

Semester Report • Second Half 2010

Dear Readers

The following does not only present 2010 financial statements, but are a source of pride for over 13,900 people working at Banesco. The figures and reports ratify the leading position maintained by our Organization within the Venezuelan banks.

Such leadership, as we understand it, would be deprived of its best sense if it were not a generator of benefits to the Venezuelan society. This company wants to contribute with the development of people, families, and communities, and this purpose is the driving force behind the decisions made and the framework of our daily actions.

Banesco had not achieved a banking leadership in credit granting in 2010 by chance. It is the result of a vocation that derives in a strategy and a work schedule aimed at turning us in active and effective agents of the financial progress of Venezuela. The amount of 27,654 million bolivars in not any given number: it is by itself a proof that our wish that people, families, entrepreneurs, and companies find in Banesco the support required to meet their legal projects and needs is becoming a reality.

A credit is, in a partnership aiming to grow, a decisive act. Financing, especially in the productive activity, is a benefit generator that boosts the performance of the economy. During 2010, Banesco granted over 130 thousand credits, of different amounts to meet the widest range of needs.

In this brief presentation to the Board of Directors' Report corresponding to the second half of 2010, I have to mention that during last year, Banca Comunitaria Banesco (Banesco Community Banking) granted 13,109 micro credits, exceeding 73 thousand credits granted from its inception, which shows, through conclusive numbers, that Banesco does work to support its objective of granting the opportunity to more and more Venezuelans to achieve their prosperity dreams. According to the reports of our community banking 118,726 individuals have affiliated to the Ahorro Paso a Paso (Step-by Step Savings) program and that 130,529 opened community accounts. The foregoing is a concrete evidence that our purpose is directly associated to a structural need of the society of finding finance funds for projects aimed at improving life-quality and obtaining a better future.

Banesco closed 2010 as the first bank in other main captions of the financial activity: Agricultural Loans (Bs. 5,350 million); Microcredit (Bs. 1,375 million); Deposits (Bs. 45,832 million) and Managed Funds (Bs. 50,233 million).

These reasons, in addition to Banesco's expansion during 2010, evidence that the growth of our Organization is due to the boost of our loan portfolio. In other words, we grow proportionally with our actions to benefit other people. Therefore, we have reached a high intermediation average: from each 10 bolivars deposited more than 6.30 returns to clients in the form of credits.

2010 was also an outstanding year in terms of social investment. Over 30,800 million were allocated to a strategic project portfolio aimed at supporting Health, Education and Culture and also at responding, to the best of our possibilities, to the National Emergency caused by rain during November and December. From such amount, approximately 50%, that is, 16,842 million bolivars were allocated to Banesco employees to finance programs whose benefits go beyond contractual limits.

It should be mentioned that Banesco is a productive organization that does not forget its function as social agent, an entity that acts within a society with which it has unavoidable commitments and obligations. If upon rendering accounts, the analysis between proposed goals and objectives achieved may serve as guideline to evaluate management at a given period, then we might absolutely attest that this Annual Report in the readers' hands is the demonstration that 2010 was a year of a successful and sound management always under the approach of benefiting the Venezuelan society.



