines of international organizations such as the World Health Organization and the European Occupational Safety and Health Network, which focuses on people and encompasses physical, mental and occupational aspects. This model is made in accordance with the Venezuelan health policies, which are strictly followed by Banesco Banco Universal, C.A.

The healthy company model administered by Banesco Health's Management applies and measures on our workers the following patterns:

1. Work environment.
2. Evaluations of potential risks in the different facilities and workplaces.
3. Education and training of the workforce on the risks associated with the job.
4. Epidemiological studies, claims and mitigation actions.
5. Prevention of common and work-related incidents.
6. Emergency measures.
7. Physical activities inside and outside the Bank
8. Healthy eating habits
9. Preventive health campaigns.

During 2016 and 2015, 6,261 and 5,682 consultations were held in the Metropolitan Area of Caracas, respectively. 5,149 and 6,235 rests were granted after medical examinations.



In Banesco Banco Universal, C.A. we are convinced that a healthy company is one in which the physical, psychological and well-being of the employee is important for the development of its objectives.

In cases of prolonged sick leaves, the workers have reintegrated to their job positions after medical examination. Nationwide, there were 28,474 and 49,063 lost days, representing 1.33 and 1.10% of absenteeism due to medical causes, which led to the conclusion that almost 100% of the population is healthy. It should be noted that consultations or rest include the assistance of a collaborator for various pathologies.

Banesco supervises all cases of labor absenteeism (especially prolonged leaves), by applying the following formula:

$$\begin{array}{lcl} \% \text{ Labor absenteeism} & & \\ \text{Medical causes} & = & \frac{\text{Number of days lost for medical causes}}{\text{Total Employees}} \times 100 \\ & & \times \text{Number of days lost for medical causes} \end{array}$$

Banesco periodically implements the following health policies:

- | Primary Healthcare Program.
- | Program for the Prevention of Occupational Risks and Accidents.
- | Program for the Prevention of Occupational and Common Diseases.
- | Application of the health insurance policies ruled by the Social Security Office.

G4-DMA, G4-LA6
G4-LA7, G4-LA8

Our employees are encouraged to be their own healthcare and job security manager. We also count with a group of specialists that analyzes special situations of employees having severe health conditions.

Banesco periodically implements the following health policies:

1. Medical Assistance Program:

- | Hypertension Screening: 125 employees were evaluated and monitored in 2015 in order to avoid potential risks.
 - | We continued with our fumigation plan (thermo-nebulization) in all offices in the metropolitan area and the interior of the country. We have cleaned ducts and air conditioning grilles. In agencies having workers with respiratory diseases, preventive measures, in terms of cleanliness, were increased.
 - | Specific measures regarding garbage collection and water storage and handling.
2. Information campaigns to promote healthy living habits (food, sports, most common diseases and main health risks, cervical cancer screening, breast cancer screening through preventive consultation, etc.).



3. Audiometry: 59 audiometries were done in 2015. The bank has been following those medical cases in order to avoid some potential risks.

4. Annual medical tests.

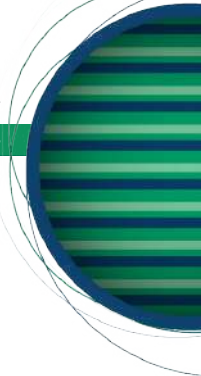
The data is presented as follows: Type of Disease/Accidents in 2016 and 2015. The information is presented at a general level and then is broken down by region, sex and number of medical rest days granted to our employees.

ABSENTEEISM CAUSED BY DISEASES/ACCIDENTS

Disease / Accident	2016			2015		
	Rests	Absences (No. Of Days)	% Absenteeism (Ratio)	Rests	Absences (No. Of Days)	% Absenteeism (Ratio)
Common diseases	4,646	23,691	1.11	5,694	35,407	0.71
Occupational diseases	—	—	—	—	—	—
Work accidents	3	34	0.00	37	327	—
Common accidents	500	4,749	0.22	527	4,732	1.01
Total absences Disease / Accidents	5,149	28,474	1.33	6,258	40,466	1.72

ABSENTEEISM CAUSED BY COMMON DISEASES- N° OF MEDICAL RESTS

Regions	2016			2015		
	Male	Fem	Total	Male	Female	Total
Central-East Region	63	396	459	101	504	605
Metropolitan Region	991	2,475	3,466	172	402	574
West-Andean Region	85	231	316	955	2,856	3,811
South-East Region	31	135	166	56	257	313
Zulia – Falcón Region	47	192	239	79	312	391
Total	1,217	3,429	4,646	1,363	4,331	5,694

G4-LA6, G4-LA7
G4-LA8**ABSENTEEISM CAUSED BY WORK ACCIDENTS - N° OF MEDICAL RESTS**

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	—	—	—	1	3	4
Metropolitan Region	1	2	3	4	17	21
West-Andean Region	—	—	—	1	3	4
South-East Region	—	—	—	1	2	3
Zulia – Falcón Region	—	—	—	1	4	5
Total	1	2	3	8	29	37

ABSENTEEISM CAUSED BY COMMON ACCIDENTS - N° OF MEDICAL RESTS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	26	39	65	21	22	43
Metropolitan Region	111	231	342	132	276	408
West-Andean Region	24	41	65	13	17	30
South-East Region	3	9	12	3	20	23
Zulia – Falcón Region	7	9	16	10	13	23
Total	171	329	500	179	348	527

COMPREHENSIVE TOTAL ABSENTEEISM - N° OF MEDICAL RESTS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Total	1,389	3,760	5,149	1,550	4,708	6,258

The data is presented as follows: Type of Disease/Accidents in 2016 and 2015. The information is presented at a general level and then is broken down by region, sex and number of days lost:

ABSENTEEISM CAUSED BY COMMON DISEASES - N° OF DAYS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	545	3,850	4,395	706	4,510	5,216
Metropolitan Region	3,197	10,487	13,684	965	3,675	4,640
West-Andean Region	454	1,879	2,333	4,784	15,624	20,408
South-East Region	97	1,236	1,333	282	1,708	1,990
Zulia – Falcón Region	378	1,568	1,946	580	2,573	3,153
Total	4,671	19,020	23,691	7,317	28,090	35,407

G4-LA6, G4-LA7
G4-LA8**ABSENTEEISM CAUSED BY WORK ACCIDENTS - N° OF DAYS**

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	—	—	0	21	56	77
Metropolitan Region	3	31	34	16	113	129
West-Andean Region	—	—	0	1	42	43
South-East Region	—	—	0	21	28	49
Zulia – Falcón Region	—	—	0	15	14	29
Total	3	31	34	74	253	327

ABSENTEEISM CAUSED BY COMMON ACCIDENTS - N° OF DAYS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	323	445	768	259	239	498
Metropolitan Region	1,028	2,017	3,045	1,086	2,376	3,468
West-Andean Region	239	440	679	158	155	313
South-East Region	24	64	88	29	188	217
Zulia – Falcón Region	70	99	169	87	155	242
Total	1,684	3,065	4,749	1,619	3,113	4,732

COMPREHENSIVE TOTAL ABSENTEEISM - N° OF MEDICAL RESTS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Total	6,358	22,116	28,474	9,010	31,456	40,466

The total number of days lost due to common diseases in 2016 y 2015 was 23,691 and 35,407 representing 4,646 and 5,694 medical rests respectively, with 1.11% and 0.71% of absenteeism that based on the total number of employees means that the employee was absent from work due to common illness for an average of 3 days per year.

The most frequent pathologies 2016 and 2015, which are considered common diseases, are presented below:

MOST FREQUENT PATHOLOGÍES/MEDICAL RESTS

	Musculoskeletal and joint disease	Respiratory diseases	Gastrointestinal diseases	Gynecologic disease	Dermatologic disease	Viral diseases
Total 2016	1,067	736	532	419	254	1,306
Total 2015	1,629	1,090	794	645	334	580

G4-DMA, G4-LA3
G4-LA5, G4-LA6
G4-LA7, G4-LA8

In 2016 and 2015, regarding commuting accidents, Banesco Banco Universal, C.A., has focused on educating employees to avoid unsafe acts or conditions.

COMMUTING ACCIDENTS

Regions	2016			2015		
	Male	Female	Total	Male	Female	Total
Central-East Region	—	—	—	3	4	7
Metropolitan Region	—	—	—	11	36	47
West-Andean Region	—	—	—	3	2	5
South-East Region	—	—	—	—	—	—
Zulia – Falcón Region	—	—	—	—	6	6
Total	—	—	—	17	48	65

Banesco Banco Universal, C.A. has investigated 1 and 14 complaints received by the Labor Safety and Health Committee (INPSASEL by its acronym in Spanish) for the alleged origin of occupational disease. The conclusions showed that the pathology acquired by the worker or former worker, were of common origin (not caused by work). Likewise, in order to promote the prevention of this type of complaints, the Occupational Health and Safety Management investigated 57 and 25 suspected internal cases of occupational disease in 2016 and 2015, respectively, with the objective of making the pertinent ergonomics and postural hygiene corrections at work.

LABOR HEALTH INDICATORS

Absenteeism rate*	
Year	%
2016	1.33
2015	1.72
Variation	(39.00%)

Total of medical rests**	
Year	%
2016	28.474
2015	40.466
Variation	(29.63%)

* Maternity leaves are not included.

** Medical rests include epidemiological diseases, common and commuting accidents.

WORKERS HAVING MATERNITY/PATERNITY LEAVES

	2016		2015	
	Male	Female	Male	Female
Number of employees having rights to maternity/paternity leaves	3,234	5,747	3,688	6,831
Number of employees enjoying that right	101	329	152	622
Number of employees returning to work after maternity/paternity leaves	89	302	151	616
Labor return rate after maternity/paternity leaves	88.12%	91.79%	99.34%	99.04%
Number of employees being in office after one year of maternity/paternity leave	78	224	125	496
Employee retention rate	77.23%	68.09%	82.24%	79.74%

G4-11, G4-DMA
G4-LA6, G4-LA7
G4-LA8**WORKPLACE SAFETY**

We are aware of the importance of protecting our workers from possible occupational hazards. That is why we promote safe working conditions in an adaptable and suitable working ideal environment for the good performance of our collaborators. Banesco goes beyond the fulfillment of the labor legislation in force.

Our efforts are aimed at achieving the quality and reliability of the services provided by the Organization. We have focused our efforts on minimizing fraud, service interruption periods, accidents and occupational diseases, as well to maximize our service availability. We try actively to keep the effectiveness in all of our activities.

Since Banesco Banco Universal, C.A., is a company of the financial sector, its employees perform mainly office work, which does not represent a high labor risk. Given the above, the musculoskeletal pathologies are potentially a labor risk for the employees working in the different banking branches and warehouses of the bank. Psycho-social and physical risks are likely to affect cashiers, operational administrators and managers of the different branches of Banesco's branches.

At the end of 2016, Banesco Banco Universal, C.A., had 81 collaborators representing both workers and employers in the Occupational Safety and Health Committee (CSSL by its acronym in Spanish), working, in agencies and headquarters, which are distributed as follows:

- 52 centers in the Metropolitan Area of Caracas
- 15 centers in the South-East Region
- 14 centers in the North-East Region

The CSSL have worked in accordance with the guidelines of the Health and Labor Safety Department. Their

TRAINING AND FORMATION

Event	Total Events	No. of beneficiaries
New employees: Labor Safety and Health	15	495
Ergonomics and healthy posture	3	3
Formation of Emergency Brigades	1	6
New employees: Labor Safety and Health	15	495
Ergonomics and healthy posture	3	3
Formation of Emergency Brigades	1	6
What to do in case of emergency? (Evacuation: Earthquake)	1	30

goal is to help control and to advise on the execution of the Health and Safety at Work Programs enshrined in the Organic Law for Prevention, Conditions and Environment in the Workplace (LOPCYMAT, by its acronyms in Spanish). In 2016 we have performed the following activities:

- 6 centers in the Metropolitan Area of Caracas
- 1 center in the North-East Region

LABOR RELATIONS

The Collective Labor Agreement of Banesco Banco Universal, C.A., was approved by the Labor National Inspectorate on October 10, 2013. It is still in force at the close of 2016. According to its third clause, it covers all employees hired for an indeterminate period of time and for a specific period of time, who render services anywhere in the country, with the exception of the Chairman of the Board of Directors, the Executive Presi-

G4-LA2

WORKERS PROTECTED BY LABOR COLLECTIVE AGREEMENT

Workers under the labor collective agreement	2016	2015	Var
Total Employees	8,981	10,519	(14.62%)
Workers under the labor collective agreement	8,554	10,016	(14.60%)
% Workers under the labor collective agreement	95.25%	95.22%	

G4-11, G4-DMA
G4-LA2, G4-HR3
G4-S03, G4-S04
G4-S05

dents, Directors, Vice Presidents, Interns and INCES Apprentices. In this regard, 95,25% of our workers are covered by the current labor convention. The Collective Bargaining Agreement consists of Preliminary, General, Economic and Socioeconomic Clauses, including Union and Final Clauses. It provides competitive socioeconomic benefits in the market. It is focused on improving the quality of life of workers and their families. In addition to economic benefits, it provides benefits such as a Hospitalization, Surgery and Maternity Policy that covers workers and their families (spouse, children), including Scholarships for workers, toys for workers' children, and school supplies, among others. This labor agreement is the result of applying the principle of Social Responsibility to our main asset: our human capital. We want to generate wellbeing, improve working conditions and quality of life of our worker. As of November 2016, the Basic Hospitalization and Surgery Insurance Policy is maintained at Bs. 400,000, and Maternity Coverage at Bs. 100,000.

G4-HR4

FREEDOM OF ASSOCIATION

Banesco Banco Universal, C.A. guarantees each and every one of the rights enshrined in the National Constitution, the Organic Labor Law and its Regulations and other labor provisions, especially the right of association for lawful purposes and the right to unionization. It is guaranteed that these rights are effectively exercised by our employees, with no restrictions other than those established in the aforementioned laws. By December 2016, 6,920 workers were affiliated to the National Union of Workers of Banesco Banco Universal, C.A. (SITRABANESCO), which represents 77.05% of the Bank's total payroll. Likewise, as another expression of the freedom of association, the right to collective bargaining and to enter into collective labor agreements is guaranteed. In fact, several collective agreements have been signed with SITRABANESCO.

G4-S04
G4-S05

CORRECTIVE MEASURES TAKEN IN RESPONSE TO CORRUPTION CASES

Financial institutions are exposed to all types of risks, mainly related to money laundering and terrorism funding. We rely on our Comprehensive Risk Management System for Money Laundering and Terrorism Funding, which involves and holds accountable all

Citizens Banesco who in any way can contribute to preventing, controlling and detecting attempts to legitimize money or finance terrorism.

In this regard, the Bank's Board of Directors annually approves the Annual Training Program on the prevention and control of money laundering and terrorism funding, which covers the induction of all personnel entering the institution, as well as refresher and specialization workshops for active staff of the sales network and centralized areas.

Information on the subject is published on the Intranet to provide all employees of the institution with the necessary tools to prevent, control and detect attempts of legitimizing money or funding terrorism. We also encourage our employees to support the actions of the Money Laundering and Terrorist Financing Prevention and Control Unit. We have Direct Lines of communication with the Ethics and Conduct Committee (see Corporate Governance chapter), as well as a mailbox for "Banesco Money Laundering Prevention Unit". Through this system, it could be notified or denounced unusual or suspicious activities that may be detected in clients or employees.

The main tool for the reduction of such risks is to keep and apply comprehensive and effective control mechanisms for customer knowledge (for example, the policy entitled "Know Your Customer" promoted by the Sales Network). This is a way of avoiding relationships with customers who represent a risk to our financial institution, since they could want to perform illegal activities, such as frauds, money laundering, scams or any kind of corruption through the bank platform.

Similarly, another transparency measure is the policy "Know your Employee": the staff working in the institution is obliged to notify the origin of the funds that may be redeposited in their accounts, other than payroll payments.

Banesco Banco Universal, C.A., has not been subjected to sanctions in the areas of prevention and control of money laundering and terrorism funding, neither for corruption.

G4-S03

G4-DMA,
G4-HR5, G4-HR6
G4-HR3 G4-HR8

EQUALITY AND NON-DISCRIMINATION

At Banesco Banco Universal, C.A., all employees are treated equally, regardless of age, race, color, creed, political or sexual orientation, or of any other reason. We aim at granting equal opportunities to all our employees. We have taken preventive measures to generate a decent, ethical, respectful, cordial and equal labor environment for all employees who work or aspire to join Banesco Banco Universal, C.A.. We encourage our employees to enhance their capabilities, strengths and competencies. Up to date, no incidents of employee discrimination have been reported.

We also have rules that prevent discrimination practices, such as the Collective Bargaining Agreement (Clause 2 of the General Declaration of Principles) and the Code of Ethics and Conduct of the Citizen Banesco, which came into force in 2009.

Our activities are conducted in areas in which the rights of indigenous people are fully respected.

WOMEN-MEN SALARY SCALE BASED ON JOB POSITION

In the Venezuelan labor market men's labor supply is higher than women's for certain areas and positions. We offer equal opportunities for both genres, which is evidenced by the fact that 48% of our Vice-presidents are women and 56% of our Directors are women as well.

G4-LA13

MEN-WOMEN SALARY RATIO

Job denomination	2016	2015
Base	0.99	0.99
Professionals/Technician	1.24	1.18
Supervisors	1.02	1.08
Managers	1.05	1.07
Vice-presidents	0.98	0.98
Directors	1.00	0.99

CHILD EXPLOITATION

The essence of banking activity demands a solid infrastructure fighting against child exploitation. The employees of Banesco Banco Universal, C.A., are of legal age, except for those who work as apprentices, whose

job is focused on learning administrative and accounting functions, regulated and supervised by the Institute of Training and Social Education (INCES). Therefore, no risks of incidents of child exploitation have been identified.

FORCED LABOR

As a leading and socially responsible financial institution we have guaranteed, at all times, that the legal framework in force in this matter will be followed strictly, as well as all the international treaties on forced labor signed by our country. Therefore, no cases forced or non-consensual labor have been recorded.

It should be noted that the regulations in force in Venezuela enshrines specific rules for labor, and service contracts, which prohibit child exploitation, and forced labor. There are also mandatory measures that Banesco must follow for the protection of its workers, which are supervised by Venezuelan state institutions.

BENEFITS GRANTED TO OUR WORKERS

One of our main objectives has been to improve the quality life of the employees that are part of the large family of Banesco Banco Universal, C.A. Our constant challenge is to maintain ourselves as a leading company in the granting of benefits and the best working conditions.

Year after year, efforts are directed to evaluate the socioeconomic conditions of our country to offer our human capital the most competitive benefits and the best conditions to improve their quality of life. That is why our benefits program is granted to all our staff regardless of their working status. Therefore, the benefits are also granted by part-time workers. The social benefits granted by Banesco are at the top of the country's financial sector, mainly in areas such as food health and housing.

The main benefits granted by the Bank cover fundamental issues for well-being, especially those related to preventive health, sport, recreation and positive use of free time.

G4-LA 14,
G4-HR 5,
G4-HR 6,
G4-LA 15

G4-EC3

G4-EC3

CONTRACTUAL BENEFITS

	Investment (VES)			No. of Beneficiaries		
	2016	2015	Var	2016	2015	Var
Contributions to the Saving Funds	399,807,199.90	179,221,518.81	123.08%	11,431	12,694	(9.95%)
Family compensation for employee's death	1,095,240.00	249,210.97	339.48%	8	6	33.33%
School supplies bonus	150,388,292.42	10,293,375.95	1,361.02%	5,126	3,800	34.89%
Scholarships	6,226,600.00	2,338,600.00	166.25%	483	397	21.66%
Contribution for cashiers and promoters	961,661.90	1,233,353.20	(22.03%)	2,489	4,588	(45.75%)
Contribution for family deaths	27,550.00	27,000.00	2.04%	69	74	(6.76%)
Contribution for Mother's Day	1,011,400.00	925,200.00	9.32%	4,020	4,614	(12.87%)
Contribution for Marriage	117,600.00	38,650.00	204.27%	384	146	163.01%
Contribution for birth and children	25,200.00	132,850.00	(81.03%)	85	502	(83.07%)
Contribution for toys	42,155,311.38	13,646,070.72	208.92%	4,300	4,910	(12.42%)
Award Policies – Recognition due to seniority	48,326,759.00	21,977,623.56	119.89%	896	986	(9.13%)
HSM Collective Insurance Policy	800,172,001.94	329,180,216.72	143.08%	14,363	33,769	(57.47%)
Family subsidies	405,480.00	452,520.00	(10.40%)	3,124	3,382	(7.63%)
Uniforms and equipment	70,624,798.82	74,060,311.87	(4.64%)	3,702	5,639	(34.35%)
Paid holidays	459,844,507.09	122,612,237.50	275.04%	12,691	9,531	33.15%
Total	1,981,189,602.45	756,388,739.30	161.93%			

NON-CONTRACTUAL BENEFITS

Temporary workers (hired by a specific period of time) also enjoy the social benefits established in the Collective Labor Agreement subscribed between Banesco Banco Universal, C.A. and its regular workers.

NON-CONTRACTUAL BENEFITS

	Investment (VES)			No. of Beneficiaries		
	2016	2015	Var	2016	2015	Var
Housing private non-certified loan	2,930,000.00	7,572,500.00	(61.31%)	37	124	(70.16%)
Parking lot subsidies	11,236,473.33	4,584,436.66	145.10%	1,126	1,484	(24.12%)
Food Programs (subsidies)	1,206,130,398.33	177,036,139.01	581.29%	7,264	6,468	12.31%
Medical Services	46,765,257.35	2,885,616.00	1,520.63%	4,407	4,338	1.59%
Money contributions for severe health conditions	52,690,011.47	9,269,279.50	468.44%	32	34	(5.88%)
Total General	1,319,752,140.48	201,347,971.17	555%			

G4-EC3
G4-DMA
G4-LA14

LEGAL OBLIGATIONS OF THE EMPLOYER

	Investment (VES)			No. of Beneficiaries		
	2016	2015	Var	2016	2015	Var
Nursery Schools	87,246,914.75	41,867,029.82	108.39%	1,487	1,755	(15.27%)
INCES	114,703,987.56	48,844,040.87	134.84%	12,629	13,818	(8.60%)
Food Programs for Workers	3,333,032,333.38	584,969,872.17	469.78%	12,506	13,616	(8.15%)
Employment Law	74,544,115.94	29,071,831.93	156.41%	12,323	13,836	(10.94%)
FAOV (Housing Funds)	143,050,136.16	62,059,123.44	130.51%	12,629	13,818	(8.60%)
Social Security obligations	372,720,579.69	152,085,267.94	145.07%	12,323	13,836	(10.94%)
Training and Formation in the Prevention of Money Laundering	3,985,481.00	2,315,280.00	72.14%	7,337	8,322	(11.84%)
Total	4,129,283,548.48	921,212,446.17	348%			

PROGRAM: YOUR OWN HOUSE WITH BANESCO

Since 2005, Banesco Banco Universal, C.A. has established concrete goals within its strategic planning to ensure that all its employees with more than one year's seniority have their own house. At the end of 2016 this program had a total of 7,391 workers benefiting from an investment of VES 2.808.547.368.84.

