

SEMESTER REPORT • FIRST HALF 2009

J-07013380-5

To The Banesco Community: Employees, Clients, Stockholders, And Social Partners

We proudly present these results to all our audience: over 40 thousand stockholders, over 6 million customers, over 14 thousand collaborators; our suppliers, friends, and related individuals.

The operation during the first half of 2009, not only helped us ratify our leading position in the local bank ranking, but exceed the ceiling of Bs.F. 20,000 million in financings -a milestone in the national banking system-.

Committed to the wellbeing of more and more citizens, at the close of the first half of the year, we were leaders in housing loan granting, both with our own capital and through the Mandatory Housing Savings Fund (FAOV), thus benefitting 80 thousand families.

We also ratified our leading position in micro-loans, by granting Bs.F. 798 million to more than 33 thousand micro-entrepreneurs, and Bs.F. 3,373 million to the agricultural sector.

We maintain a sound portfolio with a delinquency rate of 1.9% only -below average market rate-, and a provision for passive portfolio of 106.3%. We recorded a 23% increase of our total assets with regard to the same period in 2008, thus closing in Bs.F. 37,980 million. This amount is the result of the increase recorded in cash and cash equivalents, credit portfolio, and investment securities during the last twelve months. We also recorded a year-on-year increase of 27.4% in customers' deposits, thus maintaining the first place in the bank ranking with a 14% (Bs.F. 33,326 million) market share.

Trying to include all our accomplishments in these introductory lines would be excessive; however, we would like to mention our successful efforts in Corporate Social Responsibility matters, for which we have invested Bs.F. 134,648,350 since 1998, in different initiatives and projects aimed at providing education and health to more and more Venezuelans.

In the following pages, you will find further information on the activities carried out by the Banesco community during the first six month of the year. We are aware that all our accomplishments reflect the determination and commitment of our Banesco people.

We would like to ratify you our promise to continue striving to reach new and higher quality standards.



Juan Carlos Escotet Rodríguez
Chairman of the Board of Directors

Financial Highlights

		First Half 2008	Second Half 2008	First Half 2009	I Half II Half	2009 2008	Growth I Half I Half	2009 2008
(Stated in Million VEF)					Absolute	%	Absolute	%
	Total Assets	30,873	37,115	37,980	866	2.3%	7,107	23.0%
	Cash and Due from Banks	7,188	9,285	9,475	190	2.1%	2,287	31.8%
	Security Investments	4,699	6,432	6,635	203	3.2%	1,935	41.2%
	Credit Portfolio	17,213	18,581	19,958	1,377	7.4%	2,745	15.9%
	Deposits from Clients	26,155	32,690	33,326	636	1.9%	7,171	27.4%
	Deposits in Current Accounts	11,163	16,369	17,534	1,164	7.1%	6,371	57.1%
	Savings Deposits	4,226	6,258	5,636	-623	-9.9%	1,410	33.4%
	Time Deposits	2,675	1,596	3,500	1,904	119.3%	826	30.9%
	Other Deposits	8,092	8,466	6,656	-1,810	-21.4%	-1,435	-17.7%
	Total Stockholders' Equity	2,556	2,930	3,113	183	6.3%	558	21.8%
	Trust Assets	5,835	5,744	6,155	411	7.2%	321	5.5%
	Debtor Accounts Due To Trust Assignments (FMH)	2,162	2,451	2,890	439	17.9%	728	33.7%
	Financial Revenues	1,912	2,438	2,561	123	5.1%	649	33.9%
	Financial Expenses	788	1,291	1,268	-23	-1.8%	479	60.8%
	Gross Financial Margin	1,124	1,147	1,293	146	12.7%	169	15.1%
	Financial Intermediation Margin	1,333	1,483	1,559	76	5.1%	226	16.9%
	Transformation Expenses	896	964	1,176	212	22.0%	280	31.3%
	Income Taxes	43	29	5	-24	-82.8%	-38	-88.3%
	Net Income	338	429	290	-140	-32.5%	-48	-14.3%
	Yielded Investments	1,737	980	223	-757	-77.2%	-1,514	-87.1%
	Accumulate Agriculture Portfolio	2,342	2,701	3,373	672	24.9%	1,032	44.1%
	Official Institutions Deposits	3,090	2,138	2,805	667	31.2%	-285	-9.2%
	Micro Loans	788	882	798	-84	-9.5%	11	1.3%
	Commercial Loans	7,392	7,618	5,601	-2,017	-26.5%	-1,791	-24.2%
	Credits to Consumer	5,261	5,632	6,908	1,276	22.7%	1,647	31.3%
	Vehicles	517	605	590	-15	-2.5%	73	14.2%
	Credit Cards	4,745	5,027	6,318	1,292	25.7%	1,574	33.2%
	Mortgage Loans	1,501	1,973	2,606	633	32.1%	1,105	73.6%
	Ratios							
	Loan Portfolio Provisions/Non Accrual Loans	133.8%	110.1%	106.3%				
	Non Accrual Loans/ Gross Loan Portfolio	1.2%	1.8%	1.9%				
	Net Results / Average Assets	2.4%	2.5%	1.6%				
	Net Results / Average Equity	28.4%	30.4%	19.0%				
	Liquidity	33.7%	41.4%	42.2%				
	* Operations in Venezuela							

Call

BANESCO BANCO UNIVERSAL, C.A.

Stock Capital Bs.F. 1.125.000.000,00

By order of the Board of Directors and pursuant to articles 10, 12 and 27(2) of the Bylaws, the stockholders of Banesco Banco Universal, C.A. are hereby called to a Regular Stockholders' Meeting to be held on Monday, September 28, 2009, at 8:00 AM, in Auditorium Fernando Crespo Suárez, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, between Calle Lincoln and Calle Sorbona, of the city of Caracas, in order to discuss and resolve the following matters:

FIRST: Upon revision of the Board of Directors' report and the comptrollers' report, approval of the independent auditors' report on the Financial Statements for the six-month period ended June 30, 2009.

SECOND: Cash dividends decree to common and preferred stockholders, with charge to the first half of 2009 income.

On behalf of the Board of Directors
JUAN CARLOS ESCOTET RODRIGUEZ
Chairman of the Board of Directors

Note: Known all stockholders by these presents that the Board of Directors' report, the comptrollers' report, the audited financial statements, as well as other reports and proposals to be discussed in the Stockholders' Meeting, will be available to you fifteen (15) days prior said Meeting at the offices located in Edificio "Ciudad Banesco", Avenida Principal de Bello Monte, entre Calle Lincoln y Calle Sorbona, Urbanización Bello Monte of the city of Caracas, Piso 3, Consultoría Jurídica (Legal Vice Presidency).

Caracas, September 8, 2009

Economy During The First Half Of 2009

Economy During The First Half Of 2009



Gross Domestic Product

In the preliminary report of 2009 second quarter, the Central Bank of Venezuela gave account that after a sustained growth trend throughout twenty-two consecutive quarters, Venezuela's economy experienced, during the last period, a 2.4% decrease of the Gross Domestic Product (GDP) with regard to the 2008 second quarter, after a slight increase of .5% in the first quarter, thus showing a net contraction of 1.0% in the first half of 2009.

During 2Q, by braking down the analysis into activities, in non-oil activities (1.6%) and oil activities (4.2%) showed a contraction.

As to the non-oil sector, it showed a decrease in the following activities: manufacturing (-4.6%), businesses and repair services (-3.0%), estate, business, and rent services (-1.4%), which play a more significant role in the local production of goods and services (16%, 10.3% y 10.2%, respectively.)

Other activities with a minor specific role in the product structure, like transport and storage (-1.9%), financial and insurance institutions (-2.0%), and mining (-11.2%), also showed a decrease.

On the other hand, the following activities recorded a favorable behavior during 2Q: Government services (3.3%); construction (4.2%); community, social, and personal services (4.3%);

communications (7.6%); electricity and water (4,1%); and agricultural sector (1.6%), as a result of the efforts made by the National Government to prop up the development thereof.

The oil activity recorded a 4.6% decrease during the period subject to audit due to the decrease of the national production levels -derived from the oil price defense policy by OPEC-, and the drop of crude oil prices in the international markets, as a result of the financial crisis and its effects in the actual worldwide economy.

At a sector-specific level, the gross added value of the public sector recorded a 2.7% expansion during 2Q caused by the behavior of this component and the change in the country's institutional structure, resulting from the nationalization of private companies since 2009 1Q. This also had an effect on the percentage take of the added value in both sectors.

Venezuela's economy experienced a 2.4% decrease of the Gross Domestic Product (GDP)

Global Supply and Demand

In 2009 2Q, the aggregate supply showed a 4.0% contraction, mainly caused by the decrease in imports (-7.7%) -associated to the rationalization process for the use of foreign currency implemented by the National Government-, and

the decrease of the GDP. Consequently, the global supply decreased by 1.2% during the six-month period with regard to the first half of 2008.

These results are mainly due to the contraction in the global demand caused by the decrease in the domestic demand (-3.3%) and the foreign demand (-8.8%).

To be more precise, the result of the aggregated domestic demand is due to the decreases recorded in the final private consumption expenditure (2.7%) and the fixed gross investment (2.4%), which were lessened by the 2.9% growth of the final public consumption expenditure.

Balance of Payments

The balance payment as of 2009 2Q closing recorded a surplus in both checking account and financial account of US\$ 2,150 million and US\$ 1,190 million, respectively, which offset the deficit of US\$ 1,845 million recorded in Errors and Omissions, thus establishing a total surplus of US\$ 1,495 million.

The checking account closed with a lower surplus than in 2Q of the previous year (US\$ 16,408 million), since the value of merchandise exports decreased by 51.7%, which was partially offset by the 11.9% contraction in imports. This behavior was related to the change of oil prices in the international market, and the import rationalization policy implemented by the National Government. On the other hand, the trade balance of services recorded a deficit of US\$ 2,117 million, which implies a 3.8% increase with regard to 2008 2Q.

The surplus recorded in the financial account (US\$ 1,190 million) may be attributed to the repatriation of capital held by the Public Sector abroad, in order to maintain the expense and investment levels provided for by the National Budget Act for the current fiscal year.

It is worth mentioning that the direct investment item closed the period with a US\$ 3,416 million deficit, as a result of the increase of the public direct investment abroad -related to the integration and cooperation policy released by the Central Government-, and the decrease in public and private companies' liabilities with regard to foreign investors.

Unemployment

As of June 2009 close, the unemployment rate increased by .2 percentage points, that is, 7.8% of the economically active population (12,900,735 inhabitants).



The informal economy index remained steady during the first six-month period, that is, 44% (5,230,799 inhabitants) of the active population (11,888,179 inhabitants). Likewise, the proportions corresponding to economically active population (65%) and the inactive population (35%) showed no significant changes during the audited period.

Wage Index

The Wage Index of salaried workers increased by 10.7% in 2009 2Q, which was higher than the previous quarter (2.7%), and lower than in 2008 2Q (16.0%), which reflects a slowdown of its rate of growth.

During 2009 2Q, we observed a 4.1% increase with regard to last year's same period, and in real terms, after deduction of the effects of inflation. This is the lowest rate of growth recorded during the last nine quarters.

Upon breaking down the index into public and private sector, we observed that the salary of the private sector workers increased by 11.5% (5.7% in real terms) and the public sector's salary increased by 9.1% (1.0% in real terms).

Based on the above figures, index accrued variance in the first two quarters of the year was 13.7% in general. The private sector was 13.9%, higher than the 13.3% of the public sector.

Inflation

The National Consumer Price Index (CPI) recorded an accumulated variance during the first half of the year of 10.8%, that is, a 4.3 percentage point decrease with regard to variance of the same period in 2008 (15.1%), while the last 12 month annual variance was 26.0%.

As of June 2009 closing, goods pricing recorded an accumulated increase of 8.9%, which is lower than the 15.9% accumulated during the first half of 2008. Services recorded an accumulated inflation of 13.3% during the first half of 2009, against the 14.0% accumulated in the same period in 2008.

The cities with the highest accumulated price variances for the first six-month period were: Mérida (13.1%), Caracas (12.4%), and San Cristóbal (12.1%). The ones with the lowest variance were: Rest of the country (9.7%), Barquisimeto (10.2%), and Maracaibo (10.7%).

The Wholesale Price Index (WPI) experienced a 3.2% variance in June, thus, the accumulated rate for the first half of the year was 11.4%, and the annual rate (June 2009/June 2008) was 31.9%.

The accumulated variance of the national inflation core-index that excludes the effects of price regulations and seasonal aspects on certain goods and services- was 15.20% during the first half of the year, while in the same period of 2008, it was 15.80%.