JUAN CARLOS ESCOTET RODRÍGUEZ
CHAIRMAN OF THE BOARD OF DIRECTORS

FINANCIAL HIGHLIGHTS

(Stated in Million VEF)	First Half 2009	Second Half 2009	First Half 2010	Second Half 2010	II Half 2010 II Half 2009		II Half 2010 I Half 2010	
					Absolute	%	Absolute	%
TOTAL ASSETS	37,980	43,066	42,684	52,087	9,021	20.9%	9,403	22.0%
Cash and Due from Banks	9,475	11,611	11,284	17,345	5,734	49.4%	6,061	53.7%
Security Investments	6,635	5,983	5,011	4,782	-1,201	-20.1%	-229	-4.6%
Credit Portfolio	19,958	22,739	24,589	27,654	4,915	21.6%	3,066	12.5%
DEPOSITS FROM CLIENTS	33,326	37,763	37,175	45,832	8,069	21.4%	8,657	23.3%
Deposits in Current Accounts	17,534	19,913	21,947	28,241	8,328	41.8%	6,293	28.7%
Savings Deposits	5,636	6,800	6,557	8,445	1,645	24.2%	1,888	28.8%
Time Deposits	3,500	21	3	11	-11	-50.5%	8	267.1%
Other Deposits	6,656	11,029	8,668	9,136	-1,893	-17.2%	468	5.4%
TOTAL STOCKHOLDERS' EQUITY	3,113	3,598	3,809	4,235	637	17.7%	426	11.2%
TRUST ASSETS	6,155	6,020	6,656	7,180	1,160	19.3%	524	7.9%
DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (FAOV)	2,890	3,376	3,879	4,401	1,025	30.4%	522	13.5%
Financial Revenues	2,561	2,588	2,689	2,986	398	15.4%	297	11.0%
Financial Expenses	1,268	1,174	901	794	-380	-32.4%	-107	-11.9%
Gross Financial Margin	1,293	1,414	1,788	2,192	779	55.1%	404	22.6%
Financial Intermediation Margin	1,559	1,772	2,215	2,455	683	38.5%	240	10.8%
Transformation Expenses	1,176	1,312	1,603	1,856	544	41.5%	253	15.8%
NET INCOME	290	322	403	503	181	56.3%	100	24.8%
ACCUMULATE AGRICULTURE PORTFOLIO	3,373	3,816	4,525	5,350	1,534	40.2%	824	18.2%
OFFICIAL INSTITUTIONS DEPOSITS	2,805	2,820	3,159	3,517	698	24.8%	358	11.3%
MICRO LOANS	798	1,004	1,112	1,375	371	36.9%	263	23.6%
COMMERCIAL LOANS	5,601	6,431	6,165	6,237	-194	-3.0%	72	1.2%
CREDITS TO CONSUMER	6,908	6,950	8,242	8,912	1,962	28.2%	670	8.1%
Vehicles	590	666	822	1,194	528	79.2%	372	45.3%
Credit Cards	6,318	6,283	7,420	7,718	1,434	22.8%	298	4.0%
MORTGAGE LOANS	2,606	3,271	3,720	4,123	851	26.0%	403	10.8%
RATIOS								
Loan Portfolio Provisions / Non Accrual Loans	106.3%	112.6%	188.9%	186.2%				
Non Accrual Loans/ Gross Loan Portfolio	1.9%	1.9%	1.5%	1.3%				
Net Results / Average Assets	1.6%	1.6%	1.9%	2.1%				
Net Results / Average Equity	19.0%	19.2%	22.0%	23.6%				
Liquidity	42.2%	41.1%	37.7%	43.2%				

CALL

BANESCO BANCO UNIVERSAL, C.A.

STOCK CAPITAL Bs.F. 1,250,000,000

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 March 28, 2011, at 8:00 AM, in Auditorium Fernando Crespo Suárez, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, between Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve the following matters:

FIRST: Upon revision of the Board of Directors' report and the comptrollers' report, approval of the independent auditors' report on the Financial Statements for the six-month period ended December 31, 2010.

SECOND: Dividend decree in cash to common and preferred stockholders with charge to income at 2010-end.

THIRD: Appointment of the members of the Board of Directors for the 2011-2012 period.

FOURTH: Appointment of controllers for 2011-2012 and allocation of their remuneration.

FIFTH: Appointment of the Client and User Defender and the deputy.

SIXTH: Appointment of the Internal Auditor.

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

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRÍGUEZ

Chairman of the Board of Directors

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

Caracas, March 10, 2011

RIF J-07013380-5

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SOLE: Withdrawal of Public Offering of Banesco Banco Universal, C.A. stock options.

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRÍGUEZ

Chairman of the Board of Directors

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Caracas, March 3, 2011

RIF J-07013380-5

Venezuelan Economy During The Second Half of 2010

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| Gross Domestic Product (GDP) |

As per estimates of the Central Bank of Venezuela, the Gross Domestic Product decreased 1.4% in constant prices during 2010 if compared to 2009, highlighting the growth of 0.3% reached during the second six-month period, which seems to show the end of the recession phase. The reasons that allow to stop the economy contraction include: increase in the allocation of foreign currency to productive sectors by Cadivi, better performance of the oil activity, as well as a decrease in the drop of production of the majority of the sectors.