YOUR OWN HOUSE WITH BANESCO

	Investment (VES)		No. of Beneficiaries	
	2016	2015	2016	2015
Mortgage Purchase Loan (Faov + Own funds)	504,596,637.21	533.710.850,72	87	316
Mortgage Remodeling Credit + Extension (Faov + Own Funds)	359,577,118.74	56.684.212,56	60	101
Total	864,173,755.95	590.395.063,28	147	417



G4-EC3

OTHER SOCIAL BENEFITS GRANTED TO WORKERS

	Investment (VES)			No. of Beneficiaries		
	2016	2015	Var	2016	2015	Var
Contributions for Medical Emergencies (Saving Fund)	623,868.60	671,226.00	(7.06%)	32	37	(13.51%)
Banesco's credits for vehicles	83,860,200.00	29,904,245.29	180.43%	20	54	(62.96%)
Summer Holidays Plan for workers' children	33,185,317.20	9,791,472.40	238.92%	4,054	3,227	25.63%
Recreational and Sport Events	147,142,036.65	81,227,209.05	81.15%	13,701	12,787	7.15%
Sports (Continuous Training)	3,887,780.12	2,722,507.20	42.80%	4,128	5,829	(29.18%)
Cultural Activities	3,917,002.52	1,978,364.35	97.99%	1,826	2,998	(39.09%)
Training and Formation Programs	105,245,849.00	71,111,436.00	48.00%	10,700	10,069	6.27%
Totales	377,862,054.09	197,406,460.29	91.41%			

EMPLOYEE SATISFACTION LEVEL

Program	Score	
	2016	2015
Dining Facilities	8.3	7.50
Satisfaction level	8.3	7.50

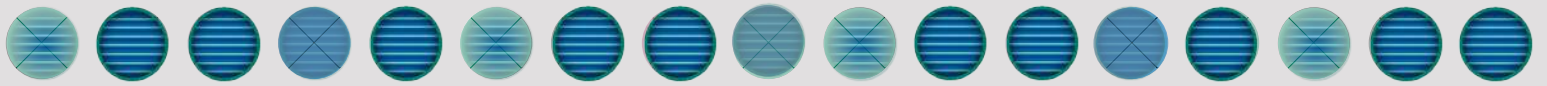
Program	Satisfaction level			
	Excellent	Good	Regular	Poor
Dining	10	7,5	5	2,5



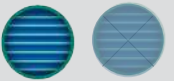
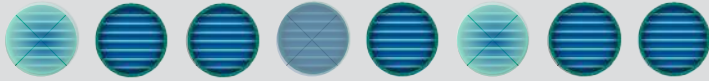
ORGANIZATIONAL ENVIRONMENT STUDY

Banesco Banco Universal. C.A., applies an evaluation instrument adapted to the needs of the organization, particularly focused on the issues associated with the Organizational Culture diagnosis. It consists of 7 dimensions that explore Cultural themes and 10 dimensions that are extremely related to the Organizational Environment. These dimensions reflect the core aspect of our workers' lives in the organization and provides results that are much more aligned with our reality as Citizens Banesco. The measurement instrument was applied to Banesco employees in 2016 and 2015: 83% y 77%

respectively participated. This study shows a global result of 73% and 75% for Culture and a global result of 78% and 70% for environment reflecting the promotion of a high performance environment and culture and the commitment to continue working towards a better result every day, in order to consolidate our High Performance Culture. The data was collected through Google form, which was completed by Banesco employees.



THE EXTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY



G4-DMA

OUR SOCIAL PARTNERS AND THE COMMUNITY

OUR POLICY

At Banesco Banco Universal, C.A., we have established a Corporate Responsibility and Sustainability Policy with the purpose of achieving Economic, Social and Environmental Sustainability. This policy is based on responsible management in all areas of the Organization.

We aim at contributing to the Sustainable Development of our stakeholders. This is the reason why we have established a value proposition, based on products, services and programs that promote Economic, Social and Environmental Development in a balanced manner. We also understand and assume as our responsibility: the respect and promotion of our clients and workers human rights; the contribution for the well-being in our areas of operation; an interaction based on ethical precepts, with all our interlocutors: workers, clients, suppliers, authorities, shareholders and society in general.

As highlighted in the previous framework, we aim to be an active agent in supporting small and micro-enterprises; in training entrepreneurs; and in developing inclusive products and services, representing an opportunity for those sectors of the population that have not accessed the benefits of the financial system.

We develop our social initiatives jointly with Venezuelan social institutions all across the country. This social network makes possible social causes and initiatives in favor of communities.

We have relationships with institutions, which we have called Social Partners in order to carry out medium and long-term projects to ensure their continuity and contributions are not mere aids, but rather a process of growth of the participating organizations. Therefore, financial instruments are implemented and surveys, visits and progress reports are regularly conducted.



OUR SOCIAL PARTNERS

G4-15, G4-EC7
G4-EC8, G4-DMA

Organization/ Institution	2016		2015	
	Project	Funds	Project	Funds
Micro-entrepreneurs	Training Program for Micro-entrepreneurs	54,898,853.22	Training Program for Micro-entrepreneurs	29,584,167.00
Fe y Alegría	— — — —	0.00	Construction of IUJO Barquisimeto's Heavy Laboratories	24,447,178.41
	— — — —	0.00	Solidaridad por las Lluvias	1,000,000.00
A.C. Red de Casas Don Bosco	ARIS Project - Bosco Bus Mobile Unit	9,999,999.98	ARIS Project - Bosco Bus Mobile Unit	4,010,887.93
Fundana	Annual contribution	820,000.00	Maintenance Fee for Las Villas Los Chiquiticos	360,000.00
Fundación Museo de los Niños	Annual contribution	100,000.00	Website Sponsorship www.Curiosikids.com	25,000.00
UCAB	Scholarship Program Padre Gustavo Sucre UCAB Caracas	24,626,571.80	Inter-university conference JOINCIC-UCAB	34,732.50
	Scholarship Program Padre Gustavo Sucre UCAB Guayana	6,407,532.60	Contribution for 5 Scholarship-Aids	49,500.00
AVEC	Consolidation of Educational and Recreational Programs	3,992,708.16	Consolidation of Educational and Recreational Programs	2,000,000.00
Venezuelan Foundation For Infantile Paralysis	Intensive Care Unit Rehabilitation Project	3,000,000.00	Construction and Equipment of the Pediatric Intensive Care Unit	3,000,000.00
A.C. Apoye	Annual contribution	178,752.00	Annual contribution	78,400.00
Damas Salesianas Civil Association	Project for renovation of kitchen of the "Mama Margarita" school in Petare	2,085,798.00	Youth Employment Training Consolidation Program	630,000.00
Simón Bolívar Music Foundation	Project Alma Llanera of Musical Foundation Simón Bolívar	1,103,518.00	Project Alma Llanera of Musical Foundation Simón Bolívar	1,000,000.00
			Performance of the Latin-Caribbean Orchestra at the HAY Festival in Cartagena	618,400.61
			Contribution to Núcleo San Francisco Central Region	30,000.00
IESA	Foundation IESA Project "Aula Banesco"	71,728,834.39	Financial Assistance Plan (FAP) for Graduate Student Scholarships	14,220,608.79
Total Bs.		208,942,568.15		81,088,875.24

An essential and pivotal condition for an organization to remain a Social Partner of Banesco Banco Universal, C.A., is to provide relevant and detailed information on the development of projects supported by the Bank.

OUR PERFORMANCE

In 2016, we continued to support our Social Partners with initiatives and projects aimed at meeting the basic needs of the most disadvantaged communities or groups. These initiatives are carried out primarily in areas such as education and health.

The investment for the Corporate Social Responsibility Program in 2016 was VES 2.24 billion, of which VES 1.93 billion (86%) corresponded to benefits for our employees, while VES 311.09 million (14%) were allocated to social projects in the areas of education and financial inclusion through the Training of micro-entrepreneurs; adaptation of physical infrastructure in educational institutions; purchase of medical equipment and supplies for the care of low-income people; musical training; and care of the elderly, among others.

Throughout 2016, our social partners were Fe y Alegría, Asociación Civil Red de Casas Don Bosco, Fundación Amigos del Niño que Amerita Protección (Fundana), Fundación Museo de los Niños, Universidad Católica Andrés Bello (UCAB), Asociación Venezolana de Educación Católica (AVEC), Fundación Venezolana Contra la Parálisis Infantil, Asociación Audaz para Orientación y Estímulo de Personas con Necesidades Especiales (Apoye), Asociación Civil de Damas Salesianas and Fundación Musical Simón Bolívar. We had a constant dialogue with each of these institutions through meetings, interviews and activities that helped us to identify possible collaboration channels that would enable Banesco Banco Universal, C. A. to contribute to the real needs of society.

We are committed to making a solid contribution to the community nationwide and having an impact through our actions. That is why we exercise the "good neighbor" policy. In this way, Banesco Banco Universal, C.A. is incorporated into society, interacting with the different actors that live there, attentive to their problems and making a contribution that responds to some of their expectations

We are convinced that social investment must be managed responsibly, proactively and strategically: the expected result



By promoting these initiatives, we are contributing to two of the Sustainable Development Objectives (SDOs) of the United Nations Agenda 2030 for Sustainable Development.

of which is the well-being of the community and its long-term development. The Bank's social action has multiple facets, which respond to our emphasis on the inclusion of groups that do not yet have access to education and health, thus reducing their chances of breaking the vicious circle of poverty

In order to manage the projects efficiently and equitably, Banesco Banco Universal, C.A carries out an annual planning of its budget in which social projects are incorporated and approved according to the particular needs of the community.

By promoting these initiatives, Banesco Banco Universal, C.A. contributes to two of the Sustainable Development Objectives (SDOs) of the United Nations Agenda 2030 for Sustainable Development.

RAFFLE FUNDRAISING FOR OUR SOCIAL PARTNERS AND OTHER EVENTS

Our solidarity goes beyond philanthropic activities. That is why our Social Partners and allies have at their disposal our network of agencies for the sale of raffle tickets that allow them to raise funds for their operation. In this way, our clients and related parties can purchase the tickets for these raffles in our branches nationwide. Our employees are committed to this effort and are personally in charge of selling these tickets.



COLLECTION

Organization / Institution	Project	2016	2015
Venezuelan Foundation For Infantile Paralysis	Súper Bingo de la Bondad	1,221,900.00	899,200.0
Fe y Alegría	Rifa de Fe y Alegría	238,900.0	304,806.00
Fundación Niños con Sida	El Buen Samaritano - Fundación Niños con Sida	2,700,711.67	1,502,550.00
Sociedad Anticancerosa	Gran Bono de la Salud	5,060,000.00	4,748,800.00
Fundana	Subasta de Fundana	157,350,000.00	132,570,000.00
Total		166,571,511.67	140,025,356.00

ACCOUNTABILITY

We conduct an annual survey among our Social Partners, in order to monitor the evolution of the projects under implementation and their satisfaction level. In this way we can follow up on the different initiatives, as well as the investment and advice we provide to bring them to a successful conclusion, correcting possible deviations and building indicators that allow us to measure the impact of the programs in question.

LEVELS OF SATISFACTION OF OUR SOCIAL PARTNERS

	2016	2015
Banesco's response time	100%	100%
The orientation and support granted by Banesco	100%	100%
The information supplied by Banesco	88%	100%
The results	37.50%	64%
Average level of satisfaction	86%	82%

This survey was conducted among 8 social partners in 2016, and 11 in 2015.



In 2016, we created the National University Scholarship Program focused on low-income, high-achieving young people. In this first stage of the project, we benefited 130 high school graduates who are studying at Universidad Católica Andrés Bello and 30 students from Universidad de Margarita. This number is added to the beneficiaries of the Banesco Lifetime Scholarship Incentive Program.

SOCIAL PROJECTS PROMOTED / 1

G4-15, G4-EC7, G4-EC8, G4-SO1

Social Partner	Fe y Alegría	A.C. Red de Casas Don Bosco	Fundana	Asoc. Venezolana de Educación Católica (AVEC)	Fund. Venezolana contra la Parálisis Infantil
Project's name	Rehabilitation of fluvial water drains	Protection, Comprehensive Care, Reintegration, Family Strengthening, Training and Qualification for children, adolescents and young people, between the ages of 04 and 25, who find themselves living on the streets or being at high risk in the urban centers of the Metropolitan Area of Caracas.	Las Villas de "Los Chiquiticos". Residential child care	Consolidation of the Educational Infrastructure	Construction and equipping of the Pediatric Intensive Care Unit
Description	Incorporate the fluvial water drains to the canal system, through the installation of PVC pipes, which will avoid the undermining of the infrastructure and landslides that affect the houses near the Community Educational Center San Benito	The action aims at giving dignified and sustainable responses to children, adolescents and youth, between the ages of 4 and 25, who are living on the streets or they are facing high risks. The program is focused on the strengthening of the following projects: the Protection and Comprehensive Care Program, the Reintegration and Family Strengthening Program and the Integral Training and Formation Program for children, adolescents and youth of the municipalities of Libertador, Sucre and Chacao in the Metropolitan Area of Caracas	To comply with the Organic Law for the Protection of Children and Adolescents (LOPNA), in December 2004 FUNDANA inaugurated the first residential care project in the country, Las Villas de "Los Chiquiticos", consisting of 10 small houses sheltering 8 to 10 children, totalling 120 babies, with two significant adults (godmother and aunt), supported by the Comprehensive Care Centre (C.A.I.), which is made up of a multidisciplinary team (psychologists, social workers, nutritionist, pediatrician, speech therapist).	To seek the consolidation of the school infrastructure, the extension of school spaces, creation of spaces, floor, wall or roof repair, white water service, in order to ensure the quality of social and educational services offered by AVEC.	To redesign the area where the ICU will be located, and to equip it with its beds and other necessary equipment for the intensive care of patients.
Direct beneficiaries 2016	144	116	Not indicated	4,058 students and teachers	Not indicated
Direct beneficiaries 2015	80 students per semester	61 children and adolescents	180 boys and 131 girls	1,637 students and teachers	246,232 patients
Indirect beneficiaries 2016	576	464	Not indicated	20,290	Not indicated
Indirect beneficiaries 2015	3,744 per semester	Not indicated	1026 beneficiaries	8,155 families	1,231,160 people
Execution 2016	100%	70%	Permanent execution program	100%	Not indicated
Execution 2015	100% Execution	30%	Permanent execution program	Permanent execution program	Permanent execution program
Final Execution	100% Execution	Year 2017	75% Execution	Permanent execution program	Permanent execution program
Territorial Impact	State of Lara	Capital District and State of Miranda	State of Miranda Baruta Municipality	Permanent execution program	The medical center is in the capital region, but since it is a national reference center for Orthopedics, it receives patients coming from throughout the country, with a higher percentage from the central region.
% Ejecutado	100%	70%	75%	100%	100%

SOCIAL PROJECTS PROMOTED /2

G4-15, G4-EC7, G4-EC8, G4-SO1

Social Partner	A.C. Damas Salesianas	FUNDAMUSICAL Simón Bolívar	UCAB Caracas	Apoye	Avesid	IESA
Project's name	Remodeling the school kitchen "Maternal Mamá Margarita"	Alma Llanera Project	Banesco's Scholarship Program In honor to P. Gustavo Sucre S.J.	Contribution granted to APOYE (integral attention oriented to children, youth and adults with Down Syndrome)	Capacita RSE	AULA BANESCO EN EL IESA
Description	Provide the remodeled school kitchen of "Maternal Mamá Margarita" with supplies, kitchen appliances and furniture necessary to favor the physical security and adequate nutrition of the children attending this institution.	Develop and deepen the study, as well as the diffusion of folkloric music, through a pedagogical and artistic curriculum based on the academic and philosophical model of El Sistema.	To comply with the law, the Banesco Scholarship program is a platform for support and follow-up for students with high socioeconomic needs, in order to ensure academic progression and university success. It is aimed at students from first to fifth year of various fields, who lack sufficient socioeconomic resources to cover the total or partial cost of tuition.	To offer specialized services for children, youths and adults with Down's Syndrome, seeking the development of their adaptive skills, ranging from basic training to work preparation, enabling them to participate in productive activities, as well as their full integration into regular environments and independent life.	Developing action plans to expand opportunities for social and occupational inclusion of adults with intellectual disabilities.	Suitability for teaching dynamics oriented towards innovative thinking.
Direct beneficiaries 2016	44	100 students	120	72	N/A	40
Direct beneficiaries 2015	80 youths	18,738 children and adolescents	500 students	70	60 participants	36 students
Indirect beneficiaries 2015	176	500 people	480	220	N/A	160
Indirect beneficiaries 2015	55 children	1.250 people	The entire university community	210 People	60 families	180 families
Execution 2016	100%	Permanent execution program	100%	100%	N/A	50%
Execution 2015	Permanent execution program	100%	100%	Permanent execution program	Permanent execution program	100%
Final Execution	Permanent execution program	Permanent execution program	100%	100%	Permanent execution program	
Territorial Impact	Community of la Dolorita - Petare. State of Miranda	Apure, Barinas, Bolívar, Cojedes, Guárico, Mérida, Táchira, Trujillo and Yaracuy	Capital District	Capital District	Capital District	Capital District
% Execution	100%	100%	100%	100%	100%	100%

G4-S02

SOCIAL INITIATIVES IN THE COMMUNITY

OUR POLICY

We want to have a significant impact on the communities throughout the national territory. For this reason, we exercise the lithic role of the "good neighbor". In this way, Banesco Banco Universal, C.A. is incorporated into society, interacting with the different actors living and working in Venezuela. We are attentive to their problems since we want to make a significant contribution that responds to some of their expectations.

We are convinced that social investment must be managed in a responsible, proactive and strategic manner: the expected result of which is the well-being of the community and its long-term development.

The Bank's social action has multiple facets, which respond to our emphasis on the inclusion of groups that do not yet have access to education and health. These limitations are reducing their chances of breaking the vicious circle of poverty.

In order to manage projects efficiently and equitably, Banesco Banco Universal, C.A. designates and executes an annual planning of its budget in which social projects are incorporated and approved according to the particular needs of the community.

OUR MANAGEMENT

During 2016 we presented cultural and educational initiatives to the community, as well as participating in different book our

human capital. Our Social Partners and Community corporate volunteering banesco fairs organized by universities.

In our emphasis on dialogue with the communities, we strengthened the Participatory budget and expanded our radius of action by getting involved in regional social initiatives.

Additionally, we continue to work on the process of generating value in the communities by promoting the development of micro-financing and financial education.

The following is just a small display of the support we have given over the years to the institutions integrating our Corporate Social Responsibility Program.

Banesco Banco Universal, C.A., committed to equal opportunities to promote the socio-economic integration of people with essential needs, has installed ramps at its headquarters in the Metropolitan area of Caracas to improve access to its facilities. In addition, the restrooms at its main branches were adapted to the established accessibility standards, and adaptations are being made at the various agencies. Likewise, we have adapted the ATMs and multifunctional equipment to allow all users to access and use them, including people with mobility impairments or those who require the use of wheelchairs.

During 2016 no negative impacts resulted from our operations in the communities.



BANESCO SCHOLARSHIPS AND LIFETIME SCHOLARSHIP

Institution	2016		2015	
	Beneficiaries	Amount	Beneficiaries	Amount
Banesco Lifetime Scholarships	0	180,0000	3	61,421.00
UNIMAR	30	673,500	0	0
Banesco Scholarship Program - Gustavo Sucre s.j - UCAB	145	31,034,104.40	0	0
Total	175	31,897,604.40	3	61,421.00

G4-S01 We opened our headquarters in Ciudad Banesco to hold cultural events for the community.

EVENTS CIUDAD BANESCO 2016		
Institution	Event	Amount (VES)
Banesco	Opening of the Mural Redes Cromáticas by artist Emilio Narciso	544,900.00
	Launch of the book "Nuevo País Musical"	631,572.00
	Documentary screening: Alfredo Sadel, Aquel Cantor	214,591.48
	Signing of Scholarship Agreement	193,285.60
	Sociedad Anticancerosa	353,000.00
	Microentrepreneur of the Year Award	639,467.47
	Launching of the book "70 Años de Crónicas Tomo II"	4,063,805.80
	Participatory Budget with the Baruta Community	10,700.00
	Launch of the book "Gente que Emprende"	366,655.80
	Venezuelan Artists Exhibition Ciudad Banesco	41,650.00
	Concert Creciendo con la Música	129,244.00
	Launching of the book "Nuevo País de las Letras"	2,063,587.00
	Book Arquitectura Venezolana 2015	80,500
	Exhibition of the book "La Alfarería Popular de El Cercado"	274,400.00
	Exhibition La Incertidumbre de la Mirada	911,680.00
	Launching of the book Maquiavelo	446,190.00
	Contest C140	73,428.00
	Exhibitions	1,662,434.48
The Caribbean International Book Fair FILCAR 2016	Exhibition 50th Anniversary of EFE in Venezuela	216,523.00
Fundana	XI Fundana Auction 2015	450,378.40
Hotel Tamanaco	Exhibition El Lenguaje de los Diablos	191,923.20
	Exhibition 50th Anniversary of EFE in Venezuela	455,862.40
Cultura Chacao	Chacao Reading Festival 2016	402,516.80
Centro Social y Cultural Don Henrique A Eraso	El Lenguaje de los Diablos	43,489.60
Fundación Paso a Paso	X Edition Exhibition ¡Aquí Estamos!	123,480.00
International University Book Fair of Universidad de los Andes 2016 (Filu 2016)	International University Book Fair of Universidad de los Andes 2016	26,656.00
FIA	Salón Jóvenes con FIA	2,201,600.00
Fundamusical	Concert Orquesta de Campanas	27,111.00
Senosayuda	Health Fair	30,000.00
UCV	Orden Francisco De Venanzi	298,648.00
Universidad de Carabobo	Gala Filuc	714,945.00
UCAB	Encuentro Estudiantes Becados	484,200.00
TOTAL		18,368,425.03

G4-S01

EVENTS CIUDAD BANESCO 2015

Institution	Event	Amount (VES)
AVESID	Concert Avesi (July and December)	0.00
Banesco	Lenguaje de los Diablos	64,176.00
	Free film screening "Papita, maní, tostón"	38,806.77
	Youth with FIA 2014	82,880.00
	Participatory Budget Maracaibo	10,080.00
	Youth with FIA 2015	1,868,809.60
	Launch of the Book "70 años de Crónicas"	722,272
	Participatory Budget Baruta Community	3,960.00
	Recycling activity with workers' children and Telema Foundation	26,096.00
	Banca Comunitaria Award	5,337.65
	Social Partner Dialogue	90,270.00
	Masters of Journalism	126,473.40
	Launch of the Book "Nuevo País Musical"	43,792.00
	Launch of the Book "Gente Que Emprende"	
Colegio Nacional de Periodistas	Journalists' Meeting	54,740.00
Comunicorpo	Corporate Communicators Meeting	0.00
EFE	EXPO 50th Anniversary of EFE in Venezuela	1,466,377.80
University Book Fair Universidad de Carabobo	Inauguration FILUC 2015	1,144,842.63
University Book Fair Universidad de Los Andes	Merida Book Fair	40,097.97
University Book Fair Universidad de Margarita	Caribbean International Book Fair	15,800
Fundación Paso a Paso	10th Photographic Competition on Disability "Aquí Estamos 2015" of Paso a Paso Foundation	48,496.00
Fundamusal	Children's and Youth Orchestra of Baruta	7,928.00
Fundana	XI Fundana Auction 2015	612,479.77
Globovisión	Recording of Program: <i>Mujeres En Todo</i> in Ciudad Banesco	0.00
Senosayuda	Senosayuda Marathon	2,069.98
Universidad Católica Andrés Bello	UCAB Best Research Papers Award	233,252.00
Venamcham	XV Venamcham Symposium	56,224.00
	Forum at the UCV	102,048.24
	Lunch with journalists at <i>El Universal</i>	40,880.00
Total		6,919,389.81

* No costs were incurred for the Organization for this activity

G4-DMA
G4-S01**BANESCO'S PARTICIPATORY BUDGET**

Since 2008, Banesco Banco Universal C.A. has incorporated the figure of the Participatory Budget for its social initiatives contemplated in the Corporate Social Responsibility Area. This is a dialogue that Banesco engages with one of its most relevant stakeholders: the Community.