Monetary Policy

During the first half of 2009, the Monetary Policy was determined by the global economic prospects, particularly, by the oil price behavior and its effect on resources available to execute tax expense. Therefore, the Ministry of Finance jointly with the Central Bank of Venezuela (BCV),

*Money supply
increased
8.4%*

implemented a tax expense financing schedule which included the weekly issue of debt instruments amounting to Bs.F. 37,000 million in compliance with 2009 budget.

In order to strengthen this policy, during the first half of the year, the BCV reduce twice the legal reserve ratio, which the financial institutions must maintain in the issuing agency over the marginal balance of deposits, thus, dropping from 30% to 25%.

Likewise, the BCV promoted the decrease of interest rates. The maximum active rate decreased from 28.0% to 24.0%, and the term deposit rate decreased from 17.0% to 14.5%. The savings rate was also reduced to 12.5%.

The measures taken aimed to reduce the Government's borrowing cost and the monetary policy, as well as to promote consumption and financing.

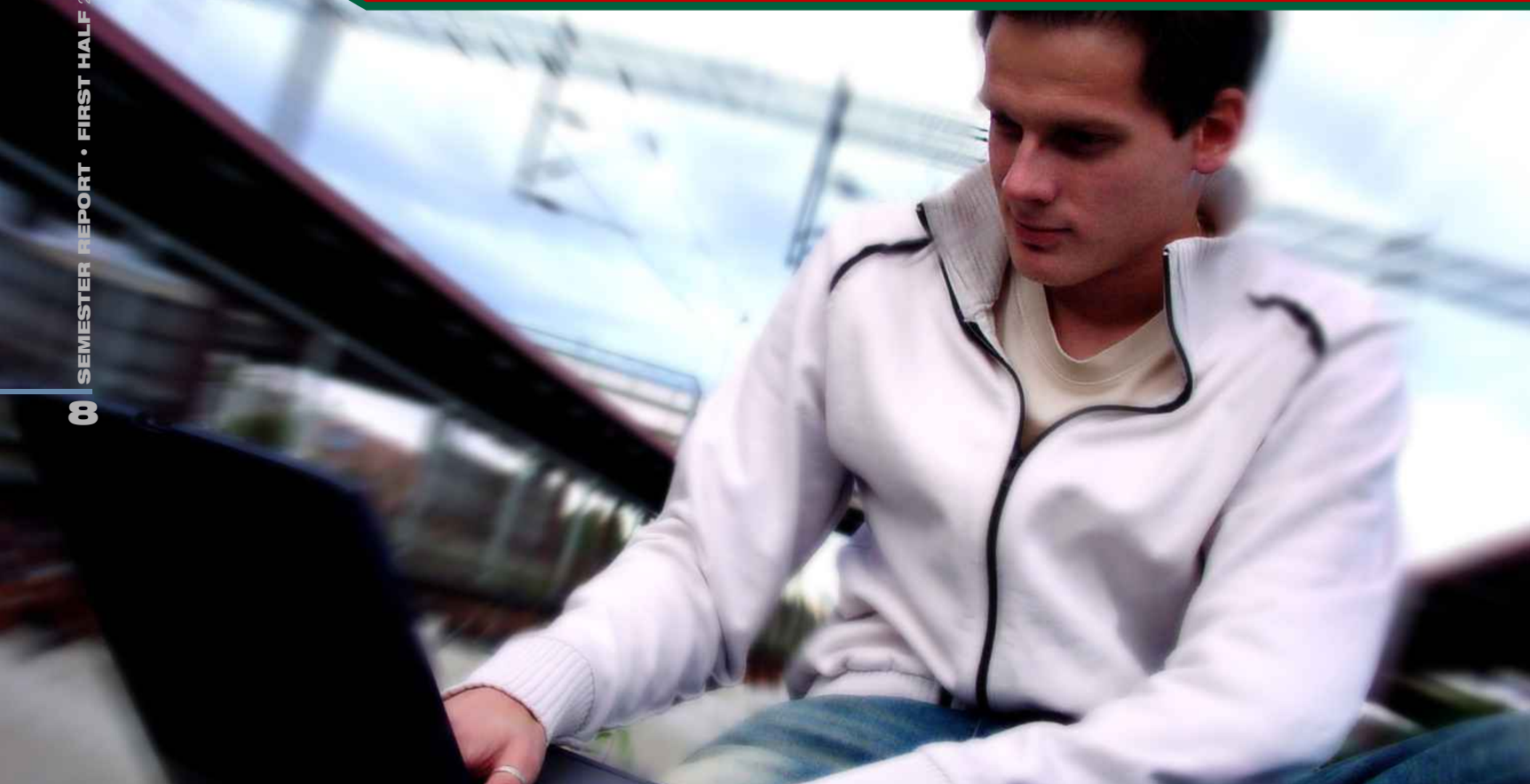
In turn, money supply increased 8.4%, closing the period at Bs.F. 210,329 million. This evidenced the effect caused by the monetary policy, since last year's same period, it showed a limited increase of 5.3%, while the monetary base increased by .4% only. Thus, the highest liquidity may be mainly due to the increase of the money multiplier from 2.32 to 2.50, as a result of the legal reserve reduction. As to the liquidity components, demand deposits and cash equivalents showed variances of 10.7% and 12.2%, respectively, while the balance of coins and banknotes in circulation decreased by 16.1% due to the characteristic seasonal behavior of each year's first half, where the public's cash preference decreases.

During the first six months of 2009, the Central Bank of Venezuela relaxed the monetary expansion restrictions in view of a production and trade decrease.

Banking System

As per the Superintendency of Banks June 2009 Report, the banking system closed the six-month period with a total of 59 institutions (one less than in 2008 closing, due to the merger by absorption of Stanford Bank by Banco Nacional de Crédito), of which 49 are private and 10 are public, and the commercial and universal bank represented 64% of the system. The remaining percentage corresponded to the specialized bank and institutes. At June 2009-end, the open-door intervention of Banco Industrial de Venezuela by the Government was still in effect.

Although the banking system experienced a significant growth during the first half of 2009, it was inferior to the growth in previous periods, recording a total of Bs.F. 321,363 million, after a 15.5% increase with regard to 2008 close and 30.5% during the last twelve months. On



the other hand, the growth rate of customers' deposits was relatively inferior to that of assets', thus the period closed with a total balance of Bs.F. 244,651 million and variances of 12.6% and 28.3%, respectively.

The system's credit portfolio continued losing significance within the balance structure (from 47.0% of total assets in June 2008 to 42.1% in June 2009), which evidenced a significant deceleration, as it was slightly higher than 135 billion bolívares fuertes, with a six-month period variance of 2.3% and 16.8% only, with regard to 2008's same period. This is closely related to the pace slow-down of business activities and the drop of the citizens' purchasing power, and the unfavorable forecasts by the economic agents, due, in part, to the world financial crisis.

In fact, you may notice the pace slow-down in the credit growth as per allocated. One of the most significant is the 13.5% decrease in trade credits, which during the same period in 2008 increased by 2.7%. Credit card financing (an important private consumption ratio), which usually maintained an up-trend, increased by 12.6% only, in comparison with the 21.6% increase recorded in June 2008, despite the reduction of the rates charged for such credits. The current difficult situation of the national car

industry was evidenced in the behavior of auto loans, which decreased by 4.7% with regard to last year closing, while in the first half of 2008, increased by 17.7%.

The slower pace of the business activity was more evident in the agricultural, mortgage, micro-business, and tourism sectors, which are considered to be strategic and covered under preferential conditions provided for in the current regulations.

The system's credit portfolio was slightly higher than 135 billion bolívares fuertes

In view of the foregoing, it is evident that this time the total asset performance was due to the up-trend in investment securities, which exceeded the 31 billion bolívares fuertes (46.8%), and closed the period in Bs.F. 89,882 million, of which 61.3% corresponded to Government securities (public debt issue).

As of the first half of 2009, the banking system recorded a net income Bs.F. 3,184 million, which represents an increase of Bs.F. 217 million in comparison with the same period in 2008, mainly caused by the increase of 33.2% (Bs.F. 5,119 million) of the financial income, which offset the financial expense increase by nearly 4 billion bolívares fuertes (55.3%) during the term subject to audit. This favored a gross financial margin of Bs.F. 9,516 million, that is, Bs.F.

524 million higher than the margin obtained during the first half of 2008.

Other operating income recorded a positive performance of Bs.F. 4,664 million, 11.4% higher than in June 2008, and the financial intermediation ratio of the banking system amounted to Bs.F. 11,199 million, due to an increase of 13.0% within the last twelve months.

Conversion costs experienced a year-on-year increase of Bs.F. 1,453 million (23.4%), thus reducing the gross operating margin to 4.5%.

Management indicators maintain a deterioration trend of any of them, like the profitability indicator, thus decreasing the return on assets by 2.15%, while the return on equity (24.8%) decreased by nearly 6 points with regard to the same period in 2008.

There was a reduction in asset productivity -considering the significant drop of its ratio with respect interest-bearing liabilities-which in June 2009 was 117.6%, 2.4 points lower to the ratio recorded at the closing of the first half of 2008.

This performance is closely related to a lower portfolio quality, the immobilization level of which has progressively increased up to 2.5%. Thus, credits due and in dispute showed, in relative terms, increase rates higher (39.0%) than the increase rates of effective credits (2.2%) during the last six-month period. This was reaffirmed by a lower credit intermediation ratio (55.3%) by nearly 6 points with regard to previous periods.

Commercial And Universal Banking

At the closing of the first half of 2009, total assets of commercial and universal banking amounted to Bs.F. 304,540 million, which represents a year-on-year increase of Bs.F. 67,890 million (28.7%) and a six-month increase of Bs.F. 37,336 million (14.0%). We observed the following:

- Investment securities increased more than 25,800 million bolívars fuertes (47.8%) with regard to the closing of the first half of 2008, while credit portfolio increased by 16.8% during the same term, which equals



to Bs.F. 18,820 million, so the amount recorded for these items was Bs.F. 79,847 million and Bs.F. 131,133 million, respectively.

- The restructuring of different types of credits with regard to the gross portfolio, which ratifies the lowest level of activity in some sectors (trade, car, and micro-entrepreneur), hence, the lowest credit demand, which has had a favorable effect on home financing, agriculture, tourism, and manufacturing.
- A decrease of nearly 6 points in the bank intermediation ratio, which as of June 2009 was 54.9%.
- A minor deterioration of the quality of the commercial and universal banking credit portfolio in comparison with the second half of 2008, where the ratio of bad portfolio against gross portfolio was 1.9%, is now approximately 2.5%.
- An increase of 13.7% (Bs.F. 238,891 million) in customers' deposits in comparison with December 2008, and 29.5% within the last twelve months. This behavior is consistent with the money supply increase. Despite the efforts made by the bank to maintain a less onerous composition, depositors' preferences where interest-bearing checking accounts and term deposits, the balance of which increased during the six-month period, recording amounts of approximately 10 billion bolívares fuertes each, to the detriment of savings accounts, and caused changes in the terms of due date and costs.
- The relative importance of deposits on demand maintained a similar level as the two previous periods (50.5%), while term deposits increased by 2.7 points with regard to last December, currently represented by 14.1% of customers' deposits.
- The equity of the commercial and the universal bank recorded during the first half of 2009 an increase of Bs.F. 4,447 million (19.5%), which means a higher capitalization, with an increase of the adequacy rate to 9.7%, slightly higher than the two previous periods.
- A net income of Bs.F. 2,926 million, after income tax deductions (Bs.F. 329 million), which means an increase in profits of Bs.F. 82 million, that is, 2.9% over the amount recorded in June 2008.



- Financial revenues amounted to Bs.F. 19,610 million, thus exceeding the Bs.F. 4,754 million (32.0%) recorded during the first half of 2008. However, the revenue dependency on investment securities is significantly higher, as they increased by 64.6%, which represents 22.1%, while credit portfolio revenues have a minor increase (23.0%), thus causing a decrease in materiality of nearly 6 points.
- The highest cost of funds evidenced by the significant increase of interest expenses (+52.3%) during the last six months, combined with the 53.0% increase of uncollectability and impairment of financial assets, resulted in a net financial margin increase of 8.5% only, which is a moderate increase considering the conversion costs increased by 22.5% (Bs.F. 1,338 million), of which 59.5% corresponded to expenditure on staff.
- The statement of operations of the commercial and the universal bank showed certain decline, which is evident in the lowest contribution of financial income to the net result (4.2 points) in comparison with the same period in 2008, that is, from 19.1% to 14.9%. Despite taking into account other operating income, the 50.5% of which was comprised of service commissions, the ratio remained unaltered.
- What can be inferred from the analysis of the profitability tree is the progressive ratio increase of financial costs over cost bonds, in addition to the lowest contribution of earning assets, which resulted in a less favorable asset-liability structure.