From the institutional point of view, the public sector had an increase of 0.5% in 2010, which implies an increase of 1.8% in its activity during the second six-month period, while private sector had a decrease of 0.7% during the last six months and 2.2% during the year.

The evolution of the economic activity was featured by a significant contraction during the first six-month period related to the crisis in the electric power sector, as well as the undersupply of foreign currency. Both factors were partially solved in the second half of year, which allowed to ease the drop in the GDP, especially for the oil activity, given the expansion of the oil refining volume, closing 2010 with a slight growth of 0.2% (vs. -0.3% in the first six-month period).

Regarding non oil activities, the majority reduced their drop, passing from an accumulated contraction of 3.2% within the first six months to a growth of 0.1% during the second six-month period, finishing the year with a decrease of 1.5%.

Among the sectors that reverted the drop in production during the second six-month period are Transport and warehousing (2.5% vs. -7.9% in the first six-month period), Real estate and lease services (0.1% vs. -2.4%) and Manufacture (0.0% vs. -6.8%). In one hand, Communications and General Government services continue to expand, 11.7% and 3.5%, respectively. On the other hand, sector whose contraction levels increased during the last six-month period are: Mining (-15.3% vs. -11.3% in the first six-month period), Construction (-7.8% vs. -6.4%) and Electricity and water (-6.3% vs. -5.8%).



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The Communications sector maintains for 28 quarters a favorable trend given the increase in the demand of its services.

During the last quarter of the year, the manufacturing activity recorded a contraction of -0.4%, ending 2010 with a decrease of -3.4%, showing a slight recovery with respect to 2009 closing (-6.4%). According to BCV, this favorable behavior is mainly due to the increased dynamism of the food and beverage industry, especially the increase in the volume of products such as bakery, wheat threshing and milling, oil and animal fat, vegetables and dairy products.

| Global Supply and Demand |

The internal aggregate demand recorded a decrease for second year in a row, closing with a decrease of 0.9%, related to the lower private consumption (-2.3%) and the decrease of 4.4% in the gross fixed capital, which offset the expansion of 2.6% in the public consumption spending.

In spite of the accumulated contraction during the year, the results of the second six-month period show that the deficit trend has started to revert, observing more dynamism in the aggregate demand (+5.8%), mainly due to the replacement of stock.

The increase in the economic activity during the second part of the year allowed to raise supply in 3.8%, as a result from the increase of 13.9% in imports, causing a global decrease in supply of 2.3% for 2010.

| Payment Balance |

The checking account closed 2010 with a favorable balance of USD 14,378 million, which is higher than previous year (USD 8,561 million), mainly due to the increase in oil exports to USD 62,317 million (+14.2%), given the increase in the value of the Venezuelan oil in international markets, while imports remained stable (USD 38,613 million; +0.4%).

However, the capital and financial account showed a deficit balance higher than in 2009, amounting to USD 18,799 million, attributable to the already recurring deficit of the account "other investments" that closed in USD 17,983 million due to the increase in accounts receivable from Pdvsa and deposits from the private sector abroad.

Additionally, the direct investment in the country recorded for third year in a row a deficit balance (-USD 3,794 million), while the investment portfolio showed a positive balance of USD 3,189 million. However, this last balance was significantly lower than the balance obtained in 2009 (USD 8,931 million).

Consequently, the global balance of the payment balance decreased if compared to 2009, obtaining a deficit result of USD 8,060 million.

| International Reserves |

According to BCV's preliminary figures, international reserves (included the FEM) closed the year with USD 30,332 million, presenting a decrease of USD 5,498 million if compared to 2009.