In 2008, this exercise began with the community of Colinas de Bello Monte, where Banesco is headquartered. In 2014, the community of the Maracaibo Municipality in the state of Zulia was incorporated; in 2015 the state of Nueva Esparta and in 2016 the state of Merida. We intend to incorporate a new region every year so that other institutions and foundations can present their projects and have the opportunity to implement them.

For eight years, Banesco has been supporting projects and initiatives through the Participatory Budget, which mainly benefit children, adolescents and senior citizens.

Since this program was implemented, we have invested VES 8.51 million. In 2016, VES 3,560,327.51 were allocated to the four regions served.

PARTICIPATORY BUDGET

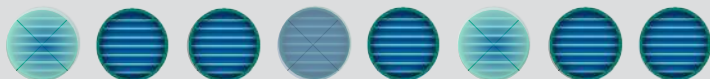
	2016	2015
Baruta	1,000,000.01	800,900.00
Maracaibo	610,327.50	426,650.00
Margarita	950,000.00	380,000.00
Mérida	1,000,000.00	— —
Total	3,560,327.51	1,607,550.00

OUR COMMITMENT TO THE COMMUNITY BY AREA

	Investment VES		Variation (%)
	2016	2015	
Care for Children at Risk, the Elderly and the Disabled	355,115.96	2,171,342.80	83.65
Health	37,782,752.77	8,351,618.92	352.40
Education	20,853,924.64	4,549,918.00	358.34
Public Organisations	3,440,640.00	2,602,208.00	32.22
Trade Unions	526,060.00	813,000.19	-35.29
Culture	6,111,696.00	2,947,400.00	107.36
Editorial Projects	24,957,347.20	15,387,545.86	62.19
Other	5,619,647.36	4,534,056.70	23.94
Total	99,647,183.93	41,357,090.47	140.94

BANESCO'S SOCIAL ACTION BY REGIONAL AREAS OF THE COUNTRY - IMPACT OF OUR SOCIAL INVESTMENT

Region	2016	2015	Var. %
1. Capital Region (Capital District, Miranda & Vargas)	211.892.590,71	86.016.701,23	146,34
2. Central Region - East (Carabobo, Aragua, Guárico, Cojedes & Apure)	901.600,00	320.000,00	181,75
3. West - Andean Region (Lara, Yaracuy, Portuguesa, Mérida, Táchira, Trujillo & Barinas)	1.520.000,00	1.230.000,00	23,58
4. East - South Region (Anzoátegui, Sucre, Monagas, Bolívar, Amazonas, Delta Amacuro, Nueva Esparta & Dependencias Federales)	1.250.000,00	2.054.534,50	-39,16
5. North - West Region (Zulia - Falcón)	8.034.000,00	2.272.234,42	253,57
National Territory	58.891.561,38	31.584.167,00	86,46
Total National Territory	282.489.752,09	123.477.637,15	128,58



BANESCO'S CORPORATE VOLUNTEERING

G4-S01

OUR POLICY

Banesco Volunteering is a program developed by the bank to contribute to our Corporate Responsibility and Sustainability strategy, through actions that promote Banesco Citizens' solidarity commitment, in order to raise awareness, encourage and support the organization towards its stakeholders, mainly: employees, social partners and communities.

The Quality of Life Management, attached to the Executive Vice Presidency of Human Capital, is the area responsible for the administration of Banesco Volunteers, ensuring their training according to the activities to be undertaken in the priority areas for care: health, education and environment. Likewise, the volunteering program will be ruled by the same bank's requirements and guidelines to request and implement the allocated annual budget.

Following the corporate guidelines, an annual Volunteer Action Plan is developed including the schedule of activities as well as the resources available for this purpose. This action plan has a budget allocated within

the Vice Presidency of Human Capital, which is aimed at covering the logistical and operational costs of the program nationwide and under no circumstances will it be aimed at granting donations.

Banesco Volunteering activities are carried out while safeguarding the physical and psychological integrity of its participants. All Banesco citizens may participate as volunteers; family members may be involved in the volunteering activities depending on the type of activity to be carried out, with prior authorization from the corresponding entities and if they are covered by the insurance policy of the employee who is volunteering.



BANESCO'S CORPORATE VOLUNTEERING DISTRIBUTION/JOB DENOMINATION / MAN-HOURS

Job Denomination	2016		2015	
	Volunteers	% of the total	Volunteers	% of the total
Apprentices / Interns / Dissertator Students	0	0,00	15	1.69
Base	207	42.24	100	11.25
Professional and technicians	223	45.51	692	77.84
Supervisors and Managers	59	12.04	79	8.89
Vice-presidents	1	0.20	3	0.34
Total Volunteers	490	100	889	100
Total Man-hours	1860.5	—	2836	—
Annual average time per volunteer (hours)	3.80	—	3,19	—

AREAS OF ACTION OF BANESCO'S VOLUNTEERING

Alineados con la estrategia de Responsabilidad Social Empresarial de Banesco, el Voluntariado Corporativo tiene como áreas prioritarias de atención:

- | **Education:** Support and care for children and adolescents at risk. Training in the prevention of the consumption of alcohol, tobacco and other drugs.
- | **Health:** Support and technical accompaniment for institutions aimed at providing care for children and adolescents with health issues.
- | **Environment:** Promotion of environmental projects. Development of training activities for the proper use of natural resources.
- | **Cultural activities:** Protocol support in the activities planned by the organization for the recreation and enjoyment of our collaborators and nearby communities.

OUR PERFORMANCE IN 2016

In 2016 the participation of Banesco citizens decreased for various reasons. However, the distribution of the largest number of Banesco volunteers in professional and technical jobs remains the same, representing 45.51% of the population.

The average number of working hours per volunteer was 3.80 hours, with the participation of 490 Banesco Citizens who worked with commitment and dedication to serve our social partners.

The greatest number of working hours of the corporate volunteers are distributed among the types of volunteers in specific social action events with 957 hours, environmental volunteers with 370 hours and free time volunteers with 286 hours.

TYPE OF VOLUNTEERING

- | **Specific events:** Volunteer actions where protocol or logistical support is provided at corporate events.
- | **Group projects:** Social actions where the team of volunteers plans, designs and executes the volunteering activities under the supervision of the Volunteering Coordination.



- | **Professional Volunteering:** Banesco has gathered a professional group that provides learning experiences to our Social Partners through workshops, conferences, hygiene and organizational aspects.
- | **Free time initiatives:** Volunteer actions where one or more volunteers, on their own initiative, contribute their time or talent for the benefit of the social partners.

Participatory model	2016	2015
Specific events	957	723
Free time initiatives	286	1,058
Group projects	0	0
Professional Volunteering	0	72
Environmental Volunteering	370	203
Volunteers' formation and training	247,5	780
Total	1,860.5	2,836

INVESTMENTS PROMOTED BY BANESCO'S VOLUNTEERING

	2016	2015	Variation %
Volunteering Logistics Budget	1,639,655.00	745,180.65	120.03
Volunteer training and education	78,129	161,717.00	(106.99)
Total Investment	1,717,784.00	906,897.65	47.21



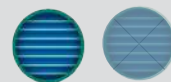
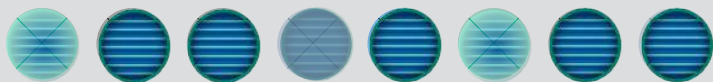
SOCIAL VOLUNTEERING

One of the activities that had greater focus of participation during 2016 was the International Beach Day in which we have undertaken projects that were implemented in 370 hours of volunteer work focused on the protection of the environment. Likewise, we supported our social partner FUNDANA through a visit to its facilities, in which we carried out different integration activities for the children, such as recreational dance therapy and a play to reinforce values. In addition, we constantly supported FUNDANA's auction held every year.



ACTIVITIES UNDERTAKEN WITH OUR SOCIAL PARTNERS

Social Partner	Activity	Volunteer hours
Fundana	Visiting Fundana's facilities	115
	FUNDANA's auction	42
Fundasperven	Supporting Lights Against Harassment Conference	35
Other Social Partner	Activation to welcome workers, reinforce and recognize punctuality	13
	Cancer information conference	70
	Banesco Family Event	140
	Work tables - Activities for the second semester	36
	Work Tables: Banesco's Volunteering Policies	20
	Protocol, face painting and globomagic Banesco Mother's Day Fair	35
	Volunteering Meeting	21
	Drug abuse comprehensive prevention workshop	121.5
	Alfredo Sadel Documentary	9
	Innovation Conference	15
	School and Father's Day Fair	50
	Concert Creciendo con la Música	64
	Mega fair	77
	Children's Day	98
	Family Event	126
	International Beach Day	370
	Model Citizen Values	2
	Family Event Hacienda La vega	77
	Banesco Mark	29
	Pinta La Navidad Campaign	154
	Christmas Fair	30
	Awards for years of service	108
	Micro Theater	3
Volunteering Total Hours		1,860.50

G4-DMA
FS6, FS7
FS13, G4-8

OUR CLIENTS

OUR POLICY

We encourage win-win relationships based on three premises: profitability, reciprocity and service quality. We promote a massive bankization, which is strengthened by our banking products and our technological business model. We are committed to all our clients, whether natural or legal, which is why we continue to constantly review and improve our product and service offer. We aim at offering increasingly competitive products in line with the short, medium and long term financial needs of our clients. Consequently, we have incorporated innovative financing plans, especially aimed at professionals and entrepreneurs.

OUR PERFORMANCE

We ended 2016 with 5.086.715 customers in all our segments. They are served at 358 points of service throughout the country. They have at their disposal 881 ATMs and 549 Multi-functional ATMs throughout the country, which process more than 40 million transactions.

During this period, the bank ranked first in the private banking system, culminating in 2016 with total assets of VES 2,150 billion, representing 16.45% of the market. For the first time, a Venezuelan private bank has exceeded VES 2,000 billion in assets.

At the end of 2016, we reached the following figures:

- Public Deposits: VES 1,918 billion. This figure represents the first place in the private banking system, which represents 16.88% of the market for the end of 2016.
- Loan portfolio: VES 952.46 billion. This figure represents the first place in the private banking system, with a share of 16.11% for the end of 2016.
- Commercial Credits: VES 538.24 billion. This figure represents the first place in the private banking system (16.57% of share).

POINTS OF SERVICE *

Region	2016	2015	Var. %
Metropolitan Area	146	155	(5.81)
Central-East Region	60	66	(0.09)
West-Andean Region	52	57	(8.77)
South-East Region	60	64	(6.25)
Zulia-Falcón Region	40	46	(13.04)
Total	358	388	(0.08)

* The points of service include: bank branches, box offices and other specialized centers.

ATM'S

Region	2016	2015	Var. %
Metropolitan Area	232	631	(4.53)
Central-East Region	584	243	(7.45)
West-Andean Region	224	233	(3.86)
South-East Region	227	185	22.70
Zulia-Falcón Region	163	257	(36.58)
Total	1,430	1,549	(7.68)

- Credits to Manufacturing Activity: VES 43.6 billion (10.46% of the market). There was an increase of VES 24.6 billion (+129.12%).
- Tourism Loans: VES 23.94 billion. This figure represents the first place in the private banking system, with an increase of VES 11.22 billion (88.2%) compared to the previous year, with a share of 18.77% in the banking market.
- Loans for vehicle purchase: VES 23.97 billion. This figure represents the first place in the private banking system, which represents 43.11% of the market for the end of 2016.
- Housing Mutual Fund: VES 30.92 billion. This figure represents the first place in the private banking system, with an increase of VES 11.82 billion (61.9%) compared to 12/31/2016, achieving a share of 34.39%.

G4-DMA, G4-HR9
FS-6 FS-7, G4-8

BANESCO IN FIGURES

NÚMERO OF CLIENTS (AS OF DECEMBER 31)

Bank	2016	2015	Var. %
Natural persons	4,886,626	4,892,380	-0.12%
Community Bank	99,947	93,739	6.62%
Legal persons(SMEs)	33,959	31,825	6.71%
Bank specialized in natural persons	46,306	62,751	-26.21%
Bank specialized in legal persons	14,661	19,457	-24.65%
Total	5,086,715	5,100,152	7.33%

LIQUIDATED CREDITS

Bank	2016	2015	Var. %
Legal (SMEs) and natural persons	1,119,566	505,071	73.85%
Community Bank	50,000	52,330	-4.18%
Bank specialized in natural persons	38,607	24,108	24.61%
Bank specialized in legal persons	27,701	9,043	206.33%
Total	964,802	590,552	63.37%

CREDIT CARDS

Bank	2016	2015	Var. %
Number of Credit Cards	2,841,720	2,972,916	-4.41%

DETAILS ON THE ACCOUNTS ADMINISTERED BY THE BANK(AS OF DECEMBER 31)

Bank	2016	2015	Var. %
Natural persons	6,247,151	6,344,625	-1.54%
Legal (SMEs) persons	40,298	38,544	4.55%
Community Bank	157,761	153,990	2.45%
Bank specialized in natural persons	78,799	111,478	-29.31%
Bank specialized in legal persons	28,020	28,194	-0.62%
Total	6,522,029	6,676,831	1.87%

Banesco Banco Universal, C.A., has always performed its financial activities responsibly, respecting Human Rights and applying this principle to 100% of its products and services.



PRODUCTS AND SERVICES

(G4-4)

MAIN LIABILITY PRODUCTS

- Interest-bearing Current Account.
- Interest-free Current Account.
- Electronic Account.
- Saving Account.
- Electronic Saving Account.
- Current Account in Dollars.
- Investments: Long-term deposits and traditional participations.
- Demand deposits
- Progressive demand deposits.

MAIN CREDIT PRODUCTS

- ExtraCrédito (small loan).
- ExtraCrédito (in cash).
- MultiCréditos 48 Horas (small loan).
- CrediCarro (car acquisition loan).
- Commercial credits.
- Micro-credits.
- Credit lines.
- Mercantile loans.
- Credit letters.
- Bails.
- Promissory notes.
- Housing loans.
- Credits for Agriculture.

OTHER IMPORTANT PRODUCTS

- Trust Funds.
- Insurance Policies.

G4-DMA, FS-6
FS-7, G4-8

TELEPHONIC, VIRTUAL AND ELECTRONIC CHANNELS

At the end of December 2016, Banesco had a wide network of physical and electronic distribution channels through which it offered a range of products and services throughout the country:

- 358 puntos de atención service points (Bank Agencies, Box offices and Banesco Express points).
- 1,434 ATM's (885 regular ATMs and 549 Multifunctional ATM's).
- 1,434 ATM's (885 regular ATMs and 549 Multifunctional ATM's).
- 313 Non-Banking Correspondents.

Through the customer service channels, our customers performed a total of 3,076 million transactions, which represents an increase of 27.32% with respect to 2016.



We have 2.2 million customers affiliated to our website Banesconline, through which 1.79 billion transactions were executed.

As for non-banking correspondents, at the end of 2016 there were 313 service points through which 457,985.00 transactions were executed. In order to enhance the channel's expansion strategy, alliances were signed with important commercialization chains operating nationwide, including Locatel (6 stores), FarmAhorro (91 stores) and Excelsior Gama (23 stores).

CREDIT AND DEBIT CARDS

CREDIT CARDS ISSUING BUSINESS

At the end of 2016 there were 2,841,720 active cardholders, representing -4.41% percentage points below compared to 2015.

During this period, various initiatives were implemented to maintain leadership and strengthen the financial relationship with our customers and their loyalty:

- Crédito at 981,843.
- Product Category change was implemented on 22,255 credit cards through the Up-Grade maintenance process.
- The product "My first credit card" granted credit cards to 2,506 Citizens Banesco.
- The credit card's limits were increased for 6,941 Banesco collaborators

The ExtraCrédito product increased its sale by 211%, surpassing VES 52,423,470 liquidated the previous year.

Channel	Number of transactions		Var. %
	2016	2015	
Internet Bank	1,790,176,944.02	1,297,735,046.00	37.95
Mobile Bank (SMS)	297,166,473.34	306,321,844.00	-2.99
ATM's (BE)	128,098,899.00	182,921,843.00	-29.97
Selling points	695,480,769.00	479,395,377.00	45.07
Telephone	82,217,966.00	50,098,392.00	64.11
Electronic Payments (EDI)	31,702,468.00	36,311,188.00	-12.69
Agencies	50,771,716.00	62,775,687.00	-19.12
Non-Banking Correspondents	457,985.00	364,400.00	25.68
Total	3,076,073,220.37	2,415,923,777.00	27.32

G4-14, G4-57
G4-58, G4-DMA
G4-S011
FS6, FS7**DEBIT CARDS ISSUING BUSINESS**

Banesco Debit Cards recorded a 245% increase in sales at the end of 2016. The selling points were the most used channel by the customers, reaching a 93% share with an annual growth of 277%.

The leadership of Banesco Debit Cards is framed in the maintenance of optimal levels of service to customers for the use of electronic channels, with the improvement of daily limits in Banesco's selling points, which led to an increase of VES 600,000 on the Classic, Electronic, Pensioner, UNE and Plan Estrella debit cards and VES 1,000,000 in Gold and Legal debit cards.

Additionally, 314,822 pensioners already enjoy the convenience of mobilizing their pension through the selling points, ATMs and BOL in a safe, quick and comfortable way, just by using the pensioner's debit card.

THE OMBUDSMAN OF THE BANKING USERS

At the close of 2016, the Ombudsman of the Banking Users had attended 4.161 casos. Of this number, 2.523 proposals were admitted, which accounts for VES 203,162,863.

The non-admitted cases (1,680) were duly answered, explaining the non-admission of the application. They were sent to the Customer Service Unit, which followed up until its closure.

The main requirements attended were:

- a) Unrecognized debits (debit card).
- b) Unrecognized consumption (credit card).
- c) Undispensed ATM withdrawals.

d) Validación de transferencias, transferencias erróneas.

e) Unrecognised Internet transfers.

Banesco Banco Universal, C.A., being responsible for its customers and stakeholders, has a section on its website dedicated to Banesco Customers and Banking Users' Ombudsman. The interested parties will find all the necessary information to carry out procedures before this institution.

CLIENTS' COMPLAINTS AND REQUIREMENTS MANAGEMENT

G4-PR6

Through the Integral System of Requirements, Banesco continued to manage the requirements and claims of customers and users processed through the various channels of service, such as: Banesconline, the agencies' network, call centers and administrative offices. The bank aims at offering timely and effective responses, in accordance with the current legal framework.

During the first half of 2016, 33.812 financial claims amounting to VES 1,759,970,450 were admitted, and 72.4 % (21,974 claims) were decided in favor of the customer.

For the second half of the year, 26,963 claims and requirements were reported through the AT13. These claims accounted for VES 1,070,320,782. 88.8% (23,943) of the requests were admitted, and 67.7 % (16,217) were decided in favor of the customer.

Out of these figures, the claims and requirements (for our financial instruments) were distributed for the entire year as follows:

Financial Instrument	2016			2015		
	Requirements and claims	Claims (VES)	% over the Total	Requirements and claims	Claims (VES)	% over the Total
Credit Cards	1,838	43,539,689	2%	1,850	17,731,670	3.33
Debit Cards	57,992	1,388,960,297	50%	28,417	465,039,221	87.40
Savings account document	148	1,251,833,816	45%	90	4,977,212	0.94
Checks	795	100,538,635	4%	587	44,351,401	8.34
Customer service	4	0	0%	2	0	0.00
Total	60,777	2,784,872,438	100%	30,946	532,099,504	100.00

G4-DMA,
FS6, FS7

INFORMATION TECHNOLOGY, BUSINESS PROCESS AND OPERATIONS

In the area of Information Technology, Processes and Operations, we continue to be aligned with our strategy of transforming actions into business opportunities, promoting process self-management, enabling growth strategies and development of new markets, providing a reliable experience to our customers, ensuring stability, continuity and service growth, in accordance with quality and profitability criteria.

We promote innovation as part of Banesco's culture. During the second half, we completed the Innovation Ambassadors program, with the participation of our citizens Banesco. This year the programme was covered nationwide, leveraging the Virtual Training platform. Through the implementation of nine Google 2.0 transformational workshops, we generated approximately more than 1,000 ideas that have become operational and internal process improvements in the units. We developed 25 innovation initiatives, focusing on payment products, efficiency in operational processes and customer experience through the channels.

We promote the Operational Excellence culture. We already have the first group of collaborators trained in "Process Management", through the virtual course specially designed to cover the topics of process owners, management through indicators, documentation of operational and accounting processes, as well as the importance of operational planning in the processes. We continue to constantly renew the main processing, storage, monitoring, communications and data center architectures, allowing us to guarantee the reliability and quality of service to our clients, through the design and successful implementation of the technological infrastructure for the new business services and the expansion of capacities, in order to provide greater capacity to meet the new transaction demands.

ARCHITECTURE

We continue to manage and simplify the technological architecture by executing the actions foreseen in the strategic planning and key projects. In addition, we have reviewed the core processes that support the enterprise architecture practice, ensuring their evolution according to the new needs of the Organization.

We developed 25 innovation initiatives, focusing on payment products, efficiency in operational processes and customer experience through the channels.

As part of our technological capabilities planning activity, we conducted studies of the infrastructure that supports the business services and established the necessary action plan to ensure that the projected transactional increase for 2016-2017 has the capabilities to leverage the business growth and customer service satisfaction level.

PROCESS

During this period we continuously work to optimize and improve the quality of the processes. To this end, we have carried out more than 40 initiatives, which have been focused on the following activities:

- Process and cost optimization.
- Updating and simplification of process architecture documentation.
- Application of the internal service quality assessment model.

The following results are highlighted:

- Implementation of new processes in the box office area that bring both quantitative and qualitative benefits to the Organization, reflecting a significant time and quality improvement in customer service.
- Optimization of processes that enabled a reduction in the use of paper, reinforcing our Green Banesco slogan.
- We improved the process management, promoting the role of the Process Owner, responsible for maintaining a global vision (from beginning to end) of the value chain in his area.

G4-DMA

PROJECT OFFICE

The Project Office implemented adjustments in the performance and timely completion indicators of the projects, which posed a greater challenge to the project teams, and reinforced the monitoring of activities with greater and more automated control mechanisms.

A high degree of effectiveness, control and consistency in project execution was maintained, through continuous monitoring, appropriate change management and compliance with control points throughout the project life cycle, thus ensuring the quality of key deliverables and the fulfilment of their value promise.

As part of the portfolio management activities, all projects under implementation were maintained in accordance with the project portfolio defined to advance the Bank's strategies and needs.

APPLICATION DEVELOPMENT AND MAINTENANCE

In the area of Application Development and Maintenance we continue to deliver technological solutions aligned with the strategic vision and business growth. In this sense, we implemented the new automated system of Pre-approved Credits for Natural Persons at branches, including the new tracking mechanism for returned checks and the updating to the latest technology of the queuing management system, improving the service times and our customers' experience. To continue improving customer's experience, we implemented self-management to recover online banking passwords, without requiring the customer to contact the Call Center or visit the branches.

We also worked on a process of improvement analysis, review and implementation, leading to the application of a certified external audit, which endorsed the application of best practices in the development of technological solutions, recognizing Banesco as the first bank in the country to obtain a CMMI (*Capability Maturity Model Integration*) Level 3 Certification.

OPERATIONS

We have achieved optimal service levels in the Technology Operations area for the platforms that support the Bank's services, products and channels, as a result of the continuous improvement plans for the technological platform and the maturity achieved in our processes.

We constantly renewed the main processing, storage, monitoring, communications and data center architectures, thus guaranteeing reliability.

MCAFFEE'S SAFETY CERTIFICATE

Our portal Banesco.com and BanescOnline have the international security certification Hacker Safe granted by the renowned company McAfee for sites with the highest levels of security against Internet attacks.