Banesco Banco Universal

The balance sheet for publication of Banesco Banco Universal recorded excellent results as of the first half of 2009, thus reaffirming the consolidation of a successful career within the Venezuelan bank market, where it has stood out for being at the cutting edge of technology and innovative products and services. The bank has also been a pioneer in the implementation of several merger processes in the country, such as the merger of Banesco and Banco Unión, which was the most significant, as well as the merger of several savings and loan entities for the set up of Caja Familia E.A.P.

Since its incorporation in the nineties, Banesco's history has certainly been characterized by numerous and constant challenges, among which the most significant would be the successful placing of preferred shares during the first half of 2008, whereby the bank signed up new partners and democratized the capital.

At the close of the first half of 2009, Banesco Banco Universal exceeded the 20 billion bolívaes fuertes in gross credit portfolio, that is, Bs.F. 20,371.8 million, first place in the financial system, equal to 15.0% of the credit portfolio thereof, after recording the highest growth (Bs.F. 1,427 million) in the country's bank during such period. In the segment of commercial and universal banks, it is also a leading institution in, among others:

- Assets (Bs.F. 37,980 million) with a market share of 12.5%.
- Net credit portfolio (Bs.F. 19,958 million) with a market share of 15.2%.
- Customers' deposits (Bs.F. 33,326 million) with a market share of 14.0%.
- Managed resources (Bs.F. 36,439 million) with a market share of 14.5%.
- Deposits in checking accounts (Bs.F. 17,534 million) with a market share of 14.5%.
- Term deposits (Bs.F. 3,500 million) with a market share of 10.4%.
- Fondo Mutual Habitacional (Mutual Housing Fund) (Bs.F. 2,890 million), with a market share of 33.4%.

What can be inferred from Banesco's balance sheet is a significant growth in assets of Bs.F. 7,107 million (23.0%) with regard to the same period in 2008. This behavior could be mainly due to the recorded increase in cash and cash equivalents, credit portfolio, and investment securities during the last twelve months.

Likewise, managed resources experienced a significant growth, which as of June 2009 close amounted to Bs.F. 36,439 million, that is Bs.F. 6,385 million (21.3%) above the balance recorded during the same period in 2008, thus holding almost 15% of resources managed by the commercial and universal bank.

Banesco, No. 1 bank within the country in the granting of loans, reached this position on the basis of knowing its customers and the market needs, after carrying out comprehensive researches that have enabled the bank to address productive niches calling for financing, thus, supporting the national economic development.

According to the policies oriented toward credit intermediation, Banesco closed the first half of the current year with a high-quality portfolio, with arrears of 1.9% only, lower than the market average (2.5%), as per June 2009 press release issued by the Superintendency of Banks. In addition, as of June, Banesco has maintained an appropriate provision for passive portfolio of 106.3%.

The foregoing resulted in an intermediation ratio of 59.9%, 5 points above the average of the commercial and universal banks operating in the country Venezuela.

Following our slogan "Banesco, Lo Llevas Contigo" (Banesco Any Time, Anywhere), the bank has been present in all the fields of the public life by financing several productive activities, among which trade credits stood out as they amounted to Bs.F. 5,601 million (first place), with a 10.5% share, thus surpassing our most immediate competitor by Bs.F. 332 million.

Banesco also held a leading position in the credit card segment, by recording at period close a portfolio of Bs.F. 6,318 million (first place), equal to 31.3% of total financings provided through this instrument to the Venezuelan citizens.

Banesco's support to micro-entrepreneurs bore great fruits, and recorded at period close an amount of Bs.F. 798 million in this portfolio, holding the first place within the market, with a market share of 20.2%, and over 33 thousand credits granted.

Banesco also supported the development of tourism by paying off credits for Bs.F. 287 million, holding the second place within the

Banesco Banco Universal

market, equal to 13.5% of loans granted to tourism by the commercial and universal bank.

The agricultural sector counted on resources amounting to Bs.F. 3,373 million, that is, 15.6% of the bank's placements in this activity.

As of June 2009, the manufacturing sector was granted over 350 loans that amounted to Bs.F. 1,268 million (17.0% of the market), and the bank took the second place in bank ranking.

As to auto loans, which recorded a decrease of Bs.F. 629 million in comparison with the second half of 2008, Banesco approved during the first half of 2009 3,700 applications for a total value of Bs.F. 199 million.

The mortgage portfolio of Banesco with its equity, close the six-month period in Bs.F. 2,605 million, equal to 15.6% of the market, thus holding the first place, with 10 thousand total mortgage loans granted, including credits to builders.

At the close of the first half of 2009, Banesco, leader in the administration of the resources of the Mandatory Housing Savings Fund, recorded Bs.F. 2,890 million in this item, thus holding the first place within the market, with a market share of 33.4%, as a result of an increase of Bs.F. 439 million with regard to December 2008, and Bs.F. 728 million during the last twelve months.

As to liabilities, customers' deposits showed a year-on-year increase of 27.4% (Bs.F. 7,171 million), holding the first place in bank ranking, with a market share of 14.0% (Bs.F. 33,326 million), mainly due to the increase of Bs.F. 6,371 million (57.1%) in deposits on demand, that is, a market share of 14.5% as of June 2009.

A strengthening of the bank's capital was also evident during this last six-month period, due to an increase of Bs.F. 183 million and Bs.F. 558 million in comparison with June 2008, thus recording a total equity of Bs.F. 3,113 million.

Trust assets recorded as of the first half of 2009 Bs.F. 6,155 million, that is, 8.2% of the market, second place within the private banks of the country.

The combination of several factors during the period subject to audit, such as maintenance of an appropriate asset structure (quality portfolio), more significance of less onerous deposits, and an appropriate level of earning assets, resulted in a financial intermediation margin of Bs.F. 1,559 million at the close of the first half of 2009, which exceeded in Bs.F. 226 million the margin recorded in the same period in 2008, and a net income of Bs.F. 289.8 million.

As to the different management indicators, the most significant are a return on equity of 19.0% and a capital adequacy of 8.8% higher than the minimum requirement.

Corporate Supportive Management

Human Capital

Corporate Voluntary Service

- In February began the activities of the Corporate Voluntary Service Program. 17 workers participated in the first sport match Banesco - Red de Casas Don Bosco (a non-profit association). Two friendly games took place between Banesco workers and young residents of this home. 20 people benefitted from this activity.
- In March began the activities of the Professional Voluntary Service with the participation of 31 workers. Part of the activities carried out with Fundación Artesanogroup (culture and handcraft foundation), which aim to reinforce the ties with the nearest communities, an event was held in the village of Guadalupe, Lara State, in aid of the children of this community, which included recreational activities and toy giving.
- In the same month began the 2009 Complementary Education Program to benefit 40 students of IUJO-Catia (college institute). The activities included workshops on Mind Maps, Prevention of Money Laundering, and Ethics and Morals at Work, in line with values, culture, and job training education.
- In May, the following Complementary Education Programs were given: Workshops on Personal Impact and Influence, Preparation of Financial Statements Adjusted for Inflation (Part II), and Spelling and Writing, which benefitted approximately 50 students at IUJO-Catia.
- In June, the bank carried out an eco-friendly activity "Amigos de la Naturaleza 2009" (Friends of Nature 2009) of Fundana with the participation of 22 volunteer workers, aimed to help develop environmental awareness in children and teenagers who receive care by the social partners of Fundana and Red de Casas Don Bosco. 35 children benefitted from this activity.

Employees Housing Program "Tu Casa con Banesco"

- Continuing with the program "Tu Casa con Banesco" (Your Home with Banesco), the Employee Mortgage Loan Unit provided advisory services to 3,585 employees during the first half of year through queries made by mail, telephone, and personally.
- The strategy to communicate the employee housing benefit was reinforced with a broader disclosure through internal means.
- During the first half of 2009, Banesco Organización Financiera granted a total of 515 unsecured loans amounting to Bs.F. 5,757,696.71.

National Mini-Olympic Games 2009

- In June, the sixth series of the National Mini-Olympic Games 2009 were held at Universidad Simón Bolívar, which supports the Social responsibility Program of the Institution by fostering areas that allow promoting strategies related to prevention and healthy lifestyles.
- This event included the following disciplines: indoor soccer, kicking ball, softball, volleyball, and basketball, in addition to recreational activities.
- This activity also enables the opportunity to promote the encounter and healthy entertainment of Banesco employees and their families. 2,949 people attended this event (1,660 Banesco employees and 1,120 relatives).
- This activity was held for the first time at a national level, and delegations from all over the country and of the group companies (Banesco Seguros and TodoTicket) participated in the event.

Corporate Social Responsibility: Vocation and Conviction

Global Reporting Initiative (GRI) Certification to our CSR Report

We are the first Venezuelan institution awarded the Global Reporting Initiative certification, which is the economic, environment, and social sustainability report system most credited worldwide. In February 2009, our 2007 report qualified for "Application Level" B+.

Since 2004, we prepare our annual Corporate Social Responsibility Report. The best practices provide the specific guidelines to be followed in the preparation of these reports, among which the GRI is the most used worldwide. Until 2007, no Venezuelan institution Corporate Social Responsibility reports had been subject to the GRI analysis.

Banesco's 2007 CSR report achieved a B+ in "Application Level", under the GRI G3 (third generation) guidelines. These Application Levels do not refer to the performance of the institution preparing the report, nor to the quality thereof, but to the number of indicators covered. On the other hand, the plus "+" sign represents the fact that the report was audited by an external audit firm (De La Vega, Márquez, Perdomo & Asociados- Horwath Venezuela).

Under the GRI, CSR reports must include detailed information on economic, social, environmental, and human rights activities, as well as data regarding organizational profile and governance.



Code of Ethics and Conduct of Banesco Citizens

The Board of Directors of Banesco Banco Universal approved the new Code of Ethics and Conduct of Banesco Citizens, which replaces the Code of Ethics effective since 1997. This new document put emphasis on the respect to human and labor rights, including respectful and honorable treatment among the people in the institution. It also includes strict guidelines to prevent conflicts of interest, ensure a transparent and thorough selection of suppliers, and protection of confidentiality, among others.

The first part of the Code of Ethics defines the Mission, Vision, and Values of Banesco, which are then developed through chapters regarding "Reliability", "Efficiency", "Equity", "Honesty", "Resource Management Integrity", "Loyalty", "Meticulousness", and "Respect". There is a further chapter which specially deals with matters regarding money laundering prevention.

One of the most outstanding aspects of the new Code is the creation of the Banesco Ethics Committee, which will be chaired by the Chairman of the Board of Directors, and made up by senior executives of the financial institution.

The main duties of the Ethics Committee will be to construe the standards provided for in the Code, ensure compliance of the conduct standards therein, clarify the doubts that may rise, consider the update of the Code to adapt it to new practices and realities, and inform the Board of Directors about the matter.

It is worth mentioning that we created a direct line with the Ethics Committee whereby people, despite being or not member of Banesco, can express their concerns, suggestions, or even reports of violation to any of the aspects of the Code.



