



Postulación Banesco Banco Universal – LatinFinance 2013

Banesco Banco Universal Highlights

We are a financial, banking organization and multinational insurance company, with presence in Panama, Puerto Rico, United States, Dominican Republic, Colombia, Spain and Venezuela.

Evolución de Banesco Grupo Financiero Internacional



- **Paid in Capital** US\$ 198 million and **Equity** US\$ 1,904 million
- **Shareholders:** 38,000
- **Assets:** US\$ 23,645 million
- **Resources under Management** (excluding Trust Assets): US\$ 22,136 million
- **Customer Funds:** US\$ 20,828 million
- **Loan Portfolio:** US\$ 12,121 million
- **Housing Policy Law:** US\$ 1,308 million
- 418 **points of attention** around Venezuela
- **Communal Banking:** 24 Branches, 249,141 Customers, 223 Business Partners
- More than 6 million **customers**
- More than 7 million **Debit and Credit Cards**
- Approximately US\$ 114,9 million invested on **Corporate Social Responsibility**, of which, US\$ 16,7 million were invested during 2012
- 1,634 **ATMs**, 234 **Checks Dispensers** and 70,407 **Points of Sales** (POS)
- **BanescOnline:** 3,214,738 customers with a monthly average of 58.5 million transactions.
- **Telephone Banking:** 1,003,933 transactions per month

- In the first half of 2013, we ratified our leading position in the national private bank. We ranked first in granting loans (Bs. 76,362 million), microloans (Bs. 4,769 million), customers' deposits (Bs. 131,215 million), third-party resources (Bs. 139,457 million), total assets (Bs. 148,962 million), mortgage portfolio (Bs. 6,394 million), agricultural loans (Bs. 11,536 million), commercial loans (Bs. 31,312 million) and loans to the tourism sector (Bs. 1,338 million).
- Total Assets for June 2013 closed at USD 23.645 million (13.3% market share), with an increase of Bs. 62.084 million (USD 9.855 million) compared to June 2012, which is mainly attributable to the significant boost in loan granting, with over USD 12.121 million in net loans. Such figures place us at the tone of the top private banks in the country, as reflected in the 58.20% of intermediation level and a 15.93% market share.
- Loans granted at 2012 closing totaled 1,865,107, which represents 17.1% of the total number of banking sector loans.
- Regarding customer deposits, Banesco remained as one of the leading banks in terms of public preferences (USD 20,828 million), reflecting a variation of 20.3% compared to the prior period (Dec-12) and 72.3% inter-annually, increasing the number of depositors to nearly 400 thousand, to 6,506,352 depositors at 2012 year-end, landing on the top of the banking system with a 20.2% share.
- Funds managed under Housing Benefits System amounted to Bs. 8,241 million (USD 1,308 million), placing us at the top of the system, with a 28.10% share that added to the customer deposits, lead to managed funds level of Bs. 139,457 million (USD 22,136 million), positioning us as leaders of the private bank with a 14.21% share.
- Leadership of Banesco Banco Universal in the overall financial system accounts for equity of USD 1,904 million, related to Bank assets, which led to an equity sufficiency coefficient of 10.85%, i.e. over the minimum legally-required percentage.
- The income statement shows a net benefit for the first half of 2013 of Bs. 4,016 million (first place of the system), which added to the result obtained during the second half of 2012 exceeds Bs. 6.900 million.

Local Credit Ratings Agencies

Francisco Faraco & Asociados (March 2013): AAA

Ranking Bancario de Solidez Financiera (Marzo 2013): B3

International Credit Ratings Agencies

Fitch Ratings

National Long Term (Feb 2013): A+ (ven) (High Credit Quality)

National Short Term (Feb 2013): F1 (ven) (Higher Credit Quality)

Banesco: Financial Summary (USD Million)	Jun-12	Dec-12	Jun-13	Change Jun13-Jun12	Change Jun13-Dec12
Investments in Securities	2.597	4.165	6.940	167,2%	66,6%
Loan Portfolio	8.332	10.189	12.121	45,5%	19,0%
Total Assets	13.790	19.616	23.645	71,5%	20,5%
Customer Funds	12.090	17.310	20.828	72,3%	20,3%
Equity	1.255	1.663	1.904	51,7%	14,5%
Net Profit (Six-month Period)	320	462	637	99,2%	38,1%
Net Profit (July 2012 - June 2013)			1.099		
Trust Assets	1.409	1.465	1.717	21,8%	17,2%
Housing Policy Law	1.018	1.162	1.308	28,5%	12,6%
Manufacturing Loans	630	684	671	6,5%	-1,9%
Agriculture Loans	1.797	1.680	2.061	14,7%	22,7%
Tourism Loans	196	225	251	28,0%	11,4%
Microcredits	408	587	757	85,7%	29,0%
Government Funds	788	567	856	8,6%	51,0%
Resources Under Management (w/o Trust Assets)	13.107	18.472	22.136	68,9%	19,8%