The Project Office implemented adjustments in project performance and timely completion indicators, which posed a major challenge to the project teams.



G4-DMA

NICHE SEGMENTS

MASS SEGMENTS

During 2016 the "Quality Contact" Program was deployed, in order to innovate sales schemes by positioning the customer as the center of our relationship, focusing on improvements in the treatment we must give them to ensure they always have the best experience when interacting with us, even if it is through different faces.

We empower our consultants with sales and service tools to ensure that we are empathetic in every interaction with the customer and identify their needs in order to design the optimal offer that will satisfy them.

At the end of the second semester of 2016, the Mass Segments, Natural Persons and SMEs Direction achieved a positive evolution in the indicators of public capture, leveraged in commercial actions focused on specific market niches of the mass segments. The performance was favored in the deepening of the differentiated service models and greater proximity to customers, expanding the service to more than 500,000 customers nationwide.

CORPORATE BANKING

During 2016, this segment based its business strategies on fostering its relationship with customers, designing plans for each economic sector, thus seeking to provide a differentiated offer and solutions to the main points of service. During this period we have given important credit support to our customers as a result of the economic activity. These achievements have been reached with a highly professional team.

AGRICULTURAL BANKING

The management of the Agricultural Bank was focused on supporting the agricultural, livestock, fishing and agro-industrial sectors, thus contributing to the country's agricultural and food development.

We have a multidisciplinary team that understands the needs of the industry and serves all our customers comprehensively.

CORPORATE BANKING

At the end of 2016, the Business Banking showed a favorable performance in the increase of its credit portfolio, most of which was focused on the country's productive sectors (manufacturing, tourism and trade).

This period showed an intensification in the placement of transactional products for collections and payments, reactivation and attraction of new customers, generating important contributions to the profitability of the segment and the institution.

This business segment will continue to provide specialized and personalized service to each of its customers, in order to increase loyalty and profitability through product placement.

ENERGY BANKING

It was mainly focused on maximizing the relationship with its clients, paying a sustained attention to the credit demand in support of the Plan Siembra Petrolera 2016-2026, with special emphasis on the areas of refining and production services, all this supported by a close and specialized relationship between the business team and our clients, providing advice and quality service.

Energy Banking addressed the operational needs in terms of payment platforms, reaching optimal service levels for its main customers. Finally, a reordering of the functional structure enabled us to adapt territorially in a more efficient way to the needs of the demand.

PUBLIC SECTOR BANKING

The high level of relationship and the best offer of financial advice in the market in terms of government budget management were the key to the success of this bank during the period. The continuous improvements in the service level agreements of the payment platform provided sustained results. Likewise, the bank continues to have optimal coverage nationwide to meet the demand of the central and decentralized government, which reiterates the operational support in the state accounts, as well as its pensioners and nominees

G4-DMA **BANESCO COMMUNITY BANKING**

See Community Banking, p. 78.

MEANS OF PAYMENT

In Collection Services we achieved 65% growth compared to 2015, with a 291% growth in the total collection volume surpassing the financial expectation planned for 2016, standing out in the second semester of the SME and Mass Segments with 220% growth compared to the previous semester.

New Payment Services placements grew by 66% compared to 2015, with a volume growth of 321% in total payments, exceeding the planned expectation.

In October, the cash remittance service was incorporated in the Agency without Transportation of Securities, in order to cover the market niche of customers who do not use securities transportation, as well as to execute cash remittances in the agency. We continue to move forward with actions to make the Payment and Collection services more profitable, with constant improvements and the implementation of new services, which will enable us to have a more robust service portfolio adapted to our customers' needs.

TRUST FUNDS

During 2016 we had a sustained growth of our trust portfolio. We have focused our strategy on capturing funds coming from social benefits. We aim at offering our clients high levels of self-management and optimal response times through our electronic channels.

INTERNATIONAL PRODUCTS

By 2016, we continued working as an authorized exchange operator within the Venezuelan market, leveraging its management in the traditional range of foreign trade products, adapted to the needs of the client.

In this way, Banesco Banco Universal, C.A. continues to strengthen its collaboration in the development of the different economic sectors of the country and to offer specialized consulting services, follow-up visits and business accompaniment, with the quality of services that allows us to continue maintaining our organization in a privileged status within the Venezuelan banking system.

In order to better serve our clients in the specialized segments, we have service offices in the following regions:

QUALITY MANAGEMENT**COMPETITIVE INTELLIGENCE**

In 2016, managing the customer experience was a permanent process. The needs and expectations of our customers were kept at the core of our business model, in order to amplify their preference and maximum level of recommendation among family and friends. The Customer Experience Management Plan carried out several initiatives aimed at strengthening the service culture and its main value beha-

During the year, ISN continued to move to optimal values, reaching 72% at the end of the third quarter

vors such as friendliness and courtesy, and enabled the optimization of processes and technological adaptations in the main channels with which the customer interacts, offering better experiences at each point of contact.

Within the management plan, the Net Satisfaction Index (NSI) continued to be the performance indicator par excellence for measuring Customer Experience based on collection. By 2016 it was not only part of the Balance Score Card (BSC) as an index for the entire bank, but also as a strategic component of the commercial area, driving the commitment of the sales area to the strategy. Throughout the year, the ISN continued to move towards optimum values, reaching 72% at the end of the third quarter thanks to the significant increase in the percentage of "Promotores" customers, who gave the highest rating and widely recommended our products and services.

As part of the constant management cycle in 2016, research, identification and understanding of the customer's voice was intensified in order to comprehensively diagnose the

G4-DMA
G4-PR5

DIALOGUE WITH OUR TARGET GROUPS

Natural persons	2016		2015		
Focus Group / Interviews / Surveys	Quantity	Participants	Quantity	Participants	Segments
Surveys on the Clients' Experience	13	53,057	12	10,945	Natural persons
Community Bank Studies	4	1,588	2	388	BCB Clients
Brand Surveys	5	3,710	6	7,425	Natural persons
Level of satisfaction / quality service	4	1,496	4	1,441	Natural persons
Evaluation: Banesco.com	11	2,932	12	36,592	Natural persons
Lifestyle Private Banking and Premium Segment	0	0	1	800	Private Bank and Premium Clients
Banesco Plans	0	0	2	140	Natural persons
Evaluation: Internal clients / Banesco's employees	1	495	3	1,703	Banesco employees
Natural persons	2016		2015		
Focus Group / Interviews / Surveys	Quantity	Participants	Quantity	Participants	Segments
Brand Surveys	2	350	2	350	Legal persons
Evaluation of Products and Services	0	0	2	337	SMEs and small businesses
Level of satisfaction	1	408	1	251	Legal persons
Surveys on the segment	1	64	0	0	SMEs, Businesses, Large Companies and Corporation

experience, detecting possible gaps between expectations and experiences. All this information is a vital input for the design and implementation of new interactions that generate memorable experiences for our clients.

INNOVATION MACRO-PROCESS

We continue to promote technological innovation as part of the Banesco culture. During this period, we launched the Innovation Ambassadors Program, with the participation of all our Banesco Citizens. This year, the program was covered nationwide by leveraging the Virtual Training platform.

We held three transformational Google 2.0 workshops, resulting in approximately 120 ideas that have been converted into operational and internal process improvements for the units.

We developed 25 Innovation Initiatives, focusing on payment products, efficiency in operational processes and customer experience through the channels. We established a partnership with the IESA, with the aim of encouraging schools to adopt new technologies to optimize their academic processes and promote creative thinking. We continue to promote initiatives aimed at adding value to the business, improving and optimizing internal processes and encouraging an innovation culture.

To create our portfolio of products and services, we followed the Guidelines and Strategic Planning developed annually to ensure that we achieve the objectives set in accordance with economic, legal and operational feasibility criteria.

The characteristics of the life cycle management of our products and services consider the following steps:

1. **Research and analyze:** through this process we evaluate opportunities for differentiation in relation to the environ-

G4-DMA

ment, market and business, aligned with the strategy of the Organization.

2. **Managing ideas:** ideas are generated and managed to close or overcome market gaps, proposing opportunities for differentiation.
3. **Conceptualize initiatives:** consists of transforming an idea into an initiative, evaluating its technical, legal and financial feasibility
4. **Approval process:** the initiative is presented before the corresponding Committees to obtain their considerations and/or approval to proceed with the development of the initiatives.
5. **Develop and implement the initiative:** the execution of the initiative is coordinated according to the scope, time and budget established.
6. **Follow up:** the performance of the implemented initiative is monitored, following the product life cycle

MESSAGES

We guarantee that the messages we transmit to our clients/ consumers are expressed in the most understandable and accurate way, aligned with the realities of the offer or service

we promote. We aim at keeping our work, giving the exact product we are promoting.

The steps we follow for the development of our communication strategy are:

- Review of the characteristics of the products / service/ promotion.
- Evaluation of the differentiating advantages: unit selling proposition or single sale/value proposal.
- Advantages and benefits for the client and for the Organization.
- Evaluation and distribution of human and financial resources.
- Analysis of the media strategy.
- Analysis of the points of attention / offer to the public.
- Analysis of the product's strengths and weaknesses.
- Evaluation of the social and legal environment.
- Implementation and control.
- Follow up.

Likewise, we also respect the country's existing legal framework for advertising and communications:

AWARDS GRANTED IN 2016 G4-DMA

<i>The Banker Magazine</i>	The 2016 Best Bank of the Year in Venezuela
ANDA 2016 Awards	6 Gold and 2 Silver awards, in addition to the Award granted by Consumers, for the campaigns "Cheque-cheque" and " Héroes Anónimos"
<i>Global Finance</i>	Best Consumer Digital Bank in Venezuela in 2016, for the second consecutive year.
	Venezuela's Safest Bank in 2016, for the second consecutive year.
	The only Venezuelan bank in the Top 40 of the largest banks in emerging markets.
VISA Awards	Multinational Institution Category: Best Performance in Service Quality 2015 as an Issuer of Consumer Credit Products
HITEC	50 Hispanic IT executives
<i>América Economía</i>	Ranking "205 largest banks". Ranked 196th in the survey at the end of the first half of the year. Ranked first among Venezuelan private banks.
Single Social Fund of the State of Miranda and the Mayor's Office of Libertador Municipality of the State of Mérida	Recognition for Promoting Entrepreneurship - Microentrepreneurship Training Program
<i>Global Reporting Initiative (GRI)</i>	2015 Corporate Responsibility and Sustainability Report prepared in accordance with the Full Compliance option

- The Law on Social Responsibility on Radio and Television.
- The Standards and Norms for Consumers' Rights.
- The Administrative Regulations on Processes Related to the Issuance and Use of Credit Cards, Debit Cards, Prepaid Cards and other Financing Cards or Electronic Payments. The articles 23, 24 and 25 (Chapter I: The Obligations of Issuers) of the aforementioned norm rule prize offers and promotions.
- Reform on the Technical Norms for the Definitions, Time and Conditions of Advertising, Propaganda and Promotions on Radio, Television and Subscription Broadcasting Services issued by the National Telecommunications Commission.
- The Organic Law for the Protection of Children and Adolescents (LOPNA, by its acronym in Spanish).

Once the product and its advertising campaign have been designed, we send all the information required by SUDEBAN. This organism can make observations or suspend the products as indicated.

On the other hand, the advertising of products and services is subject to the regulation established in the Law for the Consumers' Rights.

All our advertising campaigns indicate clearly that they have been previously approved by the Agency for the Consumer's Rights (Indepabis, by its acronym in Spanish) and SUDEBAN, the Superintendence of Banks and Other Financial Institutions. If applicable, our campaigns are protected by the Deposit Guarantee and Bank Protection Fund (FOGADE, by its acronym in Spanish).

In addition, there are regulations enshrined in the Code of Ethics of the National Association of Advertisers (ANDA, by its acronym in SPANISH), which sets out the general ethical standards to be met by advertisers.

It should be noted that the law establishes that information must be sent to the Venezuelan Central Bank in case of requesting authorizations for new commissions or tariffs.

All new products are designed in accordance with the current standard and, in the event of any change in the legal framework, the product is adjusted. That is why our general contracts and conditions contain a clause that



It should be noted that Banesco defines and disseminates all possible policies and mechanisms to avoid information security risks.

limits the liability of Banesco Banco Universal, C.A. in the provision of the product or service derived from regulatory changes.

As required by the regulatory body, a risk analysis for depositors and investors of the new financial instrument or product, as well as the opinion of the Money Laundering/ Terrorism Funding Prevention Compliance Officer on the new financial instrument or product, is always reinstated. A study of the risks that the product represents for Banesco is also requested. Although it does not prevent the occurrence of risks, it does define the mechanisms to mitigate them.

G4-PR1

As a financial institution, the products and services offered do not have a direct impact on the health of users. However, as cases of fraud may arise, both the security and monitoring areas are involved in the processes. It is important to point out that Banesco defines and disseminates all possible policies and mechanisms to avoid information security risks. We indicate to our clients how possible fraudulent actions could use the products and services we offer as a vehicle to perpetrate crimes. However, it is the exclusive responsibility of the clients to be aware of such risks.

G4-DMA **COMMERCIAL PARTNERSHIPS AND PROMOTIONS**

Commercial partnerships, in addition to stimulating the use of Banesco Cards, seek to strengthen the Banesco-Customer loyalty relationship by providing them with exclusive benefits based on their likes and preferences.

At the end of 2016, 34,145 customers (from all segments) benefited from the Permanent Golden Ticket Program, including pensioners and customers of other banks who used our points of sale.

"HEAVEN-SENT DISCOUNTS" COMMERCIAL PARTNERSHIP

Banesco, with the collaboration of Renta Motor, C.A., created a commercial partnership called "Heaven-Sent Discounts in Margarita and Tierra Firme", which consisted of granting its clients (individuals or companies) a percentage discount of up to fifteen percent (15%) on car rental rates. This promotion is valid from October 17, 2016 to January 14, 2017.

"YOU ARE ONE SECOND AWAY FROM WINNING"

This campaign was aimed at those natural persons, holders of Visa, MasterCard, American Express, Locatel and/or Sambil Credit Cards, issued by the Bank and who have timely paid their Credit Card; before or on the payment deadline reflected on the corresponding statement. The prize consisted of the total or partial remission of the amount owed on their credit card, up to Twenty Thousand Bolivars (VES 20,000.00). This promotion was valid from June 4 to August 31, 2016 and from October 8, 2016 to January 8, 2017.

"IN THE SEA THE FINAL IS TASTIER"

This campaign was aimed at natural persons who are holders of MasterCard Banesco Credit Cards and/or Maestro Banesco Debit Cards. Cardholders get one (01) electronic coupon for each minimum consumption of Two Thousand Bolivars (VES 2,000.00) during the period of validity of the promotion giving the winner a prize, which consisted of: three (3) packages for two (2) people, (the winner plus five companions) to enjoy the final of the UEFA Champions League, through a live television broadcast from the city of Varadero in the Republic of Cuba.

CAMPAIGN "YOUR BANESCO VISA DRESSES UP AS AN ATHLETE TO TAKE YOU TO RIO"

This campaign was aimed at all the Bank's customers, natural persons holding Visa Banesco credit cards. Cardholders got an electronic coupon for each minimum consumption of Two Thousand Bolivars (VES 2,000.00) with their Visa Banesco Credit Card during the period of validity of the campaign. The winner got a package for two people to enjoy two events of the 2016 Olympic Games in Rio de Janeiro in Brazil.

G4-DMA **PRESENCE IN EVENTS THROUGHOUT THE COUNTRY**

- Universidad de Los Andes University Book Fair (FILU, by its initials in Spanish).
- 2016 Caribbean International Book Fair (FILCAR, by its initials in Spanish).
- Universidad de Carabobo University Book Fair (FILUC, by its initials in Spanish).
- 2016 Young Hall with IAF.
- Venamcham Corporate Social Responsibility Symposium.
- 2016 Venamcham Social Perspectives.
- Sponsorship of the National Short Film Festival "Manuel Trujillo Durán".
- Sponsorship of Chacao Book Festival.

SOCIAL NETWORKS

We have used new technologies and customer service via web 2.0 as tools to achieve our purpose of maintaining a dialogue and continuous communication with all our Stakeholders. Social networks have been an effective communication channel for our followers, which is evidenced by the 16,101 cases, between inquiries and requests, which were handled via our different social networks accounts.

The bank has official accounts in Twitter, Facebook, Instagram, Google+, Youtube and LinkedIn, in addition to having a blog. Regarding its presence in social networks, Twitter - through the account @Banesco - remains as the social network preferred by the social networks users, reaching 636,894 followers as of December, 2016. In addition to serving as a link for consultations and requirements, corporate volunteering community

bank banesco the Bank's Twitter account offers contents of interest on personal finance, entrepreneurship, technology, anniversaries, history, sports, business, energy and news about the Bank's products, services or promotions.

Banesco's Facebook Account had 257,541 followers, while the Bank's Instagram account reached 78,137 followers last year. The videos placed on the Youtube Channel "Banesco in Images" report more than 3.3 million views, in addition to having 7,052 subscribers.

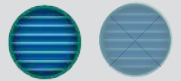
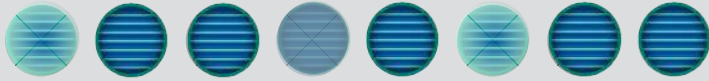
At the close of December 2016, the banesco.com Blog launched its new appearance and the number of visitors amounted to more than 5,750,416 million. On this website, apart from corporate information regarding products and its policy of Corporate Social Responsibility, the institution has exclusive content, which is drafted by renowned journalists, at its source: José Suárez Núñez (oil); José Pulido (literature); Jessica Morales (financial advices); Froilán Fernández (technology); Ignacio Serrano (baseball) and Sarai Coscojuela (environment).

Among the activities carried out through its social networks, in 2016 carried out the fourth edition of its Mobile Photo Contest in Instagram, dedicated to the carried out the third edition of its Mobile Photo Contest in Instagram, dedicated to the "Venezuela Portraits". This edition had a new variety of monthly themes that captured the different facets of Venezuelans. The winners will be announced soon, and the digital version of the book with the winning images will be available for download.

Likewise, the sixth edition of the Micro Story Contest #C140 was held, which was won by Karen Zambrano. Jaime Bello-León was the judges' coordinator. The judges were Lulú Giménez Saldivia, Silvio Mignano, Elías Pino Iturrieta and Carlos Sandoval.



SOCIAL NETWORKS		2016	2015
Twitter	@Banesco	636,894	592,598
	@Baneskin	169,105	149,046
Facebook	Banesco Banco Universal	257,541	244,212
	Views	3,394,587	2,882,843
Youtube	Subscriptions	7,052	5,919
	Followers	13,300	9,117
Instagram	Followers	78,137	36,094
	Visits	5,750,416	4,579,297
Blog Banesco	Followers	7,810	5,062
	Visits	63,372	100,588



BANESCO COMMUNITY BANKING

G4-DMA, FS-13,
FS-14, FS-16

OUR POLICY

We are a bank specialized in efficient, profitable and sustainable microfinance, dedicated to serving the low-income sectors of the population and especially unbanked people. We offer financial products and services suited to their needs, with accessible, simple and fast transactions through innovative channels with cutting-edge technology. We have a group of professionals who provide financial and personalized advice to customers directly in the communities.

We are committed to yielding the highest return for shareholders and contributing to the improvement of the social fabric and quality of life of the population, creating economic, social and environmental value.

OUR MANAGEMENT 2016

The celebration of the tenth anniversary of Banesco Community Bank was a very significant moment. Our organization's commitment to solidarity was evident at the event held in Ciudad Banesco on October 4, which was overflowing with contagious expressions of gratitude from the entrepreneurs present in the hall. There, we ratified our objective of being a leading brand in the social field. Also in ten years we have managed to be the most important Venezuelan reference in the private sector, in terms of credits and micro-credits given to entrepreneurs and small businesses. When we read that today we have more than 41 thousand active clients, belonging to Venezuela's low-income sectors; when we see that we have granted more than 41 thousand loans; and that more than 40 thousand small entrepreneurs have successfully completed the management training program we have created, which was specifically designed to contribute to the success of their respective businesses; when we do the exercise of gathering all these data in a photograph, we can see that

we have fulfilled a task, whose benefits to Venezuelan society exceed our highest expectations.

Among other challenges, Banesco Community Banking faced the consolidation of its sales force, the management of its loan business and fundraising processes, the reduction of its credit portfolio risks and the achievement of market share increases that would allow us to provide greater financial growth opportunities to the country's population sectors. In this context we managed to achieve the following:

CREDIT MASSIFICATION:

- The loan portfolio increased by 63.09% to VES 18,066 MM.
- The number of clients with credit increased to 41,289.
- The credit Market Share leadership remained steady at 45.31%.

PORTFOLIO QUALITY:

- The Overdue Portfolio Index stands by 0.86% (0.30% Dec. 2015).
- Balanced diversification of the loan portfolio in different economic sectors as described by public passenger transport stands at 29% (43% Dec. 2015), community services at 16% (14% Dec. 2015), commerce at 26% (43% Dec. 2015).

TRANSACTIONALITY: agencies and service bars transactions stand at 3% and 98% in electronic channels.

PUBLIC ATTRACTIONS: Fundraising grew significantly by 214%, amounting to VES 9,522,440M.

G4-DMA
FS-13, FS-6

MAJOR INDICATORS

Indicator	2016	2015
Clients served	439,001	80,517
Clients served from 2006	439,001 Directly 2,195,005 Indirectly	362,537 Directly 1,812,685 Indirectly
Poor Neighborhoods served	8,653 in 17 states of the country	8,367 en 17 states of the country
Economic activities benefited from credits	Transport, Sale of Clothes, Supply, Automotive, Food Sales, Hairdressing, Crafts, Restaurants, Advertising, Hardware Store, Carpentry, Bookstore	Transport, Sale of Clothes, Supply, Automotive, Food Sales
istribution by gender	Female 51%	Female 53%
Community Agencies	27	26



OUR TEAM: STAFF PER REGION

G4-DMA, G4-4,
FS-14, FS-16

Regions	2016	2015
Central - Western Region:	212	277
Metropolitan - Eastern Region	210	295
Total staff at the close of the year	422	572

TRAINING AND CERTIFICATION PROGRAM

CERTIFICATION PROGRAM

Participant Certification Programs	2016	2015	Variation
Advisers, Coordinators and Supervisors Certification Program	73	72	1%
Certification Program Promoters and Analysts	0	38	100%
Total Participants	73	110	

TRAINING PROGRAM

Training Programs Attendance	2016	2015	Variation
Technical Knowledge	2,281	1,603	42%
Skills development	570	528	34%
Banking / Regulatory Knowledge	3,329	1,519	95%
Value Reinforcement and Code of Ethics	414	478	-13%
Total Attendance	6,594	4,128	

No. of Certification Events	2016	2015	Variation
Advisers, Coordinators and Supervisors	7	9	34%
Promoters and Analysts	0	7	100%
Total Events	7	16	

OUR PRODUCTS

In line with our mission, we offer micro-financial credit and saving products which are in accordance with the needs of our clients, including the following:

- **Community Account:** Is opened with at least zero VES and is handled with a maestro debit card with chip technology, which allows for carrying out requests, withdrawals, deposits, purchases and transactions in all the electronic channels nationwide.

Accumulated at Close	2016	2015	% Var.	Annual Close	2016	2015	% Var.
No. of Community Account	448,631	411,704	6.54	No. of Community Account	36,927	49,167	-24.89
Balance in Account (VES M)	6,303,743	2,138,323	194.80				

- **Step-by-Step Saving:** Is a savings mechanism for the general public, similar to the so-called bolso, san or la cajita by means of which the client decides how and when to save, depending on his possibilities.