United Nations Global Compact

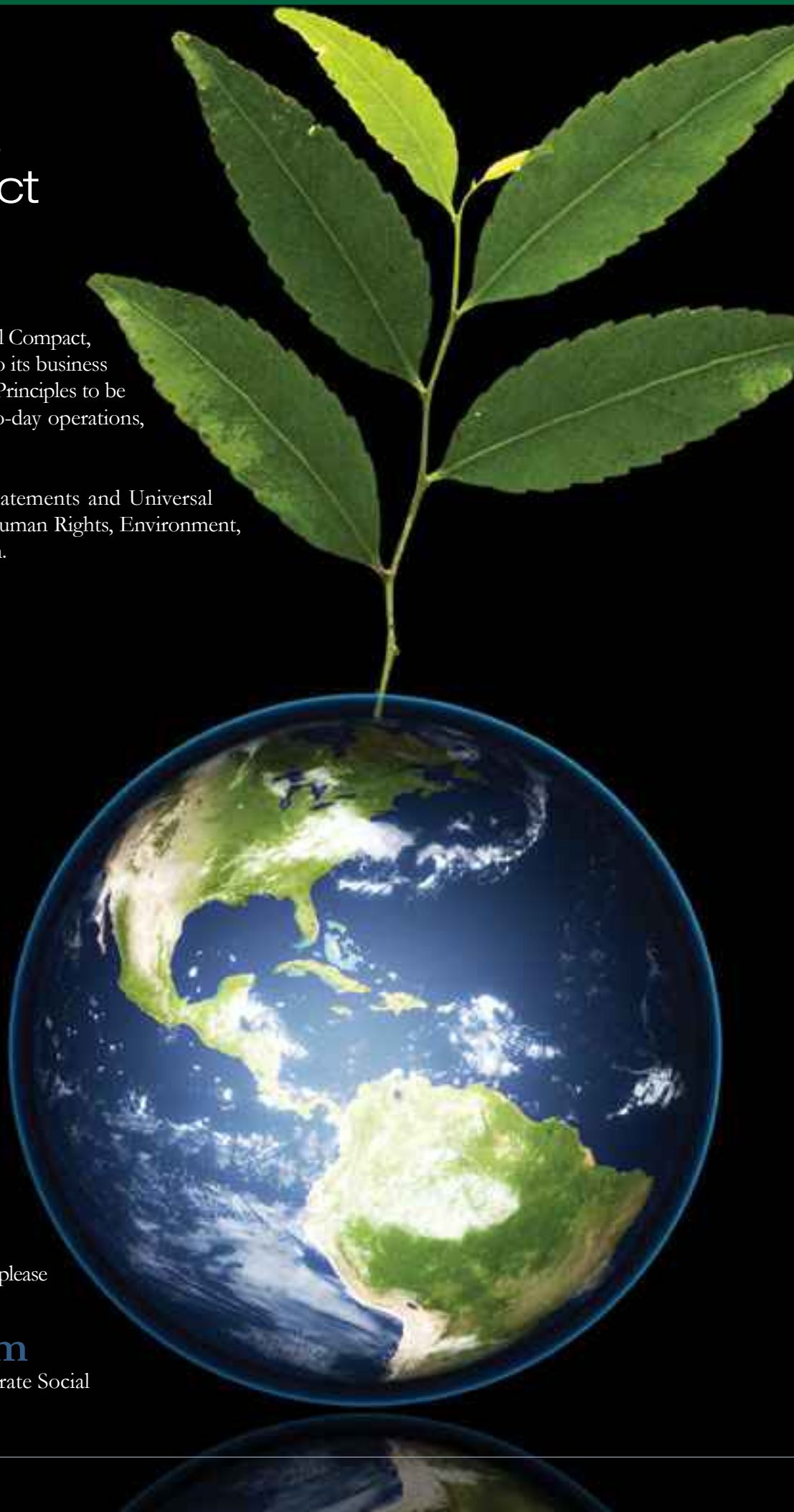
As a participant member of the Global Compact, an organization must make changes to its business operations to make the so-called Ten Principles to be an integral part of its strategy, day-to-day operations, and organizational culture.

The Ten Principles are based on Statements and Universal Conventions applied in four areas: Human Rights, Environment, Labor Standards, and Anti-Corruption.

For more information on this activities, please visit our web site

www.banesco.com

where we have published our Corporate Social Responsibility Reports.



Banesco Any Time, Anywhere

Banesco Contacts its Audiences...

...Hand-By-Hand with Baneskín

During the first half of 2009, Banesco promoted a series of messages mostly using Baneskín [a cartoon character which gives bank education and suggestions to customers] as a friendly speaker, thus reaching high levels of advertising awareness. Likewise, we offered a series of promotions appealing to our customers, and directed our liabilities offering toward the gaining of checking accounts.

Products

The Savings Card... Save time and money!

In order to encourage the use of Banesco Maestro Debit Card, and spread information about the comfort, speed, and convenience of this service, in March 2009, Baneskín offered the Banesco Debit Card as well as 20 bank transactions free of charge, to place the Banesco Maestro Debit Card as a Savings Card.

Let's Enjoy the Best of Banesco Liquid Accounts

In March, we launched the Banesco Liquid Accounts campaign as the best option to save money in a profitable manner, in order to help gain liabilities through the Interest-Bearing Checking Account and the Savings Account of Banesco.

In only 2 days

Lift Your Company to the Next Level

Aimed at the business segment of the country, and with the concept "Lleve Su Empresa al Siguiente Nivel" (Lift Your Company to the Next Level), we ratified our offer of 48-Hour Multi-credits.

This helps us promote the granting of credits approved in 48 hours with amounts ranging from Bs.F. 3,500 to Bs.F. 300,000 for 12 to 18 months. This ratifies Banesco's leading position in fast and timely credits for this major segment of the country.

Banesco Electronic Bank... Any Time Anywhere!

Leading position in the Electronic Bank segment

The first half of year, we focused the marketing strategy on boosting the use of the Electronic Channels by including therein transactions such as: Balance Inquiry

and Printing, Account Movements and Credit Card Transactions, Banesco Credit Cards Payment, Creation of Security Codes for Special Transactions, Deposits, Withdrawals, Transfers, Account Statements, and Checkbook Issuance. This type of message helps consolidate our leading position in the Electronic Bank segment.

Banesco In Charge of Paying All Your Bills

In order to prevent suspensions, and offer security and convenience, we started an operation aimed at payment by direct billing for our clients not to be worried about paying their utilities bills anymore, as they will be automatically made on a monthly basis.

Clients only have to go to the utilities companies: water, telephone, garbage collection, electricity, Cable TV, among others, and request your bills to be paid directly through the bank.

Likewise, payment of Banesco credit cards by direct billing is very easy; with just a phone call to 0500Banco24 our clients may request their installments to be charged to their Banesco bank account.

Banesco will be in charge of paying your bills for you on monthly basis... thus, you will not here anymore phrases like, "my service was cut off due to late payment."

Income Tax - Safe and Fast

Since March 8, we encouraged the income tax payment with the convenience offered by Banesco.com.

However, for the clients who rather pay income taxes the traditional way, Banesco, through its largest agency network in Venezuela, also offers a unique advantage for taxpayers nationwide.

Enelco-Enelven at a Single Click

From March 10-25, we offered in a Zulia State newspaper insert an information leaflet to motivate Banesco clients to visit www.Banesco.com and pay electricity bills, in this specific case, to the electricity service company of Zulia State (Enelven and Enelco).

Promotions

Mothers' Day and Fathers' Day Winning Receipt
"Gratis que Banesco paga por Usted" (Free - Banesco Pays for You) was the phrase read by the clients who paid from May 8 to June 30 with their Banesco Debit Cards through a Banesco Point of Sale, when they received their voucher upon making their fortunate purchase.

Ticket Premiado (Winning Ticket) rewarded during the month of Mothers' Day and Fathers' Day the loyalty of 1,500 clients who used their Banesco Maestro Debit Card through a Banesco Point of Sale.

Baneskín Encourages Prompt Payment

In June 1, the Bank announced the new version of the Premio al Pago Puntual (Prize for Prompt Payment) promotion in order to encourage and motivate Banesco Credit Card holders to maintain their payments current.



With this promotion, the first 200 clients who pay within three months will be rewarded with Bs.F. 500. The prize involves winning coupons just by paying in due time, thus having more possibilities to win if making consecutive prompt payments.

At the same time, and together with Baneskín, we spread through Vale TV and cable channels, an educational campaign to make clients aware of the good use and management of their credits.

Visit Argentina for Free! It's Easy... Use Up to 2 Checks a Month

In order to continue encouraging Electronic Channels preference, since June 5 to August, we offered Banesco checking account holders the promotion "Usa Máximo Dos Cheques al Mes" (Use Up to 2 Checks a Month).



This promotion offered an e-ticket to the clients who drew no more than two checks per month to be entered into the drawing of a trip to Buenos Aires for two, all inclusive, plus tickets for a River Plate vs. Boca Juniors soccer game.

More and More Alliances

Banesco - Cinex Alliance: Angels & Demons

To continue strengthening this important alliance [Bank - Cinex movie theaters] established over 5 years ago, during the first half of 2009, our VIP clients of the Private, Premium, and Business Bank attended the premier of the movie Angels & Demons.

During the Oscar Award season, we continue celebrating this alliance with an outstanding advertising presence in TV, radio, newspaper, and Cinex movie theaters, to remind our clients about our successful promotion of 50% discount in movie tickets paid with Banesco Maestro Credit or debit Cards in Cinex.

TeleFlores Alliance

Since May 7, Teleflores [a web site for the selling of flower arrangements] offers to Banesco Credit Card holders a 10% discount.

Wear Our Brand Name Any Time

Boutique Banesco

Through Boutique Banesco, the Bank sells useful and convenient products with the Banesco brand name online in order to strengthen the relationship of the brand among its direct and indirect employees and clients with access to the web page Banservice. This online store engaged in the Electronic Trade, with which we maintain an alliance that offers discounts to our cardholders, has now broaden its services for an easier selection, purchase, payment, and reception of Boutique Banesco products nationwide.

Direct Contact with Our Customers

What do we do to provide access to credit?

In order to satisfy the needs of the community, Banesco gave a series of information talks about the bank's credit products aimed to clarify doubts the users may have and provide access to credit products like Mortgage Credits, Tourism Loans, Banesco Micro-Credits, and 48-Hour Multi-Credit.

During the first half, we offered 11 talks all over the country: 2 in Caracas, at the offices of Ciudad Banesco, 2 in Zulia, Coro, Punto Fijo, Porlamar, Puerto La Cruz, Puerto Ordaz, and Maturin.

Innovation for Company Clients

We create the 48-Hour Multi-Credit campaign aimed to the granting of working capital loans to SMEs in order to reinforce the supply of products designed to follow businesses throughout their growth.

At Their Own Offices

In order to support the business areas and promote contact, negotiation, and closeness with the different segments, the first half of 2009, we held events with brand presence at the related clients' offices aimed to cultivate the loyalty of our users and keep them informed.

Measuring Banesco's Quality of Service

As part of the follow-up and management process maintained during this period, we applied several monitoring programs to the service and satisfaction of Banesco clients in order to establish the strengths and potential opportunities for improvement in the rendering of our services.

In addition, many efforts were made to improve communication, product, and service offering.

- Plus Credit Card
- Improvement of checkbook issuance and distribution service
- Banesco vs. Peer Group quarterly promotional tracking
- Audits to Service and Customer Satisfaction
- Audit to Telephone Bank
- Private Bank Client Satisfaction Program
- Mandatory Housing Savings Fund client service and satisfaction process.

Likewise, we continue supporting initiatives regarding service management indicators and the public's valuation as to the use thereof.

Hand-in-Hand in Security...

Change your Checkbook and Protect Yourself Banesco's New Security Bar Checkbooks - Change It Now!

In order to provide more security within the ongoing improvement, Banesco Banco Universal bar-coded its checkbooks. Therefore, from May 31 to June 30, the Bank launched the campaign ¡Cámbiala ya! (Change It Now!) to ask it clients to acquire their bar code checkbooks.



Security Campaign with Baneskín

In mid-April, Baneskín, Pana del Ahorro (the Savings Buddy), was in the headlines for offering new and interesting advises for our clients to carry out safety transactions and be cautious when using the services, channels, and means of payment.

This ad campaign was managed based on the concept "Banesco, the Most Secure Bank System," by explaining how to protect yourself upon entering the password of Banesco Maestro Credit and Debit Cards, and also by suggesting how to take care of your checkbook and use ATMs.

Banesco Community Banking: Solutions at Hand

By getting more involved with the community, Banesco Banca Comunitaria (Community Banking) grows stronger as a business line with social responsibility. Therefore, during the first half of 2009, the Bank continue offering to the sectors with less banking services products and services adjusted to their needs.

Decide How, When, and How Much to Save Step-by-Step Savings Account

This modality allows clients schedule their savings by choosing the amount and frequency of their savings, as it is a product that competes with popular Venezuelan savings formulas like San, Bolso, and Cajita.

Channels: Security, Time-Saving, and Reliability

A campaign was design to promote the use of the BCB channels to make transactions, and explain and teach in an easy manner how to access and correctly use each of such channels:

- Personal Service Businesses
- Businesses with electronic point of sale
- www.bancacomunitariabanesco.com
- 0500-TUBANCO
- Text Messaging
- Banesco ATMs.

During the first half of 2009, electronic transactions showed a relative increase of 6.2% with regard to last year, that is, from 69 to 74 million average monthly transactions. The share from electronic transactions closed at 88.85%, that is, a 1.56 point with regard to 2008.

BanescOnline

June 2009 closed with 1.8 million of affiliate clients, which means that during the first half, 159,059 clients registered with this channel, that is, an increase of 8.34% with regard to December 2008.