Exchange Rate: 6,30 Bs. / USD

Banesco: Financial Ratios	Jun-12	Dec-12	Jun-13	System (June 2013)
Equity				
(Equity+ Net Profit) / Total Assets - PDN	10,36%	10,22%	10,85%	11,22%
Assets				
Loan Portfolio Provisions / Gross Loan Portfolio	310,48%	472,66%	364,24%	341,05%
Non Performing Loans / Gross Loan Portfolio	0,74%	0,49%	0,70%	0,88%
Earnings				
Net Income / Average Assets (ROA)	4,90%	5,32%	5,97%	3,89%
Net Income / Average Equity (ROE)	55,37%	60,23%	71,14%	47,61%
Liquidity				
Cash & Due from Banks / Customer Funds	20,25%	25,97%	18,97%	21,29%
Other Ratios				
Loan Portfolio / Customer Funds	68,92%	58,86%	58,20%	50,36%
Official Funds / Customer Funds	6,52%	3,28%	4,11%	14,59%



	Share			Ranking		
	Jun-12	Dec-12	Jun-13	Jun-12	Dec-12	Jun-13
Loan Portfolio	16,2%	16,1%	15,9%	2	2	2
Total Assets	12,4%	13,3%	13,3%	2	2	2
Customer Funds	13,0%	13,8%	13,8%	2	2	2
Equity	13,1%	14,0%	12,3%	3	1	4
Trust Assets	7,6%	7,0%	6,2%	5	5	6
Net Profit	15,7%	17,1%	20,4%	3	2	1
Resources under Management	13,5%	14,3%	14,2%	2	2	2

Peer Group

June 2013 (US\$ Million)



	Mercantil	Venezuela	Provincial	% Share Big 4
Investments in Securities	6.940	4.877	7.411	44,5%
Loan Portfolio	12.121	10.730	13.689	61,0%
Total Assets	23.645	20.724	26.483	52,2%
Customer Funds	20.828	18.312	23.770	53,7%
Equity	1.904	1.918	2.078	52,0%
Net Profit	637	372	537	66,1%
Trust Assets	1.717	2.034	6.630	46,5%
Housing Policy Law	1.308	0	1.022	52,6%
Manufacturing Loans	671	1.104	2.064	61,3%
Agriculture Loans	2.061	1.983	2.593	59,3%
Tourism Loans	251	205	239	60,3%
Microcredits	757	327	462	44,1%
Government Funds	856	290	7.714	43,4%
Resources Under Management (w/o Trust Assets)	22.136	18.312	24.792	53,7%

Source: SUDEBAN

www.banesco.com

<http://banesco-prod-cdn.s3.amazonaws.com/wp-content/uploads/2013/07/informe-segundo-semestre-2012-ingles.pdf>

<http://www.banesco.com/somos-banesco/informes-semestrales>

Strategy

One of the keys to our performance is that we have kept pace with investments. By the end of 2013, we plan to invest a total of Bs. 7.916 million. This amount includes the resources to be allocated to operability, technological adaptation and, training and benefits for our human capital as well as funds to devote to community projects and social partners framed

in our Corporate Social Responsibility Program. Of the total planned, Bs 2,800 million will be dedicated to our human capital and include programs that address education, training and contractual benefits.

While a significant percentage of the loans are the so called managed portfolios, we have struck a balance with other more profitable businesses that compensate. Furthermore, in recent years we have made efforts in reducing processing costs through investments in technology that decrease service times and facilitate internal processes that ultimately result in benefit to customers.

Taking productive sector financing as a priority, at the end of 2012 we recorded a 58.86 % brokerage, ie for every 10 Bolivares the entity receives in deposits, pays approximately 6 Bolivares. Intermediation to December 31st was higher than the system's average 8.45 percentage points. So far in 2013 we have maintained the same strategy and Banesco brokerage cut last April was 55.20 %, which is 5.94 percentage points above the average of banks in the same period.

We believe technology is the fundamental key platform on which our customers are able to interact with us at all times. We have emphasized the use of electronic channels for our clients to conduct their operations in an easy, safe and without having to travel to an office way. In this regard, our application BanescoMóvil recorded a total of 3,806,054 downloads on smartphones and tablets for May 2013. The different versions of the application have been subjected to the rigorous standards of Google Play Market, BlackBerry App World, Apple App Store and Windows Market, which shields the reliability and availability of the application for download.

We continue our international Banesco brand expansion strategy. On December 20th, 2012 the purchase agreement of Banco Etcheverría, a Galician bank with over 300 years of existence, was signed. Thanks to a 50 million euros investment, 70% of the institution was acquired. In June 2013, Banco Etcheverría acquired 66 offices that belonged to NCG Banco, and expanded its presence in Spanish territory with a total of 120 agencies.

In April 2013, after receiving authorization from the Superintendencia Financiera de Colombia, SA Banesco (Panama) opened a representative office in Bogota.

International expansion plans remain. In June the upcoming opening of representative offices of Banco Etcheverría-Grupo Banesco in Mexico, United States (Miami) and Venezuela was also announced.

Transparency

Every six months, Banesco presents a management report that is available to the public both physically and through its website. Financial results as well as products and services provided during the period are reflected on the document.

In terms of the Corporate Social Responsibility Program, Banesco periodically publishes its Social Balance, which reports the amounts and social allies or partners that have benefited from the contributions of our Organization. Our financial institution submits reports of social management since 2004, as an exercise in transparency and accountability. To prepare annual CSR reports, Banesco takes into account the parameters established by the Global Reporting Initiative (GRI), one of the most recognized methodologies in this area. The reports for the years 2008, 2009, 2010 and 2011 were rated "A + GRI Checked".