Accumulated at Close	2016	2015	% Var.	Annual Close	2016	2015	% Var.
No. of Affiliations	383,598	379,218	1.16	No. of Affiliations	4,380	22,027	-80.12
Current No. of Affiliations	4,380	4,129	6.08				
Balance in Account (VES M)	14,412	7,680	87.66				

- **Loan to Work:** Is a productive loan, aimed at satisfying the production needs of micro-entrepreneurs, which can be merchants or producers of goods or services. It is traditionally known as microcredit.

Accumulated at Close	2016	2015	% Var.	Annual Close	2016	2015	% Var.
No. of Loans Granted	301,973	272,552	10.79	No. of Loans Granted	29,421	44,460	-33.83
Settled Amounts (M VEF)	38,681,347	19,586,478	97.49	Settled Amounts (M VEF)	19,094,868	10,431,996	83.04
Balance of the Credit portfolio (M VEF)	18,066,191	11,077,164	63.09				

Delinquency rate	2016	2015
	0.86%	0.30%



ENTREPRENEUR PRIZE

The event took place in the "Fernando Crespo Suárez" auditorium in Ciudad Banesco on 10 October 2016. Nine microentrepreneurs were recognized in this ceremony of the "Banesco Community Banking Entrepreneur" Awards. This tribute highlighted primarily the performance of each entrepreneur in the low-income areas of the country.

Logistically, three categories were finally defined according to the amounts of loans that the candidate has received from Community Bank. In each category, a monetary award was granted for first, second and third place.

G4-15, G4-DMA
G4, FS-14, FS-16**MICRO-ENTREPRENEUR TRAINING**

The Micro-entrepreneurs Training Program is aimed at strengthening the knowledge of entrepreneurs by means of a set of administrative, managerial and technological tools that contribute to the improvement of the productive capacity of their businesses and that will improve their competitiveness in the market.

To perform this activity, we make alliances with governmental entities and Non-Governmental Organizations (NGOs), such as Fe y Alegría, the Instituto Universitario de Gerencia y Tecnología, Opción Venezuela, the Universidad de SIGO, Negocio PYME, the Mayor's Office of Baruta, Universidad de Los Andes, Venezuelan Association of Catholic Schools, and y Superatec.

In 2016, 16,651 micro-entrepreneurs graduated, 2,153 people more than the previous year, representing an additional 10.95% share in the program. 2016 marked the eighth anniversary of the program.

The course is taught to government agencies and NGOs, such as Fe y Alegría, Instituto Universitario de Gerencia y Tecnología, Opción Venezuela, Universidad de SIGO, Negocio PyME, Baruta Mayor's Office, Miranda Governor's Office, Universidad Metropolitana, the Chamber of Commerce and Industries of the State of Aragua, Universidad de Los Andes and Superatec.

This initiative offers its participants administrative, managerial and technological tools, which can be used to improve the productive capacity of business, in addition to optimize the competitiveness in the market.

**OTHER ACTIVITIES****EL COMUNITARIO NEWSPAPER**

El Comunitario newspaper of Banesco Community Banking is a communication means between the Bank and the communities. Its purpose is: to make the products and services of the Banesco Community Bank known, to publish relevant news addressed to the sector, to recognize the employees and community partners, as well as to contribute to the clients' financial education. It is distributed free of charge in all Community Agencies, Service Bars and Allied Shops.

Both programs relied on the development of value-based preventive dynamics. The central lectures were given by Atilio Romero. The central theme was "How to be successful in our country", which is a conference dedicated to highlight the values of Venezuelans and the opportunities to be successful in the country.

**CUSTOMER SATISFACTION SURVEY BANESCO
COMMUNITY BANKING (BCB)**

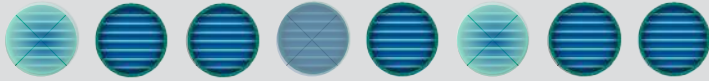
In 2016, we conducted 485 telephone surveys with active customers of Banesco Community Bank to identify improvement opportunities in our general offerings and service processes.

The measuring scale used in these studies is from 1 to 10. The lowest score is 1 and the highest is 10.

The table is comprehensive, as it shows the results regarding: Service promoters (Evaluation 9-10), Neutral (Evaluation 7-8), Detractors (Evaluation 0-6) and Net Satisfaction Index (NSI=Promoters %-Detractors %).

By the end of 2016, the NSI reached a satisfactory compliance, guaranteeing the good Client service and speed in the service, our defining characteristics, with about 91% of compliance.

	2016
Promoters (Evaluation 9-10)	93 %
Neutral (Evaluation 7-8)	6 %
Detractors (Evaluation 0-6)	2 %
ISN	91 %



OUR ENVIRONMENTAL COMMITMENT

OUR ENVIRONMENTAL POLICY

Protection and preservation of the environment is a need for the benefit of the current and future generations. In Banesco Banco Universal, C.A., we have made the commitment of increasingly deepening the measures that guide our behavior towards the promotion of Sustainable Development. We carry out continuous assessments, diagnoses, establishment of indicators and goals aimed at a better use of natural resources, energy saving and the recycling of waste and materials so that our activity does not impact the environment.

OUR MANAGEMENT

In 2016, in line with our policy of Corporate Social Responsibility and support for the environment, we are undertaking a series of sustainable development actions, including the following:

- We maintained the process of rationalization and spatial reorganization in the Administrative Offices of Caracas Metropolitan Area, in order to optimize the square meters occupied according to the processes of the organization, with the minimum intervention of the existing physical infrastructure that allows a more rational use of space and its associated services.
- We replaced the standard lights with energy-saving or LED-type lights in the illuminated signs (light boxes) of the Banesco Agency Network throughout the country.
- We installed clocks to automatically turn off the lights in the advertisements, according to the regulations established by governmental entities.

- We continued to automate the lighting of the Ciudad Banesco building, for the rational and efficient use of electrical energy, with schedules established for this purpose.
- We continued with the systematic change of air conditioning equipment, given the level of obsolescence, by installing equipment with noise attenuation devices that use ecological and low energy consumption refrigerants.
- We continued with the replacement of elevators in Administrative Headquarters due to the obsolescence of this asset; with special equipment in the following energy saving functions: automatic light and cabin fan shut-down, energy saving mode by reduction in: the number of cabins in service, off-peak power supply and speed of the cabins without affecting the waiting time of passengers.
- We continued to improve the Air Conditioning System in the Data Center Rooms in Ciudad Banesco and El Rosal, providing a reliable, modern, highly efficient and energy-saving infrastructure.
- We completed the incorporation of the electrical platform of the real-time remote monitoring system at the El Rosal headquarters and in the regions, in order to ensure the supervision, monitoring and control of the critical areas of the electrical and backup system.

G4-DMA, G4-EC2
G4-EN3, G4-EN4
G4-EN5, G4-EN6
G4-EN7, G4-EN20
G4-EN21, G4-EN23

RECYCLING PROGRAM

Since 2012, Banesco Banco Universal, C.A. maintained an Alliance with the Kimberly Clark company for paper recycling. However, in 2016, the Venezuelan Executive branch took over said company, which entailed the temporary cease of the program. For 2017, this initiative will be restarted as well as the recycling of plastic and aluminum.

Given the nature of our activities, substances that destroy the ozone layer are not emitted, nor are emitted NO or SO.

Furthermore, we maintained our Banesco Culture of Efficiency and we reinforced the awareness campaign for the responsible use of the equipment that are available to do our work (multifunction printing equipment) with a special program for paper saving.

The initiative of printing and photocopying quotas allocation that started in our administrative headquarters (Ciudad Banesco and El Rosal) was extended to the rest of the areas of the bank throughout the country.

The result of this initiative resulted in a decrease of paper consumption of 9.52 MM pages and savings of VEF 313.77 MM.



PAPER SAVINGS

2016	30,885,303
2015	40,409,425
Variation %	(23.57)

	2016	2015	Var. %
Amount of pages saved	9,524,122	10,096,394	(5.67)
Saved VEF	313,771,731.13	17,332,801.83	1,710,28

ENERGY CONSUMPTION

Aware of the fact that the use of energy resources should be made in a rational way, we have implemented measures and projects directed to the reinforcement of the electric platform and technology acquisition whose selection criteria comply with the standards in force concerning efficiency and low impact on the environment.

As a part of the energy saving plan, we permanently maintain the reduction in office lighting by establishing work block schedules according to productivity; reduction of the operating hours of air conditioning equipment in offices and restricted timetable regarding the use of escalators.

The main energy source used in our organization, Banesco Banco Universal, C.A., is produced by hydroelectric plants, distributed through the national electric grid.

Our power consumption for this period was 69.61 MM Kwh (250,604.32 GJ), which represents 0.73% compared to the previous year.

In parallel with the national electric grid, we have, for emergency situations, six (6) diesel generators in Ciudad Banesco and (2) diesel generators in El Rosal and other administrative headquarters, which represents approximately 70% of our facilities. Currently, these generators activate in case of an electrical failure in the commercial grid.

In 2016, we generated 36,500 Kwh (131.4 GJ) whereas in 2015 we generated 35,000 Kwh (126.0 GJ), which represents an increase of 4.29% in the power generation due to commercial grid power supply failures.

This caused the CO2 emissions for diesel generation equipment to increase by 6% this year. We went from 33,118 CO2 Kg in 2015 to 35,100 Kg CO2 in 2016.

For the time being, the only foreseeable way that climate change may affect your organization's activities would be a higher need for air conditioning use in our headquarters and branches, which would increase the electric power consumption and the subsequent emissions into the air. Said consequences have not been systematically identified or quantified.



G4-DMA, G4-EN1
G4-EN2, G4-EN3
G4-EN4, G4-EN5
G4-EN6, G4-EN7
G4-EN8, G4-EN9
G4-EN10, G4-EN11
G4-EN12, G4-EN13
G4-EN14, G4-EN15
G4-EN16, G4-EN17
G4-EN18, G4-EN19
G4-EN22, G4-EN23
G4-EN24, G4-EN26
G4-EN31

WATER CONSUMPTION

Throughout the country, the water used in our headquarters and branches is obtained from the respective municipal aqueducts. Likewise, in the case of the water dumped, it is discharged through the public sewer system.

The activities carried out by the Bank do not produce spills of chemicals, oils or combustibles that have negative effect on health, the environment, the soil, the water and the air; the Bank nor impacts protected natural areas or non-protected areas with high biodiversity.

ENVIRONMENTAL INDICATORS

	Total consumption			Consumption per person		
Consumption	2016	2015	Var. (%)	2016	2015	Var. (%)
Water (m ³) ¹	304,057,60	370.685,47	(17.97)	33.86	35.24	(3.93)
Gigajoules electricity (National Electric System) ¹	250,604.32	252.435,36	(0.73)	27.90	24.00	16.28
Gigajoules electricity / own generation ²	131.4	126	4.29	0.04	0.04	0.00
Paper (Kg) ¹	43,751.00	100.866,00	(56.62)	4.87	9.59	(49.80)
Paper (Kg) / Clients ⁵	64.141,00	131.417,00	(51.19)	0.01	0.03	(56.21)

	Total consumption			Consumption per person		
Waste	2016	2015	Var. (%)	2016	2015	Var. (%)
Headquarters recycled paper (Kg) ²	0	720	(100.00)	0.00	0,24	(100.00)
Warehouses Recycled paper (Kg) ¹	0	164,850	(100.00)	0.00	15.67	(100.00)
Total Recycled paper (Kg) ¹	0	165,570	(100.00)	0.00	15.67	(100.00)
Toner and/or Cartridges ³	340	365	(6.85)	0,04	0.035	14.28
Electrical and Electronic waste (Kg) ¹	133,308.5	337,555.50	(60.51)	14.83	32.09	(53.74)
Plastic (Kg) ²	0	97	(100.00)	0.00	0.03	(100.00)

	Total consumption			Consumption per person		
Emisiones de Gases efecto invernadero	2016	2015	Var. (%)	2016	2015	Var. (%)
Diesel generator equipment CO ₂ emissions (Only Ciudad Banesco) ⁽⁴⁾	35.100,75	33.118,13	5,99	13,85	12,98	9,95
Employees' vehicles CO ₂ emissions ⁽²⁾	1.108.365,69	986.816,84	12,32	366,28	326,98	15,65
Total CO ₂ emissions ⁽²⁾	1.143.466,44	1.019.934,97	12,11	377,88	339,96	15,44

1. National totals. 8,981 employees were taken as a basis in 2016 and 10,519 employees in 2015

2. Ciudad Banesco and Buildings of El Rosal 3,026 collaborators in 2016 and 3,018 collaborators in 2015.

3. Given to FUNDANA 340 Toner cartridges in 2016 and 365 in 2015.

4. Own Generation in Ciudad Banesco. 2,534 collaborators were taken as a basis in 2016 and 2,551 in 2015.

5. 5.47 MM clients were taken into account in 2016 and 5.10 MM in 2015.

G4-DMA, G4-34
G4-35, G4-36
G4-EN25, G4-EN27
G4-EN29, G4-EN30
G4-EN33, G4-EN34
FS8, FS9, FS10, FS11

BANESCO OPERATIONS THAT PRODUCE ENVIRONMENTAL IMPACT

- **Products and services:** For the granting of loans for construction, we carry out feasibility studies to guarantee not only the success of the project but also the least possible impact in the area in which the work will be carried out. We ensure that the financed projects have the occupancy certificate before initiating the sales process.
- **Transport of products:** Banesco Banco Universal, C.A., does not exert measurable environmental impacts because of this activity, as the products that are transported to our network of branches throughout the country are office supplies, printed papers, as well as technology equipment and their consumables. Likewise, the Bank neither exports nor imports waste. Waste considered as dangerous (toners, batteries, monitors...) are transported locally taking into account all the necessary security measures.
- **Transport of personnel:** Personnel go from their residences to the Bank and vice versa by their own means. When any kind of event is carried out for which the personnel should be transported from their workplace, the Bank covers the costs incurred in said transport and, if necessary, it hires the transportation services. The employees that are in the buildings of El Rosal and El Recreo are offered transport to Ciudad Banesco at lunch time. For night workers that are in Ciudad Banesco, transport is offered to the closest Caracas Metro system station.
- **Opening of branches:** We did not carry out prior environmental impact in the areas where we opened branches, except when it is required by the municipal authorities, and are of specific nature, depending on the dimensions of the works to be carried out.

MEASURES THAT WE HAVE TAKEN TO REDUCE OUR ENVIRONMENTAL IMPACT

Ciudad Banesco, our headquarters, is an intelligent building which includes different construction and IT elements that minimize its environmental impact:

- Most of the façade is a green curtain wall of low reflectivity, which fosters a comfortable workplace and minimizes the expense in air conditioning.

- The building has software that manages comprehensively all the commands of the closed-circle television, the security access controls and of electro mechanics, which entails a higher efficiency in energy consumption and safety.
- The elevators are "intelligent", and they change to a stand-by function when they are not used during a specific period of time.

In 2016, no fines or lawsuits were received for non-compliance with the national or local environmental regulations.

The Medical Service for the employee, located at Ciudad Banesco, does not generate biological sanitary waste as it only offers primary health care and uses disposable material. Emergencies are referred to the health centers near the main headquarters.

BANESCO WITH YOU AND WITH THE PLANET

As every year, we ratified our commitment with the environment and joined La Hora del Planeta Venezuela [*The Hour of the Planet, Venezuela*], which was held on Saturday March 19, from 8:30 p.m. to 9:30 p.m. Thus, the lights of our main administrative headquarters, Ciudad Banesco and the Buildings of El Rosal, were turned off; additionally, an internal campaign was made, as well as one via social networks to strengthen the commitment of Citizens Banesco concerning the conservation of the planet, as a responsibility of all.



G4-DMA, G4-EN1
G4-EN2, G4-EN28

DONATION OF FURNITURE AND DISINCORPORATED COMPUTERS

As an asset recycling and reusing policy, we donate furniture and computers that ceased to be used in our headquarters and branches to organizations preferably of a social nature so that those equipment have a new use.

In 2016, we donated 935 computer equipment and their accessories, which is equivalent to 10,455 kilograms. Whereas we gave 50 furniture pieces, totaling more than 3 kilograms of donation.

DONATION OF DISINCORPORATED COMPUTER EQUIPMENTS

	2016	2015	Variation
Amount of donated equipments	935	310	201.61
Total of Kg.	10,455	6,820	53.30

DONATION OF DISINCORPORATED FURNITURE

	2016	2015	Variation
Amount of donated Furniture	50	222	(77.03)
Total de Kg.	3,010	8,149	(60.67)

DIGITAL MANAGEMENT OF DOCUMENTS

Banesco Banco Universal C.A. has a Document Digital Management Unit (GELECON), whose main purpose is the digitization of files, avoiding the unnecessary making of copies and speeding up the Organization's workflows. The incorporation of Gelecon into the Bank's core areas contributes to reduced paper consumption as well as to space optimization concerning the safekeeping of the files.

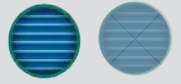
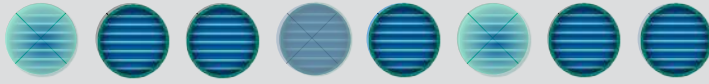
DIGITAL MANAGEMENT OF DOCUMENTS

Area	Number of Transactions			Number of pages		
	2016	2015	Var. %	2016	2015	Var. %
Commercial credit	21,533	17,675	21.83	576,333	478,430	20.46
Credit cards (Request/service)	32,600	190,168	(82.96)	219,137	1,289,534	(83.01)

CORPORATE VOLUNTEERING

As part of our commitment to the environment and to perform activities that minimize our environmental impact, we have a Volunteering team that carries out and executes various initiatives and training activities in order to be promoters of a culture that takes care of the environment and of the proper use of the natural resources. In 2016 and 2015, 370 and 203 man-hours were invested, respectively, in environmental activities, among which stand out the taking part of the Corporate Volunteering members and their families, in 2016, in the World Day event with the collection of waste in Playa Escondida beach (Vargas) and "La Panchita" beach (Carabobo). In 2015, we supported the Universidad Metropolitana in carrying out its Environmental Rally with the participation of the children of our collaborators.



G4-12
G4-DMA
G4-HR1

OUR SUPPLIERS

The executive VP of Procurement and Administration is in charge of the execution of supply strategies, recruitment and management of services with specialized personnel and technical tools, which allow for ensuring in a timely manner the supply of goods and services, adapted to the business needs and to the financial aspirations with the best balance (price – quality – time – risk management); based on transparent negotiations backed-up by contracts that ensure business continuity and the compliance with the service agreements.

OUR POLICY FOR HIRING SUPPLIERS

Any supplier interested in providing services to the Organization shall go through a revision process in the following aspects: Legal, technical-commercial and financial, to that end, it shall provide the following documents:

1. Legal information (Company registration number, Fiscal Registration Number, shareholder's certification, labor releases, electricity and/or telephone bill, identity cards of the persons who bind the company).
2. Financial documents (Balance sheet, profit and loss statement, and trial balance in the cases in which more than six months have passed since the company's accounting close, all of them expressed in historical values).
3. Technical-commercial documents (such as the list of products, brands that they distribute, letters of exclusivity, catalogs, commercial references, works that they have carried out with the Bank, among others).

RULES OF THE PROCUREMENT PROCESS

1. The procurement and contracting processes for acquiring goods, materials, works and services should be carried out at the most convenient total cost, taking into account, to that end, their price, their quality, the timeliness of its delivery and the service after their acquisition, ensuring at all times equity and transparency in the selection of the Supplier.
2. The Executive VP of Procurement and Administration and the established autonomies for approving the different phases of the purchase process should enforce compliance with the rules, processes and regulations that are established in that regard.
3. For the purchase of goods and services, it is necessary to perform selection processes with a minimum of 3 suppliers, with the exceptions that may arise as a result of the economic environment.
4. The procurement process is centralized, being the requesting areas the ones responsible for supplying the specifications of the purchases and/or recruitments and a technical evaluation matrix under their specialization area.
5. The documents of the qualified suppliers for the Bank's supplier's registry will expire annually. After this period expires, the suppliers shall be evaluated again to take part in the provision of the goods and services in general. For those requirements that have certain validity terms, the Bank reserves the right to request the update of said documents.

G4-12, G4-DMA
G4-EC9, G4- DMA
G4-LA14, G4-HR1

OUR MANAGEMENT

In 2016, we maintained trade relations with 1,578 local suppliers (92.77%) y 123 non-local suppliers (7.23%), with whom we traded a purchase volume for more than VEF 63.04 billion, which represents 99.97% of local suppliers, that is, companies who work in the same geographical area in which the purchase, the service provision and the billing are made; while 7.23% corresponds to non-local suppliers, that is, suppliers working outside of our scope of action.

As part of our commitment to the United Nations' Global Compact, which the Bank joined in 2008, in 2016, Banesco signed 92 service agreements with its suppliers, of which 20 included the Clause Number 19 subsection J) related to the Ten Principles of the Global Compact based on the Universal Declarations and Conventions applied to the fields of Human Rights, Environment, Labor Standards and Against Corruption. The remaining signed contracts are under the model of the provider, confidentiality agreements or agreements signed not including the above-identified clause.