The average monthly transactions made through this channel were 43.2 million, an increase of 3.52% with regard to 2008. The average monthly amount managed in 2009 was Bs.F. 5.6 million, which represents a 22.8% increase with regard to 2008.

During the first half of 2009, new features were included in this channel, namely: Consulta de Saldo al Cuadrado (Squared Balance Inquiry), Donaciones a Venezuela Sin Límite (Donations to Venezuela Without Boundaries Foundation), and Reasignación de PIN TDD (PIN TDD Reassignment).

Call Center (CAT)

During the first half of 2009, this service received a monthly average of 4.0 million phone calls, 1,888,171 of which were answered by the Call Center. In addition, this channel managed a monthly average of 1,751,289 transactions with 89.43% participation of the robot (IVR).

During this period, new features were included to the Call Center, like the PIN TDD Reassignment, which is a semi-automatic function carried out through the agent and completed in the robot.

Points of Sale, ATMs, Auto Service, and Check Book Dispensers

At 2009 closing, Banesco had:

- 53,971 points of sale through which 8.6 million average monthly transactions were made, showing a .61% relative growth over 2008.

Electronic Channels

- 1,863 ATMs through which 9.6 million average monthly transactions (Issuer) and 9.8 million average transactions (Acquirer) were made during the first half of 2009. That is, 11.6% and 20.0%, respectively, more transaction than in the last year. In addition, we also maintained our leading position in transactions as acquirers in Suiche 7B and Conexus networks.
- 408 Auto-Service equipments, which recorded 711,748 monthly average transactions, that is, a 22.4% increase over 2008.
- 282 check book dispensers, whereby 199,276 monthly average transactions were made, that is, a 20.2% increase over 2008.

Payment Means and Services

Cash Management Services

In the first half of 2009, Payroll Payment, Supplier Payment, and Direct Billing services experienced an overall increase of 57.3% in figures managed, and 9.2% in transactions made through the Data Exchange Platform (EDI) with regard to last year's same period.

The joint operation of Specialized Banks and executives of Payment Means and Services allowed the addition of 402 clients to the portfolio, and the first half of the year closed with over 6,900 clients.

Collection Services

Amounts collected through this service recorded an increase of 14.6% in the first half of 2009 over last year's same period. Transactions also recorded an increase of 26.5%, that is, from 3.7 million in the first half of 2008 to 4.7 million in the first half of 2009.

New Developments

The Plan Laboral en Pago Electrónico (E-payment Labor

Plan), which allows designing a package of financial products (Payroll, Trust Fund, Housing Policy, Insurance, Credits and Bonuses) with an attractive price that meets the administrative needs of the labor commitments of legal entity clients ended in the first half of the year.

New clients from the energy sector of Zulia State enrolled in the “Recaudación en Línea” (Online Collection) service, as well as in the “Recaudación Batch” (Batch Collection) service. Likewise, we activated the collection of PDVSA GAS without invoice.

Debit Cards Issuing Business

- Banesco has consolidated its leadership in Debit Card POS Sales with a market share of 22.7% at May 2009 closing, overtaking his closest competitor by 3.5 points, and 9.5 points to the third place. This leadership is the result of strategies aimed at providing a better quality and simple service of Banesco debit cards, offering unique benefits to our clients where using e-channels, like the first 20 Banesco ATM transactions of the month free of charge, with the highest withdrawal limits of the market. In addition, we adjusted the POS purchase limit in different business categories, improving the purchasing power of our clients.
- Aiming at the continual development of benefits which reinforce the brand positioning through innovative strategies, Banesco implemented a new swift and easy to use function where the client will be able to change the PIN of their debit card or the telephone banking password, in case they forgot it or blocked it, without having to annul the card.
- Banesco awarded 1,500 clients with the “Los Regalos de papá y mamá te pueden salir gratis con tu TDD” (Dad and Mom's Gifts Might be Free of Charge Where Paid with Your Debit Card) promotion, effective from May 8 to June 30, 2009, in which all clients who used their debit card at Banesco points of sale participated.

Credit Cards Issuing Business

- By the closing of this six-month period, Banesco recorded a sales share of 27.27%, consolidating as a leading bank in the credit card segment.





- In order to offer our card holders the best benefits of the market, and meet all of their needs, Banesco upgraded its product during this half of the year, issuing more than 150 thousand upgraded cards to current clients, to date, offering them new services, from travel insurance to car rental, phone assistance abroad, Concierge services, VIP lounge at airports, and protected purchase insurance, among others.
- In addition to this strategy and as a reward to the fidelity and good credit history of our clients, Banesco increased the credit line, benefiting more than 430 thousand card holders, and staking out the financial relationship with our clients.
- In order to increase legal entities market penetration, we massively issued corporate credit cards to those clients with a long history in Banesco that had not a corporate credit card. Banesco then increased its legal entity market share to 11.89%, a 3.92 points increase over 2008.
- In our ongoing efforts to improve the quality of our customer service, the business department of credit cards implemented the “Rally de Conocimientos” (Knowledge Rally), aiming at ensuring that all agents of our agencies know full and accurate information regarding credit cards, in order to provide all information requested by our clients. As leveraging of the above program, and looking for the regular education of new card holders, Banesco awarded those specialty agencies and banking with top offering achievements with a fantastic trip.
- In order to award Banesco clients with excellent credit record, the bank launched the “Pague a tiempo y su pago mínimo le puede salir gratis” (Pay On Time and Your Minimum Amount Due May Be on Us), with 200 monthly winners. By implementing strategies to incentive the use of credit cards, Banesco add value to its products for clients to prefer Banesco credit cards.
- Banesco offered business alliances with Teleflore, Banservice, and Cinex, granting different exclusive discounts to our card holders.



Specialty Segments



Banesco Community Banking

After nearly three years of service, Banesco Community Banking (Banca Comunitaria Banesco) continues broadening its presence throughout the country offering financial products and services tailored to the needs of low-income people. This initiative consolidates as a Banesco profitable micro-financial business with social responsibility, reaching out to the communities.

At first six-month period close, Banesco had 73,235 clients, granted 37,936 Préstamos para Trabajar (Working Loans), 5,416 Préstamos Personales (Personal Loans), 56,042 clients have enrolled in the Ahorro Paso a Paso (Step-by-Step Savings), and 233 have purchased a Póliza de Vida Integral (Comprehensive Life Policy). The most popular product of Banca Comunitaria Banesco is the Working Loan. However, the saving intention of new clients has increased exponentially.

*During this first
six-month period,
16,413 clients
enrolled in Ahorro
Paso a Paso*

During this first six-month period, 16,413 clients enrolled in Ahorro Paso a Paso, with an account accumulated balance of Bs.F. 3.2 million. Banesco opened 15,695 Cuentas Comunitarias (Community Accounts) for a total accumulated balance of Bs.F. 18.3 million. Likewise, Banesco granted 9,818 Working Loans, for a total of Bs.F. 249.1 million, with a 1.29% delinquency rate. As to access to banking services, 44% of Working Loans were first time micro credits, and 22% of such clients were first time bank account owners.

As shown by the survey made by the Marketing Research Management, which measured our clients' satisfaction, Banca Comunitaria Banesco is seen as a brand that cares for communities, being the few requirements requested to

access the Bank, the offer of products tailored to the target, and the quality of the service one of its main strengths. In general, both the satisfaction level of the product portfolio (9.2/10) and the transaction channels (8/10) are high.

We expanded our service network with three new agencies: Maiquetía, Valencia (Center), and Santa Teresa, for a total 15 Community Agencies: La Vega, Antimano, San Martín, Guarenas, Petare, La Isabelica (Valencia), Puerto Cabello,

Higuerote, Los Roques, Catia, and El Cementerio. This way we are servicing new sector for a total 1,605 working-class areas in such areas and its surroundings. In order to provide a personalized better service to our clients, Banesco increased the number of customer service channels by establishing new community alliances, where they can submit their credit applications, make withdrawals and deposits, and consult their balance in their own communities. Currently, we have 178

service centers in working-class areas, distributed over 45 Barras de Atención (Service Counters) operated by Banca Comunitaria staff, and 133 PosWebs at the commercial allies.

In March, Banca Comunitaria Banesco proudly published the first issue of El Comunitario newspaper, a newspaper aimed to entertain and be the voice of the communities and Banesco family. In the newspaper, Banesco promotes its products, publishes news of interest to the areas we service, and acknowledge our top employees and community allies. Banesco also publishes testimonials of successful clients to motivate other micro-entrepreneurs to turn to Banca Comunitaria and enjoy the benefits of our products.

This is a bimonthly newspaper distributed to clients and potential clients at 15 agencies, service counters, business allies, and administrative offices.

In addition, Banca Comunitaria Banesco set up its first theme committee in June which also met in such month, and that will meet monthly to discuss new areas, promote strategies, and ensure compliance of the corporate plan of Banca Comunitaria Banesco, which will help in keeping with its business goals at expected levels.

Finally, as our motto says, “Ahora el Banco viene a ti” (Now the Bank Comes to You), Banesco will continue striving to bring the Bank to the different communities, for massive banking, and for innovative products and services that meet the needs of our clients. It is because of them and their loyalty that we are the runner-up of credit market share with 21.39% of the microfinance segment in our country, striving to be number one.

Premium Segment

Efficiently setting our goals in the first half of the year helped our Premium Segment business advisers have a win-win relationship, meeting the needs of the client and the Bank.

In regards to the human resource, we launched the 6° Programa de Certificación de Asesores de Negocios (6th Business Consultants Certificate Program) during the first half of the year, training 90 new consultants in product selling skills, credit placing, customer service, trust funds, capital markets, and insurance. The segment turned out to be a great breeding ground for the Bank. The training and developing of skills allowed the migration of 18% of the staff to others areas within the last six months.

Finally, we optimized the portfolio, transferring current clients to higher business segments.

Private Banking

During the first half of 2009, Banesco continued with “La Triada Millonaria” (Triad Worth Millions), awarding top Regional Managers, Business Managers, and executives.

The strategies designed to reinforce the borrowing portfolio, through sectoring, to better identify business opportunities and achieve goals set, constituted the mainstays of the segment. Banesco optimized the client-bank relationship, strengthening the relationship with the client.

Personalized service and quality service continue being our Private Banking signature.

Private Banking promoted 22% of its staff, as a result of the corporate value oriented management. This vice presidency ensures the professional growth of its team, maintaining a good workplace environment.

Corporate Banking

During the first half of the year, Banesco achieved a 27.08% net liability increase, and achieved our six-month period goal of 270%.

The lending portfolio of Corporate Banking likewise recorded a significant growth, successfully exceeding the financial strain of some sector like the automotive sector, which portfolio dropped within the first half of the year in the national financial system.

Likewise, the Bank achieved 103% of our goal in collected premiums.

Agribusiness Banking

At first 2009 six-month period closing, Banesco increased its portfolio to Bs.F. 3,373 million, evidencing our leadership as the top financial service offeror to the agricultural sector nationwide. That was possible because of the great performance of Banca Agropecuaria Banesco (Banesco Agribusiness Banking) and the other departments that successfully met the National Executive requirement, exceeding the 2009 first six-month period goal (18% of averaged 2007 and 2008 portfolio), in Bs.F. 191 million, for a 19% achievement.

In order to have a multidisciplinary team that allows us taking the quality service of the agribusiness sector to a higher level, the Bank set up the Gerencia Regional Agroindustriales/Corporativa (Agribusiness/Corporate

Regional Management), that has helped Banesco design new products (Repo Transactions), bolster its relationships with the corporate agricultural and livestock clients and large size corporate clients with a great impact to our current portfolio.

Likewise, Banesco continues leading this sector in top agribusiness areas throughout the country, west-central Venezuela - Portuguesa, Lara, Barinas, Yaracuy, Los Andes, and Zulia - and center Venezuela - Los Llanos - Aragua, Carabobo, Falcón, Guárico, and Apure - showing a business volume and new agribusiness entrepreneurs growth of 51% and 29%, respectively.

Public Sector Banking

During the period that ended, the Bank continued offering services to provincial governments and mayoralties and their agencies throughout the country, which has allowed Banesco to decentralize services to public agencies, and be the second top private bank in attracting public funds at 2009 first six-month period closing.

Trust Funds

At June closing, the Trust Fund portfolio amounted to Bs.F. 6,155 million, increasing its assets in Bs.F. 411 million (7.2%) within the first half of the year.