Excluding the FEM, reserves closed with USD 29,500 million, USD 8,786 million out of which correspond to operative reserves (foreign currency), equivalent to less than 3 months of imports.



| Inflation |

The National Consumer Price Index showed a variation of 27.2% in the year, 2.1 percentage points above 2009 variation. This is mainly due to the food price increase (the most important group in the index). Except for food and utilities, the categories showed a decrease in the price increase rate, the most significant being: Household Equipment 24.4% (vs. 33.3% in 2009), Transportation 27.7% (vs. 32.7%), and Miscellaneous Goods and Services 29.3% (vs. 47.1%).

As to the classification per item, goods experienced an increase of 29.6% (4.6 points above 2009), basically generated by the 55.1% price increase of agricultural goods. On the other hand, services showed a lower increase over the previous year (23.6% in 2010).

In the geographical scope, each region shows different price increase rates, the most significant being: Valencia (28.7%), Maracaibo (28.6%), and Maturín (27.9%). On the other hand, inflation was lower in three of the cities comprising the index: Mérida (25.2%), San Cristóbal (24.7%), and Maracay (26.8%).

In 2010, the core inflation accumulated variation was 27.5%, slightly higher than the increase in the CPI, but 2.4 percentage points below 2009 increase.



The increase in the monetary base was 27.6% during the year (over 18.2% for 2009), to close with a balance of Bs. 126,234 million.

Finally, the Wholesale Price Index (WPI) increased 27.1% during the year, 3.8 points below the increase in 2009, mainly due to the lower impulse in the prices of both national and imported goods.

| Employment |

According to information from the National Bureau of Statistics (INE), the unemployment rate in December 2010 reached 6.51%, with an average of 8.7%, which represents an increase of 0.7% with respect to 2009.

In accordance with reports, 39.2% of employed population depended upon private companies, 32.7% were self-employed and 19.5% were employed by the public sector.

The number of employers from the private sector decreased 15.1% in 2010, recording at December's closing 374,886 employers, 67,075 less than previous year.

Regarding employment, the informal economy rate reached 44.0% in 2010.

Occupation levels increased for economic activities such as: commerce; restaurants and hotels; transport and warehousing, while occupation levels decreased for manufacturing and community services.

| Monetary Policy |

The Central Bank of Venezuela relaxed its monetary policy in order to maintain proper liquidity levels, foster loans for productive sectors and overcome the contraction in the national economy during the last quarters. The measures adopted by the issuing entity include the decrease (twice) of the legal reserve rate applied to the marginal balance of the financial entities' obligations from 23% to 17%. Additionally, it maintained the restriction for placement of liquidity absorption instruments set in November 2009.

The rest of the monetary policy instruments did not show significant variations, maintaining the interest rates applicable to absorption operations, as well as rates applicable to injection operations. No changes were observed in the rates for rediscount, advance and repo operations.

According to preliminary figures of the BCV, the monetary liquidity, measured in terms of the M2 monetary aggregate, reached Bs. 292,016 million, which implies an expansion of 24.1% in nominal terms (2.9% more than the 2009 increase) mainly generated by the rise in the public spending.

The increase in liquidity was featured by the expansion in the amount of money (bills and coins in clients' hands 27.9% and sight deposits 42.7%), especially during the last two months of the year, while the amounts in cash equivalents contracted in 6.8% (including time deposits and unsecured bonds).

The increase in the monetary base was 27.6% during the year (over 18.2% for 2009), to close with a balance of Bs. 126,234 million. This behavior was determined by the increase in its main components (bills and coins 27.6% and deposits in commercial and universal banks 24.7%), in addition to a significant increase in clients' special deposits.

| Interest Rates |

During 2010, BCV maintained unchanged the maximum and minimum limits established since June 2009, both for lending and

borrowing operations. Regarding the managed portfolio, the rate applicable to tourism sector was decreased from 13% in January to 10% in December. The rest of the rates applied to each sector remained unchanged, especially the interest rate set for the manufacturing sector of 19%; agricultural sector 13% and mortgage sector between 8.6% and 14.4%.