NUMBER OF SUPPLIERS

DESCRIPTION	No. of Suppliers		% over the Suppliers' total
	2016	2015	2016
Office equipment, articles and furniture	34	37	2.21%
Hardware, Software and technology	85	94	5.53%
Printed papers and Value Paper	6	7	0.39%
Debit and/or Credit Cards	2	2	0.13%
Other equipment	3	3	0.20%
Maintenance and constructions	128	141	8.32%
Advertising and Marketing	130	143	8.45%
Fees and Consultancies	298	328	19.38%
Equipment leasing	5	5	0.33%
Condominiums and Leasings	382	420	24.84%
Trainings	67	74	4.36%
Other services	113	124	7.35%
Services	266	293	17.30%
Human Capital	19	21	1.24%
Total	1,538	1,692	100%

DISTRIBUTION OF SUPPLIERS BY NUMBER AND AMOUNT PAID

Type	Number of Suppliers		% Over the total of Suppliers		Amount paid		% Over the total amount paid	
	2016	2015	2016	2015	2016	2015	2016	2015
Local Suppliers	1538	1692	92,6	95,2	95,2	59,852,341,464.93	28,043,060,385.26	99.7
Non-Local Suppliers	123	85	7,4	4,8	4,8	181,242,653.19	141,316,005.17	0.3
Total	1661	1777	100,0	100,0	100,0	60,033,584,118.12	28,184,376,390.43	100.0

G4-DMA
G4-EN33
G4-HR9
G4-HR10
G4-HR11

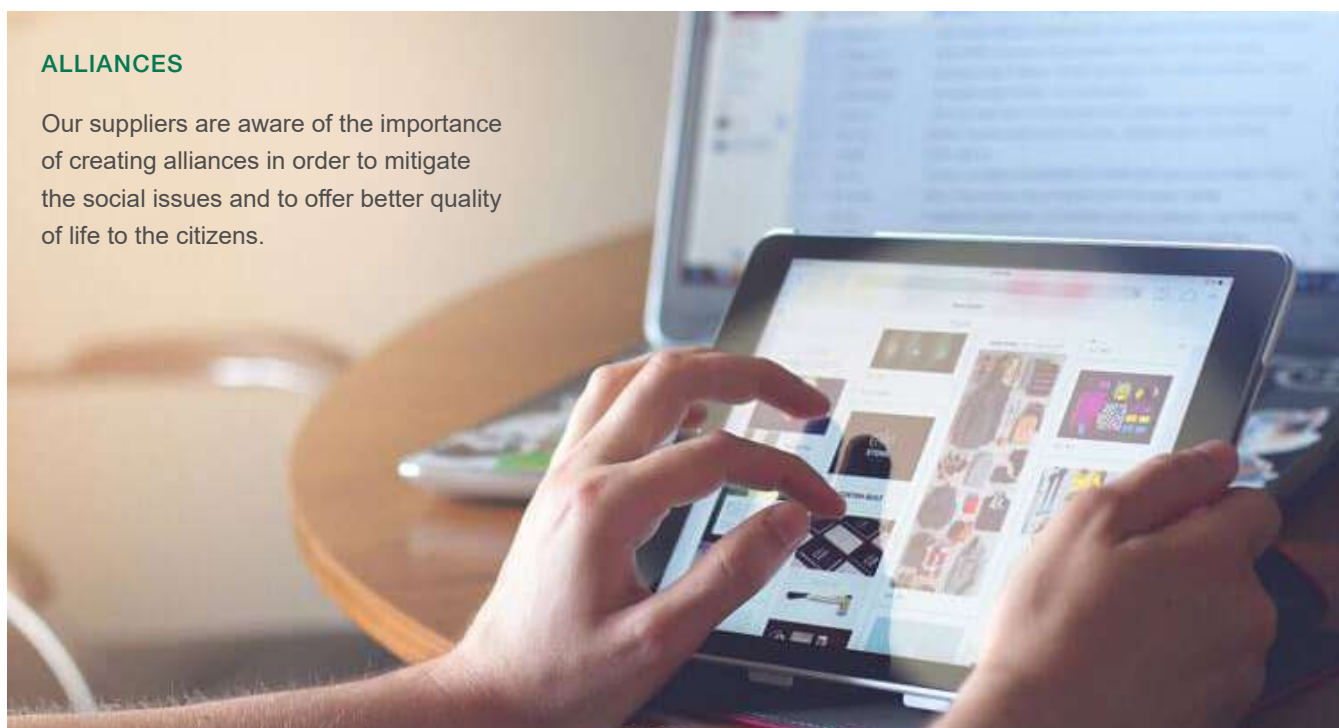
AMOUNT PAID TO SUPPLIERS

DESCRIPTION	Amount paid		% Over the total amount paid	
	2016	2015	2016	2015
Office equipment, articles and furniture	1,734,292,970.76	683,249,809.71	2.90%	2.42%
Hardware, Software and technology	24,008,202,997.41	13,591,573,310.39	40.11%	48.22%
Printed papers and value paper	716,169,312.38	335,609,675.13	1.20%	1.19%
Debit and/or Credit Cards	3,585,714,920.15	1,608,775,216.52	5.99%	5.71%
Other equipment	1,113,864,094.29	15,321,300.39	1.86%	0.05%
Maintenance and constructions	5,848,679,760.71	4,055,893,399.43	9.77%	14.39%
Advertising and Marketing	1,297,463,217.98	582,122,872.54	2.17%	2.07%
Fees and Consultancies	4,650,250,723.34	1,415,056,461.27	7.77%	5.02%
Equipment leasing	7,538,090.00	2,778,902.72	0.01%	0.01%
Condominiums and Leasing	2,660,004,203.88	568,365,748.73	4.44%	2.02%
Trainings	194,128,430.95	80,487,239.34	0.32%	0.29%
Other services	691,968,766.59	310,460,320.21	1.16%	1.10%
Services	8,044,615,382.07	3,609,315,894.13	13.44%	12.81%
Human Capital	5,299,448,594.42	1,325,366,239.92	8.85%	4.70%
Total	59,852,341,464.93	28,184,376,390.43	100%	100%

As of 2016, the Bank has no knowledge about any situation in which its suppliers have had any negative impact with regard to human or environmental rights. Furthermore, it has not received any kind of claim by the people involved in the different processes taking part of the supply chain in that regard.

ALLIANCES

Our suppliers are aware of the importance of creating alliances in order to mitigate the social issues and to offer better quality of life to the citizens.



G4-DMA,
G4-EC9,
G4-LA15

MORE SIGNIFICATIVE SUPPLIERS BY REGION

CAPITAL REGION

Service	Suppliers		Amount			% over the total	
	2016	2015	2016	2015	Var. %	2016	2015
Hardware, Software and Technology	60	61	23,876,456,139.91	11,928,346,033.13	-2%	59%	61%
Fees and consultancies	132	234	7,744,667,346.79	1,383,998,140.56	-44%	19%	7%
Maintenances	187	106	4,494,190,713.02	2,982,114,693.96	76%	11%	15%
Services	92	146	4,311,046,486.30	3,318,562,356.54	-37%	11%	17%
Total	471	547	40,426,360,686.02	19,613,021,224.19	-14%	100%	100%

EASTERN-SOUTHERN REGION

Service	Suppliers		Amount			% over the total	
	2016	2015	2016	2015	Var. %	2016	2015
Condominiums and Leasings	49	55	147,877,929.49	47,103,029.88	-11%	28%	19%
Maintenances	11	10	292,830,103.56	170,496,428.26	10%	55%	69%
Services	39	45	95,023,073.10	31,150,553.79	-13%	18%	13%
Total	99	110	535,731,106.15	248,750,011.93	-10%	100%	100%

CENTRAL-LOS LLANOS REGIÓN

Service	Suppliers		Amount			% over the total	
	2016	2015	2016	2015	Var. %	2016	2015
Condominiums and Leasings	59	66	164,346,919.95	47,245,599.81	-11%	95%	11%
Maintenances	10	9	7,531,336.85	240,997,365.19	11%	4%	54%
Services	6	25	1,473,658.43	156,067,925.50	-76%	1%	35%
Total	75	100	173,351,915.23	444,310,890.50	-25%	100%	100%

WESTERN-NORTHERN REGION

Servicio	Suppliers		Amount			% over the total	
	2016	2015	2016	2015	Var. %	2016	2015
Condominiums and Leasings	80	87	252,923,549.57	86,155,982.97	-8%	16%	10%
Maintenances	15	16	976,790,835.88	662,284,912.02	-6%	62%	78%
Services	58	69	333,779,268.02	101,458,061.69	-16%	21%	12%
Total	153	172	1,563,493,653.47	849,898,956.68	-11%	100%	100%

G4-DMA

PROCUREMENT COMMITTEE

The Procurement Committee is a coordinating organizational body that allows for fostering the optimal design of the procurement operations, within which any event for acquiring goods or services is framed, as well as its negotiation, even if it does not entail immediate distribution of funds.

PURPOSE

To ensure compliance with the Organization's purchase and contracting regulations and processes, as well as to decide about said regulations and processes within its autonomy level, through mechanisms that ensure transparency in the selection of the best option offered by the suppliers, evaluating the quality of the offered goods and/or services in order to satisfy the organizational needs and to improve the relations with its suppliers.

ROLES AND MEMBERS OF THE PROCUREMENT COMMITTEE**PROCUREMENT OPERATING COMMITTEE**

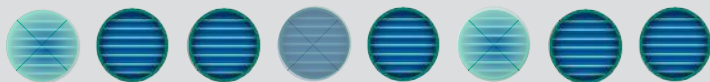
- Coordinator: VP of Procurement
- Secretary of the Committee: Procurement Unit Manager
- Advisors with right to speak: VP of Legal Consultancy and VP of Processes
- Main members with full voting rights: Vice-Presidents named by the Procurement Thematic Committee

PROCUREMENT THEMATIC COMMITTEE

- Coordinator: Executive VP of Procurement and Administration
- Secretary of the Committee: VP of Procurement
- Main members with the right to speak: VP of Legal Consultancy, Executive VP of Human Capital, Executive VP of Real Estate Management, VP of Finances, Executive VP of IT Operations.
- Main members with full voting rights: Technology Director, Products and Infrastructure Director and Finances Director.

**THE DIRECTORS' COMMITTEE SHALL HAVE THE FOLLOWING PURPOSE:**

- Processing, supporting or questioning any operation of procurement equal or greater than the minimum autonomy of the Procurement Committee.
- Exceptions shall be agreed-upon at the same committee, due to high atomicity of suppliers or to the specific market dynamics, among other reasons.
- Operations guaranteed whose amounts are higher than the maximum autonomy of the Committee shall be validated by the Steering Committee.
- Operations questioned shall be reformulated in accordance with the questioning, and be informed and supported by electronic means.
- Approving the members who are part of the Procurement Thematic Committee.

G4-DMA,
G4-S08

OUR COMMITMENT TO THE AUTHORITIES

OUR POLICY

Banesco Banco Universal, C.A., takes an active part in the development and diversification of the country's productive activities.

We work on providing access to banking services to social groups who are still excluded from the financial system as a means of strengthening the social fabric, the employment generation and the economic growth.

OUR MANAGEMENT

All of our products and services are designed according to and comply with the legal regulation in force. Our contracts and general conditions include a clause limiting the responsibility of the Bank for any breach of the provision of the product or service due to regulatory changes.

In accordance with the requirements of the Regulatory Body, a risk assessment study is sent to the Bank's depositors and investors in regard to any new instrument or financial product. With this, even if occurrence of eventual issues is

not prevented, the Bank is continuously adjusting its mitigation mechanisms.

The Bank's Legal Consultancy personnel are continuously analyzing any new act issued by the regulatory bodies or the modification of the existing regulations in order to determine any aspect that may impact the Bank, the Stakeholders and the financial sector. Furthermore, as part of this process of ensuring a permanent update, the publications of the Official Gazette related to this field are daily reviewed and sent to all the involved areas with the purpose of taking the pertinent actions, as the case may be.

The funds corresponding to these contributions are transferred to the Science, Technology and Innovation National Fund (FONACIT), which decides about the projects to be financed as per the guidelines and priorities defined in the National Economic and Social Development Plan of the Nation, as well as the ethic implications and their cultural, social, environmental and economic potential impact.

TAXES FOR OWN OPERATIONS

THOUSANDS OF VEF

	2016	2015	Variation %
Income Tax ¹	19,614,020.48	7,094,347.00	176%
Tax on Economic Activities	3,669,387.28	1,367,497.33	168%
Value Added Tax	7,294,418.17	2,876,304.65	154%
Contribution to the National Science, Technology and Innovation Fund (FONACIT) ²	387,466.32	170,023.81	128%
Business advertising and Urban real estate tax	12,440.43	8,166.65	52%
Total	30,590,266.46	11,516,339.44	166%

¹ It corresponds to the Income Tax caused the previous year.

² The funds corresponding to these contributions are transferred to the Science, Technology and Innovation National Fund (FONACIT), which decides about the projects to be financed as per the guidelines and priorities defined in the National Economic and Social Development Plan of the Nation, as well as the ethical implications and their potential cultural, social, environmental and economic impact.

G4-DMA

LEGAL CONTRIBUTIONS

THOUSANDS OF VEF

Workers' Food Act

	2016	2015	Variation (%)
Workers' Food Act	4,889,642.01	835,730.70	485%

Para-fiscal Contributions

	2016	2015	Variation (%)
Housing and Habitat Act	142,916.46	123,739.81	15%
Compulsory Social Security	332,631.86	175,556.86	89%
Sport Act	66,666.25	32,515.47	105%
INCES	114,605.53	48,755.13	135%

Contributions to FOGADE, SUDEBAN, to the National Anti-Drug Office-ONA, and Contribution to the Communes, Sport Act.

	2016	2015	Variation (%)
FOGADE	11,075,956.89	5,603,431.26	98%
SUDEBAN	1,362,262.68	605,091.93	125%
LOCTICSEP – ONA Application Projects	796,429.17	327,965.77	143%
SAFONACC ³	3,897,647.88	1,603,916.68	143%
Sport Act	506,063.92	220,253.68	130%

- ³ This contribution is administered by the Autonomous Service of National Fund of the Communal Councils (SAFONACC), whose main activity was the administration of the resources assigned to the Communal Councils, financing the Community, Social and Productive Projects of the People's Power in its Financial Components.

FS-7

MANDATORY PORTFOLIO TO DECEMBER 31

MILES DE BS.

	Reached Amount		% Required		% Maintained	
Modality	2016	2015	2016	2015	2016	2015
Tourism	15,924,480	7,574,457	5.25	4.25	5.69%	5.44
Micro-entrepreneurs	22,810,226	17,994,208	3	3	4.36	7.84
Agricultural	96,501,787	55,154,954	26	25	34.48	39.61
Manufacture	43,659,697	19,055,522	10	10	11.29	11.01
Own Resources Mortgage (Long term)	4,589,241	3,865,567	8	8	1.19	2.23
Own Resources Mortgage (Short term)	1,970,615	16,799,639	12	12	0.51	9.71

G4-DMA
G4-S06
G4-S08
G4-S07
G4-PR4
G4-PR8
G4-PR9**FINES OR NON-COMPLIANCES**

Banesco Banco Universal, C.A., in 2016 and 2015 was not subject to any kind of sanction for non-compliance with the regulation established by the Venezuelan Central Bank or by Fogade. In addition, it was not subject to any kind of sanction for non-compliance with the guidelines established by the regulation in force regarding free competition or monopolistic practices.

Concerning the communications received from the Superintendency of the Institutions of the Banking Sector, there were no facts that have had a significant impact on the financial situation and patrimonial structure of the Bank.

Furthermore, the National Superintendency for the Defense of the Socio Economic Rights (Sundde) did not apply any sanction to Banesco Banco Universal, C.A.; while that in 2015, it applied 3 sanctions related to alleged weaknesses in the security measures and non-compliance with the response time to clients. All those sanctions have been appealed and were being studied by the relevant body to the end of the year.

In the Financial Statements audited to the Bank, each half in accordance with the requirements of the Regulatory Body, the disputes, contingencies, contractual and fiscal commitments are revealed. In that respect,

the Bank does not foresee any impact on the financial statements as a whole. The audited financial statements corresponding to December 31, 2016 and 2015 are published with prior authorization of the Regulatory Body, on the website of the Venezuelan Banking Association (www.asobanca.com.ve), where they may be accessed by the general public.

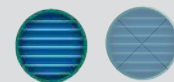
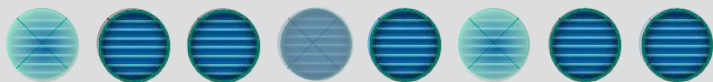
In Banesco Banco Universal, C.A., the employees of all levels, including the Board of Directors are vigilant with regard to the strict compliance with the provisions of the laws, to which it is subject as a financial institution.

Banesco Banco Universal, C.A., is a private banking institution and has not received financial aid from the public sector during the reporting period. Nor has it financed political parties, unions or related associations.

G4-EC4,
G4-S06G4-EC4,
G4-S06

Banesco Banco Universal, C.A., in 2016 and 2015, has not been subject to any kind of sanction for non-compliance with the legal regulation





CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORT BANESCO PREPARATION PROCESS

G4-18, G4-28
G4-29, G4-32
G4-48

PRINCIPLES FOR DEFINING THE REPORT CONTENTS

G4-6, G4-13, G4-17,
G4-18, G4-22, G4-30,
G4-32, G4-33

Banesco Banco Universal, C.A., during the preparation of the Responsibility and Sustainability Report has maintained the goal of collecting the main actions that it has been developing concerning Corporate Social Responsibility, as well as the interrelation with each of the Stakeholders (shareholders, clients, employees, suppliers and community).

The strategic planning of the Corporate Social Responsibility Program (RSE) is made by the Executive VP of Communications and Corporate Social Responsibility of Banesco Banco Universal, C.A., which directly reports to Executive Presidency and leads the CSR practices, being this Vice-Presidency the point of contact concerning all the aspects related to the content of this Report.

Since 2004, Banesco Banco Universal, C.A., has published this Responsibility and Sustainability Report. This edition corresponds to the period covering from January 1st, to December 31, 2016, and as in the previous editions, the relevant themes of the fiscal year and the degree of compliance with the commitments and goals established during the previous year, as well as the ones foreseen for the following year are highlighted. This report is prepared in Spanish and English (Since 2007 the edition in English is only published on our website). The reports corresponding to years from 2006 to 2014 may be accessed a <http://ow.ly/Spp93>, in the same way, these reports are posted in the Banesco Blog <http://blog.banesco.com/rse/>.

The Corporate Responsibility and Sustainability Report corresponding to the year 2007 was the first one certified by the *Global Reporting Initiative*, obtaining the B+ Level of Application; whereas that in the Reports presented from 2008 to 2014, the "A+ GRI Checked" level was obtained from the *Global Reporting Initiative (GRI)*. In 2015, and in accordance with the new terms of evaluation, Banesco Banco Universal, C.A., completed the *Gri Content Index* service and became a member of the *Gold Community*.

Up to 2013, the reports issued were structured and prepared based on the *Guidelines for the preparation of Sustainability Reports* and the *Financial Services Sector Supplement* issued by the Global Reporting Initiative (GRI) RG, Version 3.0 / FSSS Final Version. Concerning the Responsibility and Sustainability Reports corresponding to the years ended December 31, 2016, 2015 and 2014, they were prepared as per the Guidelines for the preparation of sustainability reports of the "Global Reporting Initiative", in its new G4 version of the GRI (hereinafter referred to as GRI-G4) and the *Financial Services Sector Supplement* issued by the *Global Reporting Initiative (GRI)*.

Regarding the report structure, it is presented with the same scheme of previous years, organized in two large blocks: The Internal Dimension and the External Dimension of our Social Responsibility, with specific chapters for each stakeholder. It should be noted that given the changes included by the Global Reporting Initiative, in its GRI-G4, this report

G4-18
G4-32

is complemented with a detailed description of the relative performance regarding the material aspects. As a result of the application of the materiality principle, GRI technical protocols, and with the participation of a multidisciplinary team represented by different departments of the Bank, including the members of the Board of Direction and the participation of the Stakeholders, by means of surveys, meetings, all the relevant topics are included for each stakeholder. The contents of this Corporate Sustainability and Responsibility Report 2016 include the results of the actions carried out as a result of the interrelation with the stakeholders and those actions to be performed in 2017.

The interactions that took place in 2016 and 2015 are reported, specifically the statistical measurements (surveys and focus groups)

In this report, the premise of reporting its performance within a context of sustainability is embraced by Banesco Banco Universal, C.A., that means that it not only informs about its individual performance, but it also reports its labor in a wider context, including, among other:

- Financial inclusion (access to banking services) as a means to combat poverty.

- The emphasis and the support of Social Partners to improve the coverage of the education and health services.
- The value that is given to the Human Capital of the Organization, which is reflected in salaries above the minimum legal wage, promotions, continuous training, and support programs to acquire their residence, among others.
- The impact of the Organization in the generation of direct job positions in the different regions of the country, indirect job positions by means of the regional distribution of its suppliers, opportunities and regional services for the clients and the regional donations.

This report is governed by the principle of completeness as regards the scope, coverage and times foreseen in it.

The coverage of this report includes only the operation of Banesco Banco Universal, C.A., in Venezuela. The materiality of the information is manifested in the contents reflecting the significant impacts of the Organization in the economic, social and environmental fields.

Due to the standardization of the data collection process and the awareness about the timely provision of information, a larger fluidity of information is maintained by the different areas of the Institution.



G4-6, G4-13
G4-17, G4-18
G4-22, G4-30
G4-32, G4-33

PRINCIPLES FOR DEFINING THE REPORT CONTENTS QUALITY

To ensure the quality of the information presented in this report, Banesco Banco Universal, C.A., has been enforcing compliance with the principles to define the quality of its preparation provided in the Guidelines for the Preparation of Sustainability Reports and the Financial Services Sector Supplement issued by the Global Reporting Initiative (GRI-G4) / FSSS Final Version. The principle of balance is satisfied with the transparency of the data provided during the preparation of the Report. Currently, the Bank does not have internal or external audits to assess the degree of implementation of the policies and procedures for the social and environmental risk management.

The reported figures are detailed for 2016 and 2015, with the respective variation rates, which allows for comparability of performance in these two periods. In addition, in the cases where the information was restructured to the effects of its presentation and comparability, a reference is made for each case.

In order to ensure the information accuracy in accordance with the exhaustive comprehensive option, the technical protocols of the GRI G4 have been used for understanding and drawing up the quantitative and qualitative indicators submitted.

The quantitative indicators are generally presented with the variables that give rise to their calculation, which facilitates the understanding of how they are obtained.

The reported data correspond to the Organization's records in its different data handling systems or internal mechanisms. In general terms, they correspond to the information published and reported to the regulatory bodies, that is, it is fully verifiable.

The periodicity of the submission of the Responsibility and Sustainability Report is annual. Clarity is another premise, for that reason, this Report includes the more relevant elements in a legible document concerning language simplicity, the display of the figures and graphic expressions of the management, and the number of pages. In order to ensure the reliability of the submitted information and of the procedures followed when preparing this Report, all the internal sources of each material aspect are reported and it is subject to verification of the external audits before being published.

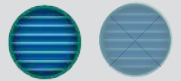
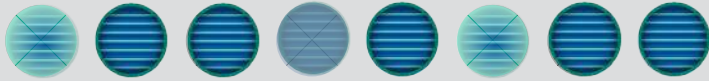


Since 2007, the Responsibility and Sustainability Reports, issued by Banesco Banco Universal, C.A., including the verification of the report corresponding to the year ended on December 31, 2016, which contains the General and Specific Basic Contents, Management Approaches and Performance Indicators established by GRI in its G4 Guidelines, and in the GRI Financial Services Sector Supplement, have been subject of review by the external audits Márquez, Perdomo & Asociados (Members of Crowe Horwath International), who serve as external audits of the Bank to this date. This report has been prepared in accordance with the exhaustive comprehensive option in accordance with the GRI G4 guidelines.

It must be emphasized that the contents that are submitted not only cover the contents considered as material in accordance with the analysis performed following the parameters established by the GRI in its G4 Guidelines, but also those that the senior management has decided to reveal, even if they are about non-material aspects, as they are considered relevant for the Bank's performance.

During the preparation of this report, there were no significant changes regarding the size, structure and ownership of the organization or regarding the supply chain. Nor were there any changes in the restatement of the information concerning the reports of the previous years.

G4-13
G4-23



G4-DMA

OUR COMMITMENTS

AREA	2016 MAIN LINES OF ACTION	2017 COMMITMENTS
Corporate Governance	<ul style="list-style-type: none"> To increase the level of maturity of the bodies that make up the Bank's Corporate Governance System, as well as a higher knowledge level by its members regarding governance. To consolidate the standardization of the best practices in the Corporate Governance in each one of the existing departments within the Bank (The Board of Directors and the Committees), based on the results of the Corporate Governance Knowledge Maturity Assessment carried out by the Espiñeira, Pacheco y Asociados (PricewaterhouseCoopers) consulting firm and of the global trends, which are continuously adopted by the bank. To guarantee the existence of coordination, synergy and monitoring schemes that ensure higher levels of efficiency in the decision-making process of the governance bodies and their carrying out focusing on the bank's profitability and sustainability. 	<ul style="list-style-type: none"> To reach a differentiated level of maturity regarding corporate government management focused on compliance with the regulatory framework. To promote an efficient and innovative knowledge management system designed for the Direction and Senior Management regarding "Good Governance", by means of training and consultancies to the Directors, coordinators, committees' secretaries and Government leaders regarding "Good Corporate Governance" based on the global trends. To design and update the tools that facilitate the management and working of the departments that make up the Banesco structure. To prepare customer satisfaction survey instruments about the management of Corporate governance. To coordinate and carry out the satisfaction survey of the Corporate governance team (Corporate Director and Vice-Presidency)
Shareholders	<ul style="list-style-type: none"> To order dividends in cash to the holders of the common stocks up to a maximum amount of VEF 3.00 billion, funded by the accumulated results as of December 31, 2015. To order a dividend in cash to the preferred stockholders up to a maximum amount of VEF 22.03 MM funded by the surplus to be applied to the close of the half ended on December 31, 2015. To maintain the number of Directors both Principal Directors and Alternate Directors in compliance with the legislation in force. 	<ul style="list-style-type: none"> To increase the share capital to VEF 31.25 MM with the purpose of continuing to promote the bank's growth. To increase the issuance of three billion (3,000,000,000) new common, registered, non-convertible bearer shares, of the same type and with a face value of VEF 10.00 each.