The 48% of the funds came from Collective Trusts (Bs.F. 2,952 million), 19% from Administration trusts (Bs.F. 1,194 million), 18% from Guarantee Trusts (Bs.F. 1,078 million), and 11% from Investment trusts (Bs.F. 704 million). Combined Trusts make up 4% of the portfolio (Bs.F. 227 million).

During the first half of year 2009, 246 new Trusts were created for a total of 7,071 plans, 4,691 of which are Administration Trusts, 1,294 are Collective Trusts, 1,043 are Investment Trusts, and 43 are Guarantee Trusts. Total financial assets amounted to Bs.F. 78,021 million at June 2009 closing, after a half-yearly growth of Bs.F. 6,691 million. As to total trust fund market, Banesco is the top third bank (7.9%). As to private banks, Banesco is the top second with an 18.4% share.



Loans

Aware of the great impact of being a sound, modern, and caring institution to the national economy, Banesco Banco Universal makes history in the Venezuelan financial system by being the first bank with a gross loan portfolio exceeding Bs.F. 20,372 million.

At June 2009 closing, Banesco portfolio represented 15% of the financial system, being the banking institution with the highest market share.

As to Directed Portfolios, Banesco Banco Universal had a significant half-yearly growth (Bs.F. 1,461 million), for a total Bs.F. 7,276 million.

In regards to mortgages, the Bank has maintained a growing and sustained placing with own resources, both long and short-term, timely meeting the needs of clients nationwide, who think of our institution as the bank to achieve their dream of having their own house; thus, continue being the leader in mortgage loans Mandatory Housing Savings Fund (FAOV) resources.

*Banesco Banco
Universal, first bank
with a gross loan
portfolio exceeding
Bs.F. 20,000 million*

At June 2009 closing, the Bank hand granted Bs.F. 709 million in 80,569 loans, both long-term mortgage loan options offered, which resulted in the improvement of the quality of life of more than 400 thousand people.

As a contribution to the community, and according to the Special Law for the Protection of the Housing Mortgagor, Banesco financed granted loans to constructors for Bs.F. 2,944 million, for a total 37,624 social housings, benefiting 37,624 families. The 17% of such resources correspond to the first half of 2009.

Banesco continued supporting the management and growth of small-size businesses, having this portfolio Bs.F. 798 million. Even though the current legislation provides for a minimum 3% financial aid to this sector, our share (4.21%) exceeds by far set aid limits by approving more than 33,263 applications.

Banesco financed operations of major clients of the national tourism sector - Bs.F. 343 million. Currently,

the Bank continues working together with MINTUR to effectively channeling credit operations, and strengthening relationships with different tourism agencies, in an effort to be seen as their main source of financing.

At June 2009 closing, the Bank allocated Bs.F. 1,268 million to the manufacturing sector, approving applications of 760 clients that work with raw material and are engaged in different business activities, as provided by current legislation.

Likewise, Banesco directed its efforts to support the agribusiness by financing crops and other agribusiness subsectors, being the top financing institution (Bs.F. 3,373 million), through a well defined financing strategy of the main agribusiness categories -corn, rice, livestock, among others- as well as long-term projects which require more time to crystallize.

Generally speaking, directed credit portfolios, aimed at promoting tourism, manufacture, agribusiness, micro-financing, and mortgage sectors, have had a strategic allied. The Bank plans to continue supporting the growth with timely efficient financing based on each sector needs.

Our loan portfolio is a top quality portfolio. Banesco has one of the lowest delinquency rates of the market. This portfolio is automated in the different sectors of the economy, decentralized, and non-dependent on any area which may represent any short, medium, or long-term risks.

In regards to credit analysis, the Bank relies on expert opinions in all processes connected to credit analysis, and act as a liaison agent to swiftly process all operations our clients trust us with to continue being in the vanguard in the credit processing under Banesco's policies.

The Bank continued with its effort to transfer knowledge to clients and non-clients of the institution through free public conferences, where our experts explains the benefits of our credit products and how they can help them achieve their goals. Through these conferences, the institution has been able to reach more than 10,000

people nationwide, as part of the social responsibility culture of the Bank.

Banesco continues being the only financial institution providing a multi channel service and, particularly, advise on personalized credit products on-line, servicing more than 12,000 people, who have rated it as excellent as it has allowed them to make queries and obtain answers from their home or office.

The Banks is constantly training its human resources on credit for them to offer clients the financing options that best suit them.

Strategic Management

Advances in the Transformation of the Business Corporate Model

As part of Banesco's efforts to revise its Corporate Business Model commenced in 2008, as a mean to promote higher long-term efficiency levels, the actions taken during the first half of 2009 focused on evaluating alternatives to simplify management structures, processes, and mechanisms of the entire Institution.

In addition, the Bank is taking steps to strengthen our key elements, like our people and our management and governance thinking, ensuring the success of the model after implementation. In regards to human resources, the definition of Banesco Citizen profile, and the skills model of the Institution, the Bank is paving the way to "attract, retain, and develop top individuals within the sector". As to governance and management, the Bank is setting up and defining decision making committees and forums to effectively, efficiently, and transparently manage an institution known by adding value to the benefit of its clients, employees, shareholders, and community's interest.

Operations

Banking Partnership

Swift - Central Bank of Venezuela Committee

Banesco had an active role in the LBTR Project (Real-time Gross Settlement) of the Central Bank of Venezuela, offering assistance on Swift and defining Messaging

Reference Structure Standards corresponding to returns and their effects on bank reconciliation.

Operations, Custody and Other Services

Operating and Collection Services

Back of Securities

In order to improve the sale of bonds and provide a better customer service, the Bank upgraded the AS400, Sir Web, Credit Workflow systems, among other, obtaining the following benefits:

- Decrease of the operating burden in the selling of bonds by grouping operations of a same client in one application (multiple operations).
- Payment of same sales volumes, processing fewer transfers.
- Automating commission collection upon payment of securities (buy).
- Improved response times to clients' requirements through Sir Web.
- Online consultation of position and status of clients' securities in custody by Banesco Banco Universal (agency network and specialty banking).



- Set up of interest payment instructions where setting up the client's purchase order.
- During the first half of the year, the Bank has trained 372 people, including officers, assistant managers, and personal bankers, of 145 agencies nationwide. This training will continue in the second half of the year.

Cash Service

During this six-month period, Banesco had an armored-car transport company to homologate the fees of major invoice items for 2009, in order to reduce costs for cash transportation.

The Bank included specialty banking and the agencies network in the Information Retrieval System tool (Sir Web), to process requirements on cash transportation logistics from corporate clients, and meet the response times and generate monthly statistics.

Government Operations

Massive Credit Card Operations

During the first half of 2009, the Bank received nearly 147,000 foreign exchange purchase applications from natural individuals, through the agencies network, and processed by the massive operations management. In addition, Banesco gave refresh courses, particularly on information providing to our clients from the beginning of the period.

National Taxes Collection

During the first half of the year, 957,300 clients paid their national taxes at our tellers (total Bs.F. 2,749,342,909.68), and 19,815 clients paid their taxes online (total Bs.F. 20,765,571,79), receiving a letter from SENIAT praising the contribution of Banesco Banco Universal to the income tax collection process, ended in March 2009, with a successful extended hours collection.

Prevention of Losses and Business Continuity

Committed to the profitability of the Institution and ongoing improvement of its customer service, ensuring a timely and efficient response to their requirements and operations connected to the Prevention of Losses and Business Continuity, Banesco designed and implemented an organization structure that offers a service proposal with a comprehensive view in keeping with our chain of value:

Prevention (Anticipate) -> Protection (Safe keep) -> Control (Inquiry) -> Business Continuity (Guarantee)

This service proposal creates well-defined operating areas in perfect synergy, designed to internal and external clients, leveraging efficiency on the prevention of loss and business continuity of the Institution.

As to Prevention of Loss, Banesco has promoted the creation of 8 strategic macro projects which leverage the prevention management of our payment means and channels vis-à-vis 2010. Likewise, in our search for continuous improvement, the Bank has continued strengthening its customer service processes and philosophy in the interests of having service levels in keeping with best practices and international standards.

In regards to regulations, the Bank is currently implementing all required actions to comply with the Credit Card Act, and has continued taking actions and implementing projects to align our processes and systems with other regulations by Sudeban and franchises (MasterCard/VISA).

Furthermore, the Bank focused on campaigns to raise in-house and public awareness on prevention of loss through personalized talks, particularly on the use of different e-channels and means of payment of our Institution.

As to protection, Banesco, aware of the importance of perfecting its physical protection systems, upgraded the access control systems, the TV closed circuit systems, and alarms of the agencies network, by designing a technology upgrade program which allowed the Institution to start installing state-of-the-art technology, in addition to creating, documenting, and promoting new security standards for the safety operation of the agencies. Additionally, the Bank reinforced the fire detection and extinguishing systems at the main computing center.

In regards to control of losses, the Bank strengthens its detection and investigation processes. The institution particularly implemented administrative investigation, analysis and evaluation of reports management and coordination, as a main component of the Sistema Integral de Ética y Conducta (Ethics and Conduct Comprehensive System), ensuring the transparency of actions and results.

As to business continuity, Banesco implemented technological contingency projects to cover the most critical services of the business, increasing the number of productions environments covered by contingency environments. In addition, the Institution run the scheduled tests of continuity plans on critical business processes, identifying improvement opportunities to contingency processes, as well as updating its plans, thus ensuring availability no matter what. Likewise, the Institution implemented a Centro de Comando y Control (Command and Control Center) to execute start-up, monitoring, and follow up of critical projects.

Financial Systems and Information Management Technology Demand Management

Establishing of the Technology Demand Management: Banesco has reinforced the technology governance systems by setting up the technological requirements prioritization committee, lead by business users. This committee allows prioritizing requests received and attendance priority, focused on benefits capture saving skills and resources by the synergy of the solutions designed.

Strategic Planning Execution

Follow Up to the Strategic Planning Execution with SAP SSM Tool: Banesco promoted the use of corporate management indicators and their strategic follow up, enabling the translation of strategies into specific goals and measurements through key performance indicators.

Products and Services

Banesco offers its clients a wide range of products and services. In this first half of the year, the Bank integrated the following technological solutions:

- Legal entities collection at tellers.
- A new service for customers to recover and change their debit card PIN or telephone password through the channel of their choice in a rapid yet simple manner.
- Incorporation of new security features to checks by generating, printing, and validating a MAC security code and bar codes.

Technological Development Banesco Sourcing Initiatives

Innovative Multi-Sourcing Models

Software Factory (SWF)

Ever since its implementation, Banesco has transfer 29% of its application portfolio to the Software Factory Model, processing 261 requests. Likewise, the Software Factory took part in 35 development projects improving the quality of the applications, as well as delivery times.

Other Outsourcing Initiatives

By implementing outsourcing, the Bank built a data base with the data of suppliers servicing the Banesco Technology Department. This initiative resulted in a





great number of supplies available to the standardization of Banesco corporate procurement process.

Our consultancy services helped define the outsourcing strategy of the peripherals support service in administrative offices and agencies, as well as evaluation plans to select the suppliers.

Massive Openings of Accounts

This allowed corporate clients to open accounts online, improving the access to this service, in keeping with the agency streamlining strategy by incorporating new services to the Bank's e-channels. In addition, now clients will be able to access the trust fund information, essential to their management.

E-Banking Systems

- Implementing technology to allow the recovery and change of credit card PINs by client, better using the card and providing a better customer service and guaranteeing the safe use of this mean of payment.

- Timely responses to franchises - regulatory agencies, by releasing new versions for the interoperability of Visa and MasterCard credit and debit cards transaction authorizations.
- New high-tech devices in multi-function self-services, including deposit envelope and cash deposit (with cash count feature) and change pay (coins).
- Technological support to reduce fraud by incorporating bar code printing and validation of new design checks.
- Migration of available balance and CADIVI quota application queries through the over the phone customer service e-channel (IVR), allowing all clients to use it and have access to it, reducing the expenses of the over the phone customer service.
- Current points of sale systems to use with Visa Electron, timely complying with the franchise regulations.

Credit Card Systems and Collection Management

- Optimization of the collection operating management for delinquent clients, implementing timely alerts based on the risk behavior model.
- Optimization of statements of account, incorporating legal requirements, and improving the distribution of invoice cycle.
- Improvement of the operating management and issuance and distribution risks, credit card VP. Back End 70%, implementing the automatic disposal of returned credit cards.

Corporate Project Center Methodology

- Conceptualization, development, documentation, and implementation of 51 improvements in the Corporate Project Center Methodology (CCP), strengthening Banesco's intellectual capital.
- Methodological attention to Banesco's 2009 portfolio projects, optimizing the use of CCP's methodology for a better product and service quality.