The evolution of the average lending rate of the six main commercial and universal Banks of the country shows a drop of 2.4 points if compared to the same period of 2009, in 17.93% affected by the decreased dynamism of the loan demand. The borrowing rate for 90-day time deposits closed the period in 14.79% (0.79% less than in 2009), while savings deposits closed with an average of 12.61%, 0.82 points under the average recorded in previous year.



BANKING SYSTEM

As per the New Year's Eve speech of the BCV's President, the performance of the banking system during 2010 was related to the evolution of the economic activity, as well as the different intervention and liquidation processes of certain financial institutions conducted by competent entities.

Likewise, during the second six-month period, the system continued with its restructure as a result from the aforementioned procedures, decreasing to 12 the number of operating institutions with respect to 2009 closing. By 2010 closing, the System is comprised of 42 institutions, 30 out of which are private and 12 are public, having commercial and universal banks 66.7% from such total.

At 2010 closing, the banking system has 3,562 offices for a total number of 74,458 employees.

As previously informed in our previous Report, there were significant changes on legal matters, such as the regulations aimed at mitigating risks from money laundering activities, the adjustments in certain parameters related to managed portfolios and the implementation of the System of Transactions with Foreign Currency Investment Securities (SITME). Subsequently, new changes arose such as the decrease in the legal reserve, the amendment to the Law of the Central Bank of Venezuela, the Organic Law of the National Financial System, the Law for Insurance Activities, Standards for the Protection of Users of the Financial System and the creation in November 2010, of the Public Security Exchange.

Such laws and regulations represented important change factors within the national financial system environment, having the necessity of adapting the technological platforms, human resources and material.

Financial entities have diligently acted in response to the new legal framework, highlighting, among other, the quick and progressive incorporation of the new system based on the microchip technology in debit and credit cards, thus assisting in the mitigation of cloning frauds, encompassed in the international best practices for banking security.

Regarding the results for the six-month period, the significant boost in the loan portfolio contributed to the increase in the system's assets reaching Bs. 403,090 million in December 2010, equivalent to an annual variation of 19.78%.

As per Bulletin of the Superintendence of Banks corresponding to December 2010, the net portfolio amounted to Bs. 181,666 million, which represents an increase of 19.07% with respect to loans granted in 2009 and 16.98% if compared to the first six-month period of 2010. From such amount, 44.82% corresponded to productive activities as

defined by the Superintendence of Banks, which amounts to more than 86 thousand million bolivars. Commercial and consumption loans decreased their share in the gross portfolio, currently representing 55.18% of the portfolio (Bs. 105,647 million), i.e. 4.84 points under the percentage recorded in the second half of 2009.

In connection with the breakdown of the portfolio per economic activity, 21.6% corresponds to loans granted to the commercial, restaurants and hotels sector, 17.1% to the agricultural, fishing and forest sector, while 9.5% and 8.5% correspond to manufacturing and construction industry, respectively. The rest was distributed between the rest of the activities.

Furthermore, it should be mentioned the percentages required for the managed portfolios for agricultural (25.72%), mortgage (18.75%), microcredit (4.34%) and manufacture (11.05%) sectors, due to the great effort of the banking system to address the financing demand of priority activities for country's development. The portfolio for tourism sector reached a compliance level of 2.61%, 0.61 points under the minimum required of 3%; however, it recorded a significant growth with respect to 2009 closing (23.26%).

Regarding default rates, at December 2010 closing, it presented more than 472 thousand past-due and in litigation loans which increased the index to 3.43%, having an increase of 0.46 points with respect to the same term of 2009. A significant increase is observed in the past-due and in litigation loan portfolio for the agricultural sector, doubling the amount recorded by the closing of previous year.

Regarding the liabilities of the banking system, an increase of 25.16% was observed in clients' deposits for 2010, closing December with Bs. 324,903 million, leveraged by the increase in checking account deposits (+41.09%). Savings deposits and time deposits had variations of 23.03% and -55.63%, respectively.

The breakdown of deposits per type reaffirms that time deposits have lost importance during the last year, passing from representing 10.9% in December 2009 to 3.9% for current year. Saving deposits remained steady encompassing 20.2%, while sight deposits increased to 57.5% in December 2010.

Regarding