G4-EN32, FS10

OUR COMMITMENTS

AREA	2016 MAIN LINES OF ACTION	2017 COMMITMENTS
Human Capital	<ul style="list-style-type: none"> ● We maintained and widened the Good Citizen Banesco, adding collaborators from the “back”. ● We carried out a plan of adjustment of annual payment for the collaborators. ● We improved the Todoticket food and the variable bonus of the collaborators on the back. ● We promoted sport areas, recreation and leisure activities for the collaborators and their families. 	<ul style="list-style-type: none"> ● To grant a new benefit to the contributors by means of the TodoTicket Salud Card with the purpose of covering medical expenses, purchases of medications in affiliated pharmacies and to make the payments corresponding to the deductible of the Health Care Policy. ● To improve the conditions of the benefits offered through the TodoTicket products with the purpose of improving the quality of life of the contributors. ● To carry out recreational days for the contributors and their families. ● To widen the service offer of the Ciudad Banesco canteen service.
Volunteering	<ul style="list-style-type: none"> ● We developed initiatives promoting participation of the collaborators and their family groups in social and environmental activities. ● We took an active part in the family days as logistics and recreational support. ● We promoted Corporate Volunteering in the Organization by means of Recruitment Days in the facilities of Ciudad Banesco. 	<ul style="list-style-type: none"> ● To develop initiatives to promote the participation of the contributors and their family groups in activities with our Social and environmental partners. ● To make corporate alliances in order to establish a Corporate Volunteering network that works for the benefit of the most deprived sectors. ● To involve the volunteer team in recreational activities, protocol in events and taking part in the celebration of Mother's Day and Father's Day, the service month, support at the recreational level during the Family Days. ● To train our Volunteers and Cultural Agents.
Social Partners and Community	<ul style="list-style-type: none"> ● We executed the Participatory Budget in the west of the country. ● We carried out free concerts for the community in alliance with the System of Orchestras. ● We kept supporting our Social Partners. ● We added new allies to the Entrepreneur Training Program for reaching new regions. ● We created the Digital Library, a channel in which Banesco backlist books shall be offered. 	<ul style="list-style-type: none"> ● To expand the Participatory Budget to benefit more communities. ● To carry out free concerts for the community in alliance with the System or Orchestras. ● To add new allies to the Entrepreneur Training Program with the purpose of reaching new regions. ● To promote the Digital Library, a channel by means of which Banesco's backlist books shall be offered for free.

OUR COMMITMENTS

AREA	2016 MAIN LINES OF ACTION	2017 COMMITMENTS
Customers	<ul style="list-style-type: none"> ● We established a business strategy aimed at serving the traditional clients, under the premise of continuing exploiting the priority segments and in those economic sectors less affected by the environment. ● We preserved the advances achieved in the Management Model and in the Commercial System, which allowed for continuing the development of the strategies for Making the credits accessible to all, to deconcentrate liabilities and improve customer's experience. ● We obtained a greater growth on credit aimed at legal persons without neglecting the Natural Person segment. ● We increased significantly the Credit Cards area in view of its contribution to the financial margin and its capacity to cause portfolio deterioration. ● We established a comprehensive business strategy of the collections and services in the segments with greater potential and for strengthening the offer for the current larger collectors. ● We established a Payment HUB platform for the new collection implementations, via different electronic channels. ● We maintained our leadership in all our Social Networks. 	<ul style="list-style-type: none"> ● To strengthen the relationship with our clients, by means of the handling of their financial transactions via our electronic channels, and via credit comprehensive management as main accompaniment lever in the growth of their businesses and as a source of financing for the acquisition of goods and services. ● To update and increase the daily limits for the transfers via BanescOnline as well as for the purchases with debit cards. ● To launch a mobile application to make immediate payments to other banks. ● To maintain the advertisements for fostering the use of electronic channels. ● To maintain the increase in credit oriented to legal entities and to create products and services for the natural persons segment. ● To strengthen the Program "Contact of Quality", whose purpose is innovating in the sale schemes, directing the efforts to the development of our clients and ensuring that they obtain the best service experience.
Community Banking	<ul style="list-style-type: none"> ● We adjusted the maximum amounts for the granting of microcredits through the product known as Loan to Work. ● We strengthened the Banesco Community Banking Entrepreneur prize. 	<ul style="list-style-type: none"> ● To remodel and improve the infrastructure of our Community branches with the purpose of offering greater comfort to our clients. ● To incorporate the Commercial System tool into the business management for developing various commercial campaigns.





OUR COMMITMENTS

AREA	2016 MAIN LINES OF ACTION	2017 COMMITMENTS
Environmental	<ul style="list-style-type: none"> ● We enhanced the Printing quotas allocation Programs with the purpose of raising awareness among the Citizens of Banesco regarding the use of natural resources. ● We reformulated the Recycling Program. 	<ul style="list-style-type: none"> ● Assignment of printing quotas to users in corporate applications. ● Service agreements with the support area for the allocation of the minimum quota to contracted personnel's users. ● Review of the printing platform in the administrative branches of inland cities as a result of centralization. ● Awareness campaign for all Citizens Banesco. ● Revival of the Recycling Program
Suppliers	<ul style="list-style-type: none"> ● We implemented an improved Purchase Plan based on the budget preparation, in which the date of preparation of the requirements and the due date of the services are identified. ● We ensured the execution of the operating budget by means of the continuous monitoring of a Purchase Plan. ● We implemented a model of anticipated and early purchases, with the purpose of guaranteeing the access to materials and equipment in the required times. 	<ul style="list-style-type: none"> ● To incorporate the clauses establishing the 10 Principles of the Global Compact in all the Contracts and Purchase Orders. Likewise, through the update of the supplier's file, the addition of a document signed by the client in which those clauses of the Global Compact be established.



JUNTOS ELABORAMOS GRANDES OBRAS SOCIALES

Balance Social Acumulado 1998 – Diciembre 2016

				
Programa de Formación al Microempresario Bs. 108.137.737	Fe y Alegría Bs. 47.986.729	Fundación Musical Simón Bolívar Bs. 16.630.224	Asociación Venezolana de Educación Católica (AVEC) Bs. 17.534.789	IESA Bs. 92.999.443
				
Universidades e Institutos de Educación Superior Bs. 80.997.573	Otros Institutos y Organismos de Educación Bs. 10.522.205	Becas Educativas Bs. 2.600.128	Fundación Venezolana Contra la Parálisis Infantil Bs. 10.073.934	Otros Organismos de Salud y Asistencia Médica Bs. 49.377.997
				
FUNDANA Bs. 5.186.633	Asociación Civil Red de Casas Don Bosco Bs. 19.280.821	Asociación Damas Salesianas Bs. 5.170.239	Asistencia a la Infancia Desasistida y Personas con Necesidades Especiales Bs. 10.967.628	Donación de Juguetes a la Comunidad Bs. 3.416.673
				
Proyectos Editoriales y Publicaciones Bs. 55.220.978	Otros Aportes Bs. 30.971.773	Campaña de Solidaridad por Catástrofes Naturales Bs. 6.138.558	Eventos para la Comunidad Bs. 48.247.652	Inversión en Obras Colinas de Bello Monte Bs. 2.306.376
				
Alcaldías, Gobiernos y otros Organismos del Estado Bs. 14.170.881	Beneficios Sociales No Contractuales para Empleados BANESCO Bs. 2.449.237.948	Aporte Voluntariado Corporativo Bs. 6.755.318	Aplicación Artículo 96 LOCTICSEP Bs. 33.612.457	Presupuesto Participativo Bs. 8.551.186

Directores

Juan Carlos Escott Rodríguez • Miguel Ángel Marciano Carrea • Emilio Durán Cabellos
Sergio Mateo Saggese Clammino • Oscar Doval García • Vicente Llatas Salvador • José Grasso Vecchio

Banesco nuevamente rinde cuenta de manera transparente a sus grupos de interés con la publicación del Balance Social 2016. Nos complace ser la primera institución venezolana en obtener la mejor calificación del Global Reporting Initiative (GRI) en sus informes de Responsabilidad y Sostenibilidad Empresarial con la "Certificación Satisfactoria".

ACUMULADO 1998 - DICIEMBRE 2016

TOTAL INVERSIÓN SOCIAL Bs. 3.136.095.880

TOTAL GENERAL INVERSIÓN SOCIAL

MÁS COMPROMISOS CONTRAÍDOS Bs. 3.142.596.763

Cifras expresadas en bolívares



ANNEX I

GRI-G4 CONTENTS INDEX

GENERAL AND SPECIFIC BASIC CONTENTS: APPROACH AND PERFORMANCE INDICATORS

Below are specified the report pages in which the General Basic Contents and Specific Basic Contents are answered: Information on the Management Approach, Performance Indicators established in the GRI in its G4 Guidelines and the GRI Financial Services Sector Supplement.

It should be noted that the indicators presented include not only those indicators that have been considered material in accordance to the analysis carried out following the parameters established in the GRI in its G4 Guidelines, but also those non-material aspects that the Senior Management has decided to reveal as are deemed relevant to make Bank's performance known.



GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS		PAGES	OMISSIONS	EXTERNAL VERIFICACIÓN (✓) PÁG. 118-120	GLOBAL COMPACT
STRATEGY AND ANALYSIS					
G4-1	Include a statement from the main responsible of the decision making in the organization (the person who holds the position of Executive director, president or similar position) about the importance of sustainability for the organization and the organization's strategy for addressing it.	2 - 3		✓	Principle 1,7,8,9
G4-2	Describe the main effects, risks and opportunities.	5 - 8		✓	Principle 7,8,9
PROFILE OF THE ORGANIZATION					
G4-3	Name of the organization	4		✓	
G4-4	Most important brands, products and services.	66, 79, 80 More information in www.banesco.com		✓	
G4-5	Location of the headquarters	4		✓	
G4-6	Specify the amount of countries where the organization operates, and name the countries where the organization carries out significant operations or which have a specific relevance to sustainability-related issues addressed in the report.	4, 95			

ANNEX I

GRI-G4 CONTENTS INDEX

GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS		PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
G4-7	Describe the nature of the ownership form and its legal form.	4		✓	
G4-8	Specify which markets the organization is serving (with a geographical breakdown, by sectors and types of customers and recipients)	65-66		✓	
G4-9	Determine the size of the organization, indicating: - Number of employees; - Number of operations; - Net sales (for private sector organizations) or net income (for public sector organizations); - Capitalization, broken down by debt and equity (for private sector organizations); and - Quantity of products or services offered.	7-8, 25, 28		✓	
G4-10	a. Number of employees by employment contract and gender. b. Number of permanent employees by type of contract and gender. c. Workforce size by employees, external workers and gender d. Workforce size by region and gender. e. Specify whether a substantial part of the organization's work is carried out by legally recognized self-employed workers, or by people who are not employees or external workers, such as employees and subcontracted workers of contractors. f. Report any significant changes in the number of workers (for example, seasonal hiring in the tourist season or in the agricultural sector).	28-30		✓	Principle 6
G4-11	Percentage of employees covered by collective agreements.	45-46		✓	
G4-12	Describe the organization's supply chain.	87, 88		✓	Principle 7
G4-13	Report any significant changes that have taken place during the period under review regarding the organization's size, structure, shareholding ownership or supply chain; for example: - Changes in the location of operations, or in the operations themselves, such as facility opening, closing or expansion; - Changes in the share capital structure and other capital formation, maintenance and change operations (for private sector organizations); - Changes in the location of suppliers, the structure of the supply chain or the relationship with suppliers, in issues such as supplier selection or the termination of a contract.	6, 95, 97		✓	
G4-14	Specify how the organization deals with the precautionary principle, if applicable.	5, 28, 37, 68		✓	
G4-15	Make a list of the letters, principles or other external economic, environmental and social initiatives that the organization subscribes to or has adopted.	20 - 22, 53, 56 - 57, 81		✓	Principle 7
G4-16	a. Prepare a list of the associations (for example, industry associations) and national or international advocacy organizations to which the organization belongs and in which: - Holds a position on the governance body; - Takes part in projects or committees; - Provide a significant funding contribution, in addition to the mandatory membership fees; - Considers membership as a strategic decision.	22		✓	Principle 1, 2, 5, 8, 9, 10
MATERIAL TOPICS AND COVERAGE					
G4-17	a. Prepare a list of the entities included in the organization's consolidated financial statements and other equivalent documents. b. Specify if any of the entities included in the organization's consolidated financial statements and other equivalent documents are not included in the report.	95, 97		✓	

ANNEX I

GRI-G4 CONTENTS INDEX

GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS	PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
G4-18 a. Describe the process that has been followed to determine the report content and the coverage of each aspect. b. Explain how the organization has applied the Reporting preparation Principles for defining the content of the report.	95-97		✓	
G4-19 Make a list of the Material Aspects identified in the process of defining the report content.	10-12		✓	
G4-20 a. Specify the coverage of each material Aspect within the organization. Do it as follows: - Specify if the Aspect is material within the organization. - If the aspect is not material for all the entities of the organization (as described in section G4-17), choose one of the following approaches and provide: - A list of the entities or groups of entities included in section G4-17 that do not consider the Aspect in question to be material; or - A list of the entities or groups of entities included in section G4-17 that do consider the Aspect in question to be material. - Specify any specific limitation that affects the Coverage of each Aspect within the organization.	10-12		✓	
G4-21 Specify the limit of each material aspect outside the organization. Do it as follows: - Specify if the Aspect is material outside the organization. - If the Aspect is material outside the organization, specify which entities, groups of entities or elements consider it so. Also describe the places where the Aspect in question is material for the entities. - Point out any specific limitation that affects the Coverage of each Aspect outside the organization.	10-12		✓	
G4-22 Describe the consequences of the information restatements of previous memories and their causes.	95, 97		✓	
G4-23 Report any significant changes in the scope and coverage of each Aspect with respect to previous memories.	5, 97		✓	
STAKEHOLDER ENGAGEMENT				
G4-24 Make a list of the stakeholders linked to the organization.	5,10-11		✓	
G4-25 Specify the basis for choosing the stakeholders with whom the organization works.	10-11		✓	
G4-26 Describe the organization's focus on Stakeholder Engagement; for example, how often does it collaborate with different types and groups of stakeholders, or specify if the participation of a group was specifically carried out in the report preparation process.	10-11		✓	
G4-27 Point out what key issues and problems have arisen as a result of Stakeholder Engagement and describe the evaluation made by the organization, inter alia, through its report. Specify which stakeholders raised each of the key issues and problems.	10-12		✓	
REPORT PROFILE				
G4-28 Reporting period (for example, fiscal year or calendar year).	95		✓	
G4-29 Date of the last report (if applicable).	95		✓	
G4-30 Report presentation cycle (annual, biennial, etc.).	95, 97		✓	
G4-31 Provide a contact point to resolve any doubts that may arise regarding the report content.	121		✓	
G4-32 a. Please specify which option "in accordance" with the Guidelines has been chosen by the organization. b. Please provide the GRI Index of the chosen option (see the tables below). c. Provide the reference to the External Verification Report, if any. GRI recommends external verification, although it is not mandatory for the report to be "in accordance" with the Guidelines.	95-97 Annex I 118-120		✓	

ANNEX I

GRI-G4 CONTENTS INDEX

GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS	PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PAG. 118-120	GLOBAL COMPACT
G4-33 a. Describe the organization's current policy and practices regarding external report verification. b. If they are not mentioned in the verification report attached to the sustainability report, specify the scope and basis of the external verification. c. Describe the relationship between the organization and the verification providers. d. Specify whether the highest governance body or senior management has taken part in the request for external verification for the organization's sustainability report.	8, 97		✓	
GOVERNANCE				
G4-34 Describe the organization's governance structure, taking into account the committees of the highest governance body. Specify which committees are responsible for making decisions on economic, environmental and social issues.	15,16, 17-22,85		✓	
G4-35 Describe the process by which the highest governance body delegates its authority to senior management and to certain employees for economic, environmental and social issues.	15-16,17, 85		✓	
G4-36 Specify if within the organization there are executive-level positions or positions with responsibility in economic, environmental and social matters, and if the holders of those positions report directly to the highest governance body.	20 - 21, 85		✓	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
G4-37 Describe the consultation processes between stakeholders and the highest governance body regarding economic, environmental and social issues. If such consultation is delegated, specify to whom and describe the information exchange processes with the highest governance body.	8,11-12,20- 21, 25, 28		✓	Principle 10
G4-38 Describe the composition of the highest governance body and its committees: - Executive and non-executive; - Independence; - Seniority in the exercise in the governance body; - Number of other significant positions and activities, and nature of such activities; - Gender; - Members of social groups with insufficient representation; - Competencies related to economic, environmental and social effects; - Representation of stakeholders.	15-22		✓	Principle 10
G4-39 Specify whether the chair of the highest governance body also holds an executive position. If so, describe his executive functions and the reasons for this arrangement	17-18		✓	
G4-40 Describe the processes for the appointment and selection of the highest governance body and its committees, as well as the criteria on which the appointment and selection of members of the former is based; among others: - If diversity is taken into account, and how; - If independence is taken into account, and how; - If expertise and experience in the economic, environmental and social fields are taken into account and how; - If stakeholders are involved (including shareholders), and how.	14-18		✓	
G4-41 Describe the processes by which the highest governance body prevents and manages potential conflicts of interest. Specify whether conflicts of interest are communicated to stakeholders. Specify, as a minimum: - Membership of different boards; - Holding of shares of suppliers and other stakeholders; - Existence of a controlling shareholder; - Information to disclose about related parties.	20, 22, 27,28		✓	

ANNEX I

GRI-G4 CONTENTS INDEX

GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS		PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
G4-42	Describe the roles of the highest governance body and senior management in the development, adoption, and update of the purpose, values, or mission statements, strategies, policies, and objectives related to economic, environmental, and social impacts of the organization.	15-18		✓	
G4-43	Specify which measures have been taken to develop and improve the collective knowledge of the highest governance body regarding economic, environmental and social issues.	11, 35-36		✓	Principle 10
G4-44	a. Describe the processes for evaluating the highest governance body's performance in relation to the governance of economic, environmental and social affairs. Specify if the evaluation is independent and how often it is carried out. Specify if it is a self-assessment. b. Describe the measures adopted as a result of assessing the performance of the highest governance body in relation to the direction of economic, environmental and social affairs; Among other things, specify at least if there have been changes in the members or in the organizational practices.	32-34		✓	Principle 7,8,9
G4-45	a. Describe the role of the highest governance body in identifying and managing economic, environmental, and social impacts, risks, and opportunities. Also specify what is the role of the highest governance body in the application of due diligence processes. b. Specify if stakeholder consultations are made to use in the work of the highest governance body for identifying and managing economic, environmental and social impacts, risks and opportunities.	5- 6 10-12		✓	
G4-46	Describe the role of the highest governance body in analyzing the effectiveness of the organization's risk management processes in relation to economic, environmental, and social issues.	10-12 20-21		✓	Principle 10
G4-47	Specify how often the highest governance body analyzes the economic, environmental and social impacts, risks and opportunities.	10-12 20-21		✓	
G4-48	Specify which is the most important committee or position that reviews and approves the organization's sustainability report and ensures that all material aspects are reflected.	17, 95		✓	
G4-49	Describe the process for transmitting important concerns to the highest governance body.	10-11 14, 16-17		✓	
G4-50	Specify the nature and number of major concerns that were transmitted to the highest governance body; Also describe the mechanisms that were used to address and evaluate them.	17, 27- 28		✓	

ANNEX I

G4-S09,

G4-S010

GRI-G4 CONTENT INDEX

GENERAL BASIC CONTENTS

GENERAL BASIC CONTENTS	PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PAG. 118-120	GLOBAL COMPACT
G4-51 a. Describe the remuneration policies for the highest governance body and senior management, according to the following types of remuneration: - fixed pay and variable pay: - performance-based pay; - equity-based pay; - bonuses; - deferred dividend shares or transferred shares; - recruitment incentive payments; - termination payments; - refunds; - retirement pensions, taking into account the difference between the benefit schemes and the types of compensation of the highest governance body, senior management and all other employees. b. Report the criteria concerning performance that affect the compensation policy with the economic, environmental and social economic objectives of the highest governance body and senior management...	17, 34		✓	
G4-52 Describe the processes for determining compensation. Specify whether consultants are used to determine compensation and whether they are independent of management. Point out any other type of relationship that said compensation consultants may have with the organization.	17, 34		✓	
G4-52 Describe the processes for determining compensation. Specify whether consultants are used to determine compensation and whether they are independent of management. Point out any other type of relationship that said compensation consultants may have with the organization.	17, 34		✓	
G4-53 Explain how stakeholders' views are requested and taken into account regarding compensation, including, where appropriate, the results of votes on policies and proposals related to this issue.	17, 34		✓	
G4-54 Calculate the ratio of the total annual compensation of the highest paid person in the organization in each country where it carries out significant operations to the average annual total compensation of the entire workforce (not counting the highest-paid individual) in the corresponding country.	34		✓	
G4-55 Calculate the ratio of the percentage increase in the annual total compensation of the highest-paid individual in the organization in each country where significant operations are carried out to the percentage increase in the average annual total compensation of the entire workforce (not counting the best-paid individual) in the corresponding country.	34		✓	
ETHICS AND INTEGRITY				
G4-56 Describe the organization's values, principles, standards, and regulations, such as codes of conduct or ethical codes.	4, 27-28		✓	Principle 10
G4-57 Describe internal and external advisory mechanisms for ethical and lawful conduct, and for matters related to the integrity of the organization, such as helplines or advice lines.	23 - 24, 27- 28, 68		✓	Principle 10
G4-58 Describe the internal and external mechanisms for reporting unethical or unlawful conduct and matters related to the integrity of the organization, such as escalation procedures to management, mechanisms for reporting irregularities or helplines.	24, 27, 28, 68		✓	Principle 10

G4-S09,
G4-S010

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGES	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
CATEGORY: ECONOMY					
Economic performance	G4-DMA Management Approach	9			
	G4-EC1 Direct economic value generated and distributed.	6-8		✓	
	G4-EC2 Economic consequences and other risks and opportunities for the organization's activities resulting from climate change	83		✓	Principle 7 Criterion 10
	G4-EC3 Coverage of the organization's obligations resulting from its benefit plan	47-50		✓	
	G4-EC4 Financial aid granted by government entities	94		✓	
Market Presence	G4-DMA Management Approach	65-66			
	G4-EC5 Ratio of the initial salary by gender to the local minimum wage in places where significant operations are carried out	34		✓	
	G4-EC6 Percentage of senior managers from the local community in places where significant operations are carried out	29-30		✓	
Indirect Economic Consequences	G4-DMA Management Approach	65			
	G4-EC7 Development and impact of investment in infrastructure and types of services	53, 56-57		✓	
	G4-EC8 Significant indirect economic impacts and their scope	53, 56-57		✓	
Acquisition Practices	G4-DMA Management Approach	87-91			
	G4-EC9 Percentage of expenditure in places with significant operations corresponding to local suppliers	88, 90		✓	Principle 6
CATEGORY: ENVIRONMENT					
Materials	G4-DMA Management Approach	84			
	G4-EN1 Materials by weight or volume	84 86		✓	Principle 8, 9
	G4-EN2 Percentage of materials used that are recycled materials	84 86		✓	Principle 8, 9