Balance Sheets as of June 30, 2009 and December 31, 2008

Banesco Banco Universal, C.A

Balance Sheets As of June 30, 2009 and December 31, 2008

(Stated in million VEF)

	Operations in Venezuela Jun-09	Consolidated with Foreign Branches Jun-09	Operations in Venezuela Dec-08	Consolidated with Foreign Branches Dec-08
ASSETS				
CASH AND DUE FROM BANKS	9,475	9,513	9,285	9,327
Cash	755	755	963	964
Central Bank of Venezuela	7,453	7,453	7,771	7,771
Local Banks and Other Financial Institutions	48	48	54	54
Foreign Banks	52	90	102	144
Notes Receivable	1,167	1,167	395	395
Provision for Bank Accounts	0	0	0	0
SECURITY INVESTMENTS	6,635	6,752	6,432	6,584
Investments in Central Bank	3,106	3,106	3,538	3,538
Security investments for negotiation	0	0	0	0
Available for sale security investments	1,471	1,556	718	766
Security investments held until maturity	1,961	1,993	1,952	2,056
Limited Availability Investments	151	151	159	159
Other Security Investments	33	33	65	65
Provision for Security Investments	-88	-88	0	0
CREDIT PORTFOLIO	19,958	19,958	18,581	18,581
Outstanding Credits	19,958	19,958	18,596	18,596
Restructured Credits	24	24	18	18
Past Due Credits	383	383	317	317
Credits in Litigation	7	7	14	14
Provision for Credit Portfolio	-414	-414	-364	-364
INTEREST AND COMMISSIONS RECEIVABLE	434	436	396	402
Interest receivable from cash and equivalents	0	0	0	0
Interest receivable from security investments	69	71	69	75
Interest receivable from credit portfolio	381	381	299	299
Commissions Receivable	83	83	82	82
Provision for Interest Receivable and Other	-99	-99	-54	-54
INVESTMENTS IN SUBSIDIARY COMPANIES, AFFILIATES AND BRANCHES	167	6	155	6
Investments in subsidiary companies and affiliates	6	6	6	6
Investments in branches	162	0	149	0
Provision for investments in subsidiary companies, affiliates and branches	0	0	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	0	0	1	1
PROPERTY IN USE	855	855	865	865
OTHER ASSETS	456	456	1,401	1,401
TOTAL ASSETS	37,980	37,976	37,115	37,166

Banesco Banco Universal, C.A

Balance Sheets As of June 30, 2009 and December 31, 2008

(Stated in million VEF)

	Operations in Venezuela Jun-09	Consolidated with Foreign Branches Jun-09	Operations in Venezuela Dec-08	Consolidated with Foreign Branches Dec-08
LIABILITIES				
DEPOSITS FROM CLIENTS	33,326	33,328	32,690	32,748
Deposits in Current Accounts	17,534	17,534	16,369	16,369
Non-Remunerated Checking Accounts	7,554	7,554	7,761	7,761
Remunerated Checking Accounts	9,979	9,979	8,608	8,608
Other Demand Liabilities	684	684	628	628
Savings Deposits	5,636	5,637	6,258	6,270
Time Deposits	3,500	3,500	1,596	1,642
Securities Issued by the Institution	0	0	0	0
Restricted Deposits from Clients	0	0	0	0
Right of Ownership and Participation on Security Investments	5,972	5,972	7,838	7,838
OBLIGATIONS WITH BCV	0	0	0	0
DEPOSITS FROM CLIENTS AND OBLIGATIONS WITH BANAP	4	4	1	1
OTHER FINANCING OBTAINED	468	461	628	621
Liabilities with local financial institutions up to one year	315	309	387	380
Liabilities with foreign financial institutions over one year	152	152	240	240
Liabilities for other financing over than one year	0	0	1	1
OTHER FINANCIAL OBLIGATIONS	4	4	77	77
INTEREST AND COMMISSIONS PAYABLE	118	118	105	105
Expenses payable due to deposits from clients	116	116	102	102
Expenses payable due to deposits from clients and liabilities with BANAP	0	0	0	0
Expenses payable due to other financing obtained	1	1	3	3
Expenses payable due to other financial obligations	0	0	0	0
ACCRUALS AND OTHER LIABILITIES	947	948	684	685
TOTAL LIABILITIES	34,867	34,863	34,185	34,237
STOCKHOLDERS' EQUITY				
CAPITAL STOCK	1,050	1,050	1,050	1,050
Capital Paid-in	1,050	1,050	1,050	1,050
Capital Reserves	582	582	553	553
Accumulated Income	1,553	1,553	1,415	1,415
Non-Realized Gain or (Loss) on Available for Sale Security Investments	-37	-37	-53	-53
Treasury Stock	-35	-35	-35	-35
TOTAL STOCKHOLDERS' EQUITY	3,113	3,113	2,930	2,930
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	37,980	37,976	37,115	37,166
Contingent Debtor Accounts	812	863	691	732
Trust Assets	6,155	6,155	5,744	5,744
Other Trusts Assignments	130	130	114	114
Debtor Accounts Due to Trust Assignments (FMH)	2,890	2,890	2,451	2,451
Other Debtor Accounts from FMH	8	8	7	7
Other Debtor Memorandum Accounts	69,332	69,336	65,376	65,380
Other Debtor Book Accounts	25	25	40	40

Statements of Earnings as of June 30, 2009 and December 31, 2008

(Stated in million VEF)

	Operations in Venezuela Jun-09	Consolidated with Foreign Branches Jun-09	Operations in Venezuela Dec-08	Consolidated with Foreign Branches Dec-08
FINANCIAL REVENUES	2,561	2,565	2,438	2,447
Revenues from Cash and Cash Equivalents	0	0	1	2
Revenues from Security Investments	307	312	268	277
Revenues from Credit Portfolio	2,224	2,224	2,138	2,139
Revenues from Other Accounts Receivable	27	27	30	30
Other Financial Revenues	2	3	0	0
FINANCIAL EXPENSES	1,268	1,268	1,291	1,292
Expenses Due to Deposits from Dlients	1,250	1,251	1,225	1,226
Expenses Due to Deposits from Clients and Obligations with BANAP	0	0	0	0
Expenses Due to Other Financing Obtained	9	9	55	55
Expenses Due to Other Financial Obligations	0	0	0	0
Other Financial Expenses	8	8	11	11
GROSS FINANCIAL MARGIN	1,293	1,297	1,147	1,155
Income form Recovered Financial Assets	11	11	16	17
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	261	261	196	196
NET FINANCIAL MARGIN	1,042	1,047	968	977
Other Operating Income	739	737	667	661
Other Operating Expenses	222	224	151	154
FINANCIAL INTERMEDIATION MARGIN	1,559	1,560	1,483	1,484
TRANSFORMATION EXPENSES	1,176	1,176	964	964
Personnel Expenses	526	526	451	451
Administrative and General Expenses	556	556	442	442
Contributions to Deposit Guarantee and Bank Protection Fund	73	73	54	54
Contributions to Superintendency of Banks and Other Financial Institutions	21	21	18	18
GROSS OPERATING MARGIN	383	383	519	519
Income from Adjudicated Goods	11	11	8	8
Income from Sundry Accounts	60	60	21	21
Expenses Due to Realizable Property	0	0	1	1
Expenses Due to Dundry Accounts	155	155	83	83
NET OPERATING MARGIN	298	298	464	464
Extraordinary Income	0	0	0	0
Extraordinary Expenses	4	4	6	6
GROSS INCOME BEFORE TAXES	295	295	458	458
Income Taxes	5	5	29	29
NET INCOME	290	290	429	429
APPLICATION OF NET INCOME				
Legal Reserve	29	29	86	86
Statutory Utilities	1	1	1	1
ACCUMULATED INCOME	257	257	338	338
LOSEP Contribution	3	3	4	4
OTHER ACCOUNTS				
Third-Party Investments		223		223
Monthly Agriculture Credit Portfolio		494		494
Accumulated Agriculture Credit Portfolio		3,373		3,373
Public Sector Deposits		2,805		2,805
Micro-Credits		798		798
Credits to the Segment of Tourism in accordance to law in force		343		343
Mortgages according to the Special Law for the Protection of the Housing		2,117		2,117
Loan Debtor		8.8%		8.8%
Financial Soundness Ratio		1,268		1,268

Principal Financial Indicators

Jun-09

Equity + Operative Management / Total Assets	8.80%
Non-Productive Assets / Equity + Operative Management	332.17%
Loan Portfolio Provisions / Gross Loan Portfolio	2.03%
Non Accrual Loans / Gross Loan Portfolio	1.91%
Personnel Expenses + Operative Expenses / Average Productive Assets *	8.10%
Personnel Expenses + Operative Expenses / Financial Income *	42.24%
Net Results / Average Assets *	1.58%
Net Results / Average Equity *	19.02%
Availability / Customer Funds	28.43%
Availability + Investment in Securities / Customer Funds	42.16%

* Annual Percentages

Corporate Governance

Banco Universal, C.A. is a financial institution incorporated in the Bolivarian Republic of Venezuela and authorized to conduct any kind of operations and businesses allowed to universal banks in conformity with the General Law of Banks and Other Financial Institutions. Consequently, it is subject to control and oversight by the Superintendency of Banks and Other Financial Institutions. Additionally, it is subject to the Capital Market Law since its shares are registered with the National Registry of Securities. The Entity is domiciled in Caracas, and has agencies in all the national territory.

On March 31, 2008, a Regular Stockholders' Meeting was held whereby a dividend in common shares was

declared for the amount of Bs.F. 158,500,673, to increase the capital stock to the amount of Bs.F. 800,000,000.00 divided by 8,000,000,000 common shares at a par value of Bs.F. 0.10 each.

Subsequently, on April 14 and May 15, 2008, Banesco Banco Universal, C.A. issued through public offering 2,500,000,000 preferred shares, as approved at the Special Stockholders' Meeting held on August 6, 2007. This procedure was authorized by the Superintendency of Banks and Other Financial Institutions and the Securities and Exchange Commission. In connection therewith, as of December 31, 2008, Article 5 of the Bank's bylaws reads as follows:

...” The capital stock of “BANESCO BANCO UNIVERSAL, C.A.” amounts to one billion and fifty million bolívares fuertes (Bs.F. 1,050,000,000.00) divided in eight billion (8,000,000,000) of registered common shares of the same class, non-convertible in bearer shares, at a par value of ten cents of bolívares fuertes (Bs.F. 0.10) each, and two billion and five hundred million (2,500,000,000.00) of registered preferred shares, non-convertible in bearer shares, at a par value of ten cents of bolívares fuertes (Bs.F. 0.10) each. Such capital stock has been fully registered and paid in the percentage evidenced in the Stockholders' Book. Preferred shares that prior compliance with legal formalities may be issued by the Bank for the maximum amount of five hundred million bolívares fuertes (Bs.F. 500,000,000) shall only be placed through public offering and shall have the following rights and characteristics: a) receive a preferred and cumulative dividend with charge to income, the amount, payment time, characteristics and other modalities of which shall be determined by the Stockholders' Meeting or the Board of Directors, if appointed by the Meeting; b) they shall only have vote right at Bank's Stockholders' Meetings for approval or disapproval of the financial statements, and statutory amendments modifying their rights, and for appointment of the Comptrollers and deputies, and deciding on their remuneration, and c) in case of Bank's liquidation, they shall only have redemption right to the extent of their nominal value plus dividends accumulated to the date of the liquidation.”

Banesco Banco Universal, C.A. maintains a governance structure comprised of the Stockholders' Meeting, Board of Directors, the Chairman of the Board of Directors, Compliance Officer for Prevention of Money Laundering, Internal Comptroller, as well as Credit, Risk and Audit Committees. The Audit Committee was created as

established by Corporate Governance Recommendations issued by the Securities and Exchange Commission through resolution number 19-1-2005, of February 2, 2005, published in Official Gazette 38.129 of the Bolivarian Republic of Venezuela, of February 17, 2005.

Stockholders' Meeting

It represents the universality of the stockholders and has the company's supreme management. Its acts and resolutions bound the company and its stockholders. Among its functions, the Meeting is empowered to appoint the members of the Board of Directors, comptrollers and deputies, advisors with right to attend and speak in the Board of Directors' meetings, discuss, approve or modify the financial statements presented based on the Comptroller's report, decide on dividends decree and their form of payment, their amount, the frequency, and the date where payable, in conformity with the law and bylaws, as well as know and decide on any other issue for which it was called.