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
Energy	G4-DMA Management Approach	83			
	G4-EN3 Internal energy consumption	83-84		✓	Principle 8, 9
	G4-EN4 External energy consumption.	83-84		✓	Principle 8, 9
	G4-EN5 Energy intensity.	83-84		✓	Principle 8, 9
	G4-EN6 Reduction of energy consumption.	83-84		✓	Principle 8, 9
	G4-EN7 Reductions of requirements of products and services.	83-84		✓	Principle 8, 9
Water	G4-DMA Management Approach	84			
	G4-EN8 Total water withdrawal by source	84		✓	Principle 8, 9
	G4-EN9 Water sources that have been significantly affected by water withdrawal	84		✓	Principle 8, 9
	G4-EN10 Percentage and total volume of recycled and reused water	84		✓	Principle 8, 9
Biodiversity	G4-DMA Management Approach	84			
	G4-EN11 Operational sites owned, leased, managed in that are adjacent to, contain or located in protected areas and unprotected areas of high biodiversity value	84		✓	Principle 8
	G4-EN12 Description of the most significant impacts on biodiversity of protected areas or high value areas regarding non-protected biological diversity derived from activities, products and services.	84		✓	Principle 8
	G4-EN13 Protected or restored habitats	84		✓	Principle 8
	G4-EN14 Number of species included in the IUCN red list and in national conservation lists whose habitats are in areas affected by operations, by the level of extinction risk of the species	84		✓	Principle 8
Emissions	G4-DMA Management Approach	84			
	G4-EN15 Direct greenhouse gas (GHG) emissions (scope 1)	84		✓	Principle 7, 8
	G4-EN16 Indirect greenhouse gas (GHG) when generating energy (scope 2)	84		✓	Principle 7, 8
	G4-EN17 Other indirect greenhouse gas emissions (scope 3)	84		✓	Principle 7, 8
	G4-EN18 Greenhouse gas (GHG) emissions intensity	84		✓	Principle 7, 8
	G4-EN19 Reduction of greenhouse gas (GHG) emissions	84		✓	Principle 7, 8
	G4-EN20 Emissions of ozone-depleting substances	83		✓	Principle 7, 8
	G4-EN21 NOX, SOX and other significant air emissions	83		✓	Principle 7, 8

ANNEX I

GRI-G4 CONTENT INDEX

GENERAL, SPECIFIC BASIC CONTENTS: APPROACH AND PERFORMANCE INDICATORS

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (v) PÁG. 118-120	GLOBAL COMPACT
Effluents and Waste	G4-DMA Management Approach	83-84			
	G4-EN22 Total water discharge by quality and destination	84		√	Principle 7, 8
	G4-EN23 Total weight of waste, by type and disposal method	83-84		√	Principle 7, 8
	G4-EN24 Total number and volume of significant spills.	84		√	Principle 7
	G4-EN25 Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annexes I, II, III and VIII, and percentage of waste shipped internationally	85		√	Principle 7
	G4-EN26 Identity, size, protected status and value by biodiversity of water bodies and related habitats significantly affected by the organization's discharges and runoff	84		√	Principle 8, 9
Products and Services	G4-DMA Management Approach	84			
	G4-EN27 Mitigation of the environmental impact of products and services	85		√	Principle 7, 8, 9
	G4-EN28 Percentage of products sold, and their packaging materials, that are reclaimed at the end of their useful life, by category	86		√	
Regulatory compliance	G4-DMA Management Approach	85- 86			
	G4-EN29 Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	85		√	
Transport	G4-DMA Management Approach	85			
	G4-EN30 Significant environmental impacts of transporting of products and other goods and materials used for the organization's activities, as well as of transporting personnel	85		√	
CATEGORÍA: MEDIO AMBIENTE					
General	G4-DMA Management Approach	85			
	G4-EN31 Breakdown of environmental expenses and investments	84		√	Principle 7, 8, 9
Environmental Assessment of Suppliers	G4-DMA Management Approach	93			
	G4-EN32 Percentage of new suppliers that were screened taking into account environmental criteria.	85, 89 99		√ √	7, 8, 9
	G4-EN33 Significant actual and potential negative environmental impacts on the supply chain and measures taken in that regard.				Principle 7, 8, 9

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
Environmental complaint Mechanisms	G4-DMA Management Approach	85			
	G4-EN34 Number of environmental complaints that have been filed, addressed and resolved through formal complaint mechanisms.	85		✓	
CATEGORY: SOCIAL PERFORMANCE					
SUBCATEGORY: LABOR PRACTICES AND DECENT WORK					
Employment	G4-DMA Management Approach	32 - 34, 46-47			
	G4-LA1 Number and rate of new employee hires and average employee turnover, broken down by age group, gender and region.	31-32		✓	Principle 6
	G4-LA2 Social benefits for full-time employees that are not offered to temporary or part-time employees, by significant locations of activity.	34, 45 -46		✓	
	G4-LA3 Return to work and retention rates after maternity or paternity leave, by gender.	44		✓	
Relations Between Workers and Management	G4-DMA Management Approach	45-47			
	G4-LA4 Minimum notice periods for operational changes including whether these are specified in collective agreements.	30		✓	Principle 3
Health and Safety at Work	G4-DMA Management Approach	40 - 41, 44			
	G4-LA5 Percentage of the workforce represented in formal joint management-worker health and safety committees, established to help monitor and advise on occupational health and safety programs.	44		✓	Principle 3
	G4-LA6 Type of injury and rate of injuries, occupational diseases, lost days, absenteeism and number of work-related fatalities, by region and by gender	40-45		✓	
	G4-LA7 Workers with high incidence or high risk of disease related to their occupation	40-45		✓	
	G4-LA8 Health and safety topics covered in formal agreements with unions.	40-45		✓	Principle 3
Education and training	G4-DMA Management Approach	35 - 37, 61, 79		✓	
	G4-LA9 Average hours of training per year per employee, by gender and by employee category.	35-38		✓	
	G4-LA10 Skill management and lifelong learning programs that foster workers' employability and assist them in managing their professional career endings.	35-38		✓	
	G4-LA11 Percentage of employees receiving regular assessment of their performance and professional development, by gender and by employee category.	35-38		✓	

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
Diversity and Equal Opportunities	G4-DMA Management Approach	46-47			Principle
	G4-LA12 Composition of the governance bodies and breakdown of employees, by employee category and gender, age group, minority group membership and other diversity indicators	28-29		✓	1, 6
Equal Remuneration Between Women and Men	G4-DMA Management Approach	23, 34			Principle
	G4-LA13 Ratio of the basic salary of men with respect to the basic salary of women, by employee category and by significant locations of operation.	47		✓	1, 6
Evaluation of the Labor Practices of Suppliers	G4-DMA Management Approach	49, 88			Principle
	G4-LA14 Percentage of new suppliers that were screened based on labor practices related criteria	49, 88		✓	1, 4, 5, 6
	G4-LA15 Significant actual and potential negative impacts of labor practices on the supply chain and measures taken in that regard	5, 90		✓	Principle
Mechanisms on Labor Practices	G4-DMA Management Approach	17, 27 - 28			Principle
	G4-LA16 Number of complaints about labor practices that have been filed, addressed and resolved through formal complaint mechanisms	27, 28		✓	1, 4, 5, 6
SUBCATEGORY: HUMAN RIGHTS					
Investment	G4-DMA Management Approach	88-89			Principle
	G4-HR1 Number and percentage of significant investment contracts and agreements that include human rights clauses or that have been screened taking into account human rights	87, 88		✓	1, 2
	G4-HR2 Hours of employee training on policies and procedures related to those human rights aspects relevant to their activities, including the percentage of employees trained.	28-29		✓	1, 2
Non - discrimination	G4-DMA Management Approach	23, 27 -28		✓	Principle
	G4-HR3 Number of incidents of discrimination and corrective measures taken.	28, 46 - 47		✓	1, 2

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
Freedom of Association and Collective Bargaining	G4- DMA Management Approach	46			
	G4-HR4 Identification of significant centers and suppliers where freedom of association and the right to benefit from collective bargaining may be violated or be at risk and measures taken to support these rights.	46		✓	Principle
Child labor	G4- DMA Management Approach	47			
	G4-HR5 Identification of centers and suppliers with a significant risk of incidents of child labor, and measures taken to contribute to the abolition of child labor	23, 27- 28, 47		✓	1,2,5 Principle
Forced labor	G4- DMA Management Approach	47			
	G4-HR6 Centers and suppliers at significant risk of incidents of forced labor, and measures taken to contribute to the elimination of all forms of forced labor	23, 27 - 28, 47		✓	1,2,4 Principle
Security Practices	G4- DMA Management Approach	45-47			Principle
	G4-HR7 Percentage of security personnel who have been trained in the organization's human rights policies or procedures that are relevant to operations	23, 28 - 29		✓	1, 2
Rights of Indigenous peoples	G4- DMA Management Approach	47		✓	Principle
	G4-HR8 Number of cases of violation of the rights of indigenous peoples and measures taken	47			1, 2
ASSESSMENT	G4- DMA Management Approach	47, 98			
	G4-HR9 Number and percentage of centers that have undergone human rights assessments or impact evaluations.	23, 28, 66, 89		✓	Principle 1, 2
Supplier Human Rights Assessment	G4- DMA Management Approach	88			
	G4-HR10 Percentage of new suppliers that were screened using human rights criteria.	89		✓	Principle 1, 2
Complaint Mechanisms Regarding Human Rights	G4-HR11 Significant actual and potential negative human rights impacts on the supply chain and actions taken	28, 89		✓	Principle
	G4- DMA Management Approach	28			
	G4-HR12 Number of complaints about human rights that have been filed, addressed and resolved through formal complaint mechanisms	27-28		✓	Principle 1, 2

ANNEX I

GRI-G4 CONTENT INDEX
SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
SUBCATEGORIA: SOCIEDAD					
Local communities	G4-DMA Management Approach	52-53			
	G4-S01 Percentage of centers where development programs, impact evaluations and engagement of local community have been implemented	56 - 57, 59-61		✓	
	G4-S02 Operation centers with significant actual or potential negative impacts on local communities	58		✓	
	FS13 Access points in low-populated or economically disadvantaged areas by type.	65, 78		✓	
	FS-14 Initiatives to improve access to financial services for disadvantaged people.	78-81		✓	
Anti-Corruption	G4-DMA Management Approach	46		✓	
	G4-S03 Number and percentage of centers where the risks related to corruption have been assessed and the significant risks identified	18 - 19, 46 37		✓	Principle 10
	G4-S04 Communication and training policies and procedures on anti-corruption	23 -24, 46			Principle 10
	G4-S05 Confirmed incidents of corruption and measures taken	46		✓	Principle 10
Public policies	G4-DMA Management Approach	94			
	G4-S06 Value of political contributions, by country and recipient	94		✓	
Anti-competitive behavior	G4-DMA Management Approach	73-75			
	G4-S07 Number of legal actions for anti-competitive behavior, monopolistic practices or against free competition and their results.	94		✓	
Compliance with laws and regulations	G4-DMA Management Approach	23 -24, 74 - 75, 92-94			
	G4-S08 Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations.	94			
Assessment of suppliers' Social Impact	G4-DMA Management Approach	87-91			
	G4-S09 Percentage of new suppliers that were screened based on criteria related to social impact	108			Principle 1, 2
	G4-S010 Significant actual and potential negative social impacts on the supply chain and actions taken.	108			Principle 1, 2

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ON THE MANAGEMENT APPROACH AND INDICATORS		PAGE	OMISSIONS	EXTERNAL VERIFICATION (✓) PÁG. 118-120	GLOBAL COMPACT
Complaint Mechanisms for Social Impact	G4- DMA	Management Approach	68			Principle 1, 2
	G4-S011	Number of complaints about social impacts that have been presented, addressed and resolved through formal complaint mechanisms.	68			
SUBCATEGORY: PRODUCT RESPONSIBILITY						
Customer Health and Safety	G4- DMA	Management Approach	75			
	G4-PR1	Percentage of significant product and services categories for which health and safety impacts have been assessed for improvement	75		✓	Principle 1
	G4-PR2	Number of incidents resulting from non-compliance with regulations or voluntary codes related to the impacts of products and services on health and safety during their life cycle, by type of result				Principle 1
Labeling of Products and Services	G4- DMA	Management Approach	73-76			
	G4- PR3	Type of information required by the organization's procedures regarding products and services information and labeling, and percentage of significant product and service categories that are subject to such requirements	75		✓	
	G4- PR4	Number of non-compliances with regulations and voluntary codes related to products and services information and labeling, by type of outcome.	94		✓	
	G4- PR5	Survey results to measure customer satisfaction	73		✓	
	FS16	Initiatives to improve literacy and financial education by type of beneficiary			✓	
SUBCATEGORY: PRODUCT RESPONSIBILITY						
Marketing Communications	G4- DMA	Management Approach	74-77			
	G4- PR6	Sale of banned or disputed products	68		✓	
	G4- PR7	Number of incidents of non-compliance with regulations or voluntary codes related to marketing communications, such as advertising, promotion and sponsorship, by type of result.	75		✓	Principle 10

ANNEX I

GRI-G4 CONTENT INDEX

SPECIFIC BASIC CONTENTS

MATERIAL ASPECTS	INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	OMISSIONS	EXTERNAL VERIFICATION (v) PÁG. 118-120	GLOBAL COMPACT
Customer Privacy	G4- DMA Management Approach	68			
	G4-PR8 Number of substantiated complaints about customer privacy breaches and of customer data leak	94		√	Principle 1
Regulatory compliance	G4- DMA Management Approach	73 -74			
	G4-PR9 Monetary value of significant fines resulting from non-compliance with regulations concerning the provision and use of products and services.	75, 94		√	
Product Portfolio	G4- DMA Approach	65-77 78-81			
	FS6 Percentage of the portfolio for business lines by region, size (example microenterprises/SMEs/large businesses/and activity sector.	65 - 69, 79		√	
	FS7 Monetary value of products and services designed to provide a specific social benefit for each business line by purpose.	65 - 69, 93		√	
	FS8 Monetary value of products and services designed to provide a specific environmental benefit for each business line, by purpose.	85		√	
Audit	G4- DMA Approach	85			
	FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	85		√	
Shareholder Activism	G4- DMA Approach	25, 26			
	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental and social issues.	85, 99		√	
	FS11 Percentage of assets subject to both positive and negative environmental or social screenings	85		√	
	FS12 Voting policy applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	23		√	

G4-32

G4-32



Márquez, Perdomo & Asociados
Members of Crowe Horwath International
Av. Diego Cárdenas, La Rotonda
Edif. Centro Miraflores, Piso 2 Oficina 2-C
Torre Sur, Apartado 899
Caracas 1010A - Venezuela
(58) (212) 235.01.47 | 235.32.85 Central
(58) (212) 338.62.74 Fax
Cristianorap@mcdo@crowehorwath.com.ve
www.crowehorwath.com.ve

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SOCIAL RESPONSIBILITY INDICATORS INCLUDED IN THE 2016 CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORT

Year ended December 31, 2016

To the Board of Directors
BANESCO BANCO UNIVERSAL C.A.

1. Information under analysis

We have been hired by the Board of Directors **BANESCO BANCO UNIVERSAL C.A.** (hereinafter referred to as "the Bank") to carry out an independent limited assurance engagement on the validation of the General Basic Contents and the Specific Basic Contents: Management approach and Performance Indicators, prepared by the Bank in accordance with the established in the Guidelines for the Preparation of Sustainability Reports of the Global Reporting Initiative GRI G4 (hereinafter referred to as "Guidelines", "GRI", "G4"), GRI Financial Services Sector Supplement corresponding to the year ended December 1, 2016, based on the report called "**Corporate Responsibility and Sustainability Report 2016**" included in the Annex I of the "**Corporate Social Responsibility Report**" for the financial year ended December 31, 2016 (hereinafter referred to as "the Report").

2. Responsibility of Bank Management

The Bank is responsible for the preparation, and presentation of the Report in accordance with the sustainability reporting guidelines G4 of the "Global Reporting Initiative" (hereinafter referred to as "GRI G4") according to the in accordance comprehensive option.

The preparation of the "**Corporate Responsibility and Sustainability Report 2016**", as well as a) the information and statements included in the Report, b) of the determination of the Bank's, regarding the sustainable development of results and of reporting, including the identification of the stakeholders and the significant matters, c) the design, implementation and maintenance of appropriate internal control so that the report does not include significant distortions due to errors or irregularities, and d) to maintain proper records that support the reporting process is their responsibility.

A limited assurance engagement is substantially less in scope than a reasonable assurance or an audit engagement, respectively, and therefore, it does not allow us to obtain assurance that we shall be aware of all significant matters that could be identified in an audit or in a reasonable assurance engagement. Consequently, we do not express an audit opinion or a reasonable assurance conclusion about Performance Indicators nor the validation of the general and specific basic contents, and the "**Corporate Responsibility and Sustainability Report 2016**".



3. Responsibility of the auditors

Our responsibility is to carry out the limited assurance engagement and to express a conclusion based on the work carried out, in accordance with the instructions received from the Bank. We do not accept nor assume responsibility any responsibility to third parties different than the bank for our work or for the conclusions that we reach in the limited assurance report. We have carried out our work based on the guidelines established by the Global Reporting Initiative on G4 Guidelines for the Preparation of Sustainability Report of (GRI) and in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC) for performing assurance engagements, whether reasonable or limited, on non-financial information. Said standards require that we comply with the ethical requirements, including the independence requirements, and that we plan and perform our procedures to obtain limited assurance about if the Report does not contain significant errors.

4. Procedures carried out

A limited assurance engagement on a sustainability report consists on making inquiries, especially to the people responsible for the preparation of the information presented in the report, and on the carrying out of analytical procedures as well as obtaining evidence by means of other procedures, as deemed appropriate. These procedures included the following:

-Asking questions to the Direction, as well as to the different units of **BANESCO BANCO UNIVERSAL, C.A.**, that have taken part in the preparation of the **"Corporate Responsibility and Sustainability Report 2016"**, and in the application of certain analytical procedures and sampling review tests described as follows:

- Meetings with the **BANESCO BANCO UNIVERSAL C.A.** staff involved in the process of collection the information included in the report called **"Corporate Responsibility and Sustainability Report 2016"**, and in the preparation of the indicators under review, in order to know the principles, systems, management approaches applied and to obtain the necessary supporting documentation for their verification, with the purpose of evaluating the application of the guidelines established by the GRI-G4.
- Review of the actions carried out in relation to the identification and consideration of stakeholders throughout the year, as well as the coverage, relevance and integrity of the data included in the report called **"Corporate Responsibility and Sustainability Report 2016"** according to the understanding of the requirements of the stakeholders by means of analysis of internal information and third-party reports that were available.
- Check to ensure that content of the Corporate Responsibility and Sustainability Report 2016 does not contradict any relevant information provided by **BANESCO BANCO UNIVERSAL, C.A.**
- Analysis and verification that the indicators submitted by **BANESCO BANCO UNIVERSAL, C.A.**, cover the aspects suggested by (GRI) in its Guidelines for the preparation of Sustainability Reports issued by the "Global Reporting Initiative", and ensure the relevance of the information expressed, regarding the Bank's situation.

G4-32

G4-32



- Analysis of the coverage, relevance and completeness of the information included in the **"Corporate Responsibility and Sustainability Report 2016"**, based on the understanding by **BANESCO BANCO UNIVERSAL C.A.**, of the requirements of the stakeholders on the material aspects described in the section **"The External Dimension of Our Social Responsibility"**.
- Verification, through verification tests based on the selection of samples, on the calculation of the quantitative and qualitative information included in the **"Corporate Responsibility and Sustainability Report 2016"** corresponding to the year ended December 31, 2015 and its proper collection from the data provided by the Bank's sources of information.
- Review through the analysis of the internal information provided of the actions carried out by the parties involved, throughout the financial year in relation to the identification, information collection and relations maintained.
- Analysis of the adaptation of the Bank's sustainability indicators and review of what is stated in the GRI Standards for the preparation of reports and in the Financial Services Sector Supplement reported by the Bank and presented as **Annex I of the "Corporate Responsibility and Sustainability Report 2016"**.

G4-31

We believe that the evidence that we obtained is sufficient and appropriate to provide us with a basis for our limited assurance conclusion. Non-financial information is subject to inherent limitations different than the ones of financial information, given its nature and the methods used to determine, calculate, sample or estimate values. Data relevance, materiality and accuracy qualitative interpretations are subject to individual assumptions and criteria. We have not carried out any engagement outside the agreed scope and, therefore, our conclusion is solely limited to the sustainability information identified and reviewed.

"This limited assurance report has been prepared for the Bank with the purpose of supporting the Management regarding whether the Bank has complied with the criteria of the GRI G4 Guidelines for the preparation and execution of the Report in compliance with the exhaustive comprehensive option, and for no other purpose."

Conclusions

Based on the work described in this report, nothing caught our attention to make us believe that the Social Responsibility Indicators presented **in the Annex I of the "Corporate Responsibility and Sustainability Report 2016"**, corresponding to year ended December 31, 2016, contain errors or have not been prepared, in all their significant aspects, in accordance with the GRI-G4 Guidelines and the Financial Services Sector Supplement, for a Comprehensive application level and with the records and files that served as the basis for their preparation.

MÁRQUEZ, PERDOMO & ASOCIADOS
(MEMBER OF CROWE HORWATH INTERNATIONAL)

[Illegible Signature]

Nelson J. Marcano
Public accountant
C.P.C. No. 24,330

December 06, 2017
Caracas, Bolivarian Republic of Venezuela
Bam0118127

III

III

Survey

Please let us know what you think about this report via fax (+58 212) 901-8356, or by scanning this page and sending it via e-mail to: bvivas@banesco.com. Thank you very much!

Name: _____ Physical address: _____

E-mail address: _____ Phone: _____

You are:

Shareholder ☐ Employee of Banesco Banco Universal ☐ Client ☐ Supplier ☐ Contractor

☐ Representative of the authorities ☐ Other (please specify): _____

4. What is your general impression of this report?

☐ Excellent ☐ Good ☐ Regular ☐ Negative

5. What do you think about the organization of the chapters of this report?

☐ Excellent ☐ Suitable ☐ Improvable ☐ Unsuitable

If you wish, propose the modifications you consider necessary _____

6. What is your specific opinion about each of the chapters?

☐ Excellent ☐ Good ☐ Regular ☐ Negative

Mission, Vision and Values	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Social Action in the Community	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Main Impacts, Risks and Opportunities	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Banesco Corporate Volunteering	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Banesco Brand	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Our Clients	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Corporate Governance	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Banesco Community Banking	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Our Shareholders	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Our Environmental Commitment	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Our Human Capital	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Our Suppliers	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N
Our Social Partners	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N	Our Commitment to the Authorities	<input type="checkbox"/> E <input type="checkbox"/> G <input type="checkbox"/> R <input type="checkbox"/> N

If you wish, propose the modifications you consider necessary _____

4. What do you think about the clarity of the presentation of the information?

☐ Excellent ☐ Suitable ☐ Improvable ☐ Unsuitable

If you wish, propose the modifications you consider necessary _____

5. What do you think about the clarity of the presentation of charts and graphs?

☐ Excellent ☐ Suitable ☐ Improvable ☐ Unsuitable

If you wish, propose the modifications you consider necessary _____

6. What is your general opinion about the Corporate Social Responsibility activities carried out by Banesco?

☐ Excellent ☐ Suitable ☐ Improvable ☐ Unsuitable

If you wish, explain _____

7. Do you think it is of benefit to you that Banesco publishes its Corporate Social Responsibility Report? How?

8. What is your opinion on international certification that these reports display?

☐ Very important ☐ Important ☐ Not relevant

9. Do you consider that Banesco is sufficiently accountable to its stakeholders? Please explain:

10. Do you consider it necessary for these reports to be published in paper or would it be sufficient to post them in digital format on the Internet?

☐ Printed ☐ Only on the Internet