Board of Directors

The Board of Directors of Banesco Banco Universal, C.A. is comprised of qualified people with broad experience in different areas of the banking business, of acknowledged solvency and sound reputation and honesty as a guarantee of the good performance of their duties. The main role of the Board is the management and general administration of the businesses and operations carried out by the Bank, including corporate social responsibility policies. The performance of the Board of Directors is in charge of defining and strategically managing the Institution, and also approves business principles and policies, by regulating the autonomy of the executive decisions to protect the stockholders' interests and the organization. Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years to the results of each year. Based on the agreement reached at the Regular Stockholders' Meeting held on March 30, 2007, the Board of Directors has to be comprised of no less than nine members and no more than thirteen members. It is currently comprised of nine Directors.

It is worth mentioning that, in order to guarantee the proper performance of the corporate policies, and management's openness in the performance of its duties, the Bank counts on the following committees:

- **Audit Committee:** The duty of the Committee mainly consists on knowing the financial statements to be considered by the Board of Directors and subject to approval by the Stockholders' Meeting in order to verify that they comprise all the information required

and show, completely and accurately, with no reserves or omissions, the financial situation of the partnership. Likewise, the Audit Committee assists the Board of Directors with the implementation of measures aimed at preserving the accuracy of the financial information of the partnership, cooperating with the supervision and follow-up of the bank's internal and external audit. In this regard, among other issues, it recommends the Board of Directors to appoint an adequate firm of External Auditors, reviews and approves the scope of the annual audit and the fees to be paid to such firm, as well as its independence. Together with the Board of Directors and the External Auditors, the Committee reviews all significant topics regarding litigations, contingencies, claims and valuations, and also points out the recommendations deemed necessary in the Management Letter. The Committee has an Internal Regulation (Bylaws) for its operation. An Independent Director participates in such Committee.

- **Risk Committee:** This Committee is mainly engaged in fixing risk limits under the policies established for each of the activities carried out by the Bank to guarantee a sound and integrated management of operating, market, legal, and business risks, among others, in conformity with the Bylaws and the best practices at an international level. The Risk Committee meets once a month, and also advise the Board of Directors and the different Credit Committees on the decision making, and establish the guidelines and policies they must comply with in order to maintain the established risk profile.
- **Credit Committees:** The Board of Directors, reserving the execution of this right, has decided to delegate the right to grant credits to the committees created to such end, and established the amounts and all the terms and conditions for the performance of their duties. Thus, in order to comply with the diverse autonomies and the delegation of rights, the Executive Credit Committee, the Metropolitan Credit Committees, the Regional Credit Committees, and the individual autonomies were created. Within the boundaries of their rights, these autonomies are in charge of the consideration and approval of the different credit applications, and of keeping the Board of Directors informed about the results of their transactions.

Likewise, they must also comply with the different risk policies that have already been established for such purpose.

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

Chairman of the Board of Directors

The Chairman of the Board of Directors is subordinated to the Stockholders' Meeting and the Board of Directors. In the exercise of his rights, he acts as legal representative of the institution before any and all public or private authority, and, on its behalf, grants contracts, agreements, settlements and, in general, all kinds of documents of any nature whatsoever. To summarize, all the duties assigned by the Board. The Chairman of the Board of Directors chairs the Stockholders' Meetings and board of directors' sessions, and jointly with the latter, exerts the supreme management of Bank's activities.

Secretary

The Secretary of the Board is an attorney, and also has many years' experience in the banking sector, especially, at the service of this Institution. The Secretary is in charge of managing the Board's Secretary Office, which must keep an organized record of the minutes of the sessions, as well as cooperate with the collection, preparation, and record of corporate information required by the Board, the stockholders, and the regulatory agencies, among others. The Secretary is also in charge of keeping the agenda of the Board's sessions as well as gathering the requirements regarding issues to be solved in such meetings. Acting in

his capacity of secretary, knowing the laws and counting on his financial experience, the Secretary is entitled to be present and intervene during the Board's sessions, which strongly supports, from the legal point of view, the proposals being discussed in the meetings and the decisions made.

Internal Comptroller

The Internal Comptroller is in charge of the internal coordination of the analysis of the diverse operations of the institution and, together with the Audit Committee, informs the Board of Directors about the results of the audits performed in order to improve the procedures and mitigate any possible deficiencies.

Compliance Officer

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

Board of Directors

Juan Carlos Escotet
Luis Xavier Luján
Salvador Eduardo Cores
María Josefina Fernández
Nelson Orlando Becerra
Fernando Crespo
Gonzalo Clemente
Carlos Acosta
Miguel Ángel Marciano

Commisaries

Main: Gordy Palmero Luján e Igor Williams de Castro
Substitute: Berta Maita Rodríguez y Mariela Alcalá

Secretary

Marco Tulio Ortega Vargas

Judicial Representative

Marco Tulio Ortega Vargas



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

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

Therefore, in Banesco Banco Universal C.A., we follow the principle “one share, one vote”. Thus, we recognize the proportionality that must exist between the equity interest percentage and the corresponding equity right in the structuring of the institution's will, always through the properly informed exercise of the stockholders' political rights. In view of the foregoing, Banesco Banco Universal C.A. relies on a Stockholders' Unit in order to satisfy the needs of the investors. Such Unit is in charge of making the corporate information flow between the partnership's

managers and the stockholders, in a timely, complete and accurate manner. It also constitutes a channel for investors to express any possible inquiry on their investment, gather corporate information of their interest, and receive the reports to be considered at the Stockholders' Meeting. The Stockholders' Unit is assigned to the Bank's Legal Vice Presidency.

Within the framework of the principles of good corporate governance, the Board of Directors of Banesco Banco Universal C.A. has taken the necessary measures to maintain the proper openness and reliance standards to contribute with a greater efficiency and responsibility in the Venezuelan securities market. In this regard, an Independent Director was appointed, who is qualified under the provisions established by the Venezuelan Securities and Exchange Commission. Thus, the Audit Committee counts on the presence of such Independent Director and holds periodic meetings, at least semiannually, in order to comply with the provisions of the Performance Regulation.

Likewise, for the purpose of adopting the best international practices on Corporate Governance matters, during the second six-month period of 2008, Banesco Banco Universal C.A. created the “Vice Presidency of Corporate Governance,” whereby the constitution of new governance mechanisms was promoted through Directive and Executive Topic Committees, which will back the Board of Directors' management and its Executive Office for the benefit and protection of the interests of its stockholders, customers, and employees.

The Directive Topic Committees shall be responsible for controlling and following-up the internal and external regulations, as well as administrating management incentive and discipline. The Executive Topic Committees shall be responsible for the compliance with the policies and objectives established by the administration and coordination of resources, the creation and distribution of the corporate value, which guarantee a better resolution of conflicts related to corporate issues, development of core capacities and compliance with internal and external regulations.

The implementation of these Committees will allow for higher efficiency and effectiveness levels on key decision-making, thus gaining more strength and maturity in the Corporate Governance structure of Banesco Banco Universal C.A.

TO GIVE US ALL A HAND IS THE BEST OF THE BALANCES

Social Balance Accumulated 1998 - First Half 2009



As of 1998 - June 2009
Stated in VEF

	First Half 2009	Accumulated 1998 - First Half 2009
TOTAL SOCIAL INVESTMENT	11,304,508	130,610,926
TOTAL CONTRACTED COMMITMENTS	4,037,424	4,037,424

GENERAL TOTAL SOCIAL INVESTMENT
AND CONTRACTED COMMITMENTS 15,341,932 134,648,350

Directors

Juan Carlos Escotet R.
Luis Xavier Lujan P.
Miguel Angel Marciano C.
María Josefina Fernández M.
Nelson Becerra M.

Gonzalo Clemente R.
Fernando Crespo S.
Salvador Cores G.
Carlos Acosta L.



International Area

International Banking Products

International Checking Account Plan

Non-Active Commercial Account

Commercial Checking Account Plan

Active Account

Personal Checking Account Plan

International Savings Account Plan

- All accounts bear interest on daily balances.
- Deposit Certificates.
- Free Life Insurance.
- Fund transfers to other banks in other countries.
- Traveler Checks.
- And many other services.

Letters of Credit for Imports
anywhere in the world.

Confirmation of Letters of Credit for Exports.

Money Orders anywhere in the world.

International Financing Operations.

Documentary Collections.

International Treasury

Olga Mifsut • Vice President

Telf. (58212) 501.8414 • e-mail: olga_mifsut@banesco.com

Rosa Mariela Padrino • International Treasury Manager

Telf. (58212) 501.9108 • e-mail: rosa_padrino@banesco.com

International Area

Edgar Piñero • Vice President

Telf. (58212) 501.9984 • e-mail: edgar_pinero@banesco.com

Rafael Eduardo Padrón • International & Correspondent
Banking Division Manager.

Telf. (58212) 501.9943 • e-mail: rafael_padron@banesco.com

José Rafael León • Foreign Trade Division Manager

Telf. (58212) 501.9839 • e-mail: jose_leon@banesco.com

Affiliated Banks

Banesco S.A., Panamá

(former Banesco International Bank Inc.)

Banesco International Bank Corp., Puerto Rico

BBU Bank, Miami

Representative Offices

Banesco Banco Universal C.A.,

Oficina de Representación Bogotá

International Mailing Address

Banesco Banco Universal C.A. 8424 NW, 56 Street,
Suite CCS00283, Miami, Florida 33166, U.S.A.

Main Offices

Ciudad Banesco, Avenida Principal de Colinas de Bello

Monte, entre calles Sorbona y Lincoln, Municipio Baruta.

Caracas, Venezuela.

Telephone Banking: **0500BANCO24 - 0500 226.26.24**

Master Phone: (58212) 501.71.11

www.banesco.com

Main Correspondent Banks

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

AUSTRALIA • Anz Bank.

AUSTRIA • Unicredit Bank Austria A.G., Rzb A.G.

BELGIUM • Dexia Bank, CIB Fortis Bank.

BOLIVIA • Banco Económico, Banco Do Brasil, Banco de la Nación Argentina., Banco Nacional de Bolivia, Banco BISA.

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

CANADA • Toronto Dominion Bank, Royal Bank of Canada.

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

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

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

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

CURAZAO • Maduro & Curiel's Bank.

DENMARK • Danske Bank, Nordea Bank.

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

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

EL SALVADOR • Banco Cuscatlán, Banco Agrícola, Banco Salvadoreño.

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

FINLAND • Nordea Bank.

FRANCE • Crédit Industriel Et Commercial, BNP Paribas Group, Société Générale.

GERMANY • Commerzbank A.G., Standard Chartered Bank Ghmb, Unicredit HVB A.G., Deutsche Bank.

GUATEMALA • Banco Industrial, Banco GT Continental, Banco Agromercantil.

HOLLAND • Commerzbank A.G.

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

HONG KONG • Standard Chartered Bank, Deutsche Bank A.G., Citibank N.A., Unicredit HVB Ag, Commerzbank A.G.

INDIA • Standard Chartered Bank, Deutsche Bank, HSBC Bank.

IRELAND • Bank of Ireland.

ISRAEL • Bank Leumi Le Israel, Bank Hapoalim B.M.

ITALY • Banca Nazionale del Lavoro, Unicredit Group, Intesa-San Paolo.

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

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

MALAYSIA • Bumiputra Commerce Bank Berhad, Standard Chartered Bank.

MALTA • Fimbank

MEXICO • Banamex, S.A., HSBC Bank, Banco Santander, Banco del Bajío, Banco Regional, Banorte.

NEW ZEALAND • Anz Bank.

NICARAGUA • Banpro, Bancentro.

NORWAY • Nordea Bank.

PANAMA • Bladex, HSBC Bank, Multibank.

PARAGUAY • Banco Do Brasil, Banco de la Nación Argentina, Banco Sudameris.

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

PORTUGAL • Banco Espirito Santo S.A., Banco Banif, Millennium BCP.

PUERTO RICO • Banco Popular de Puerto Rico.

SINGAPORE • Standard Chartered Bank, Unicredit HVB Ag, Deutsche Bank, Commerzbank A.G.

SPAIN • Grupo Banco Popular, La Caixa.

SWEDEN • Nordea Bank, Svenska Handelsbanken.

SWITZERLAND • BNP Paribas, Banco Mercantil (Schweiz) A.G., Commerzbank, A.G.

URUGUAY • Banco de la Nación Argentina, Banco Credit Uruguay.

USA • Standard Chartered Bank, JP Morgan Chase Bank, Wachovia Bank, Citibank N.A, HSBC Bank, Deutsche Bank A.G., Commerzbank A.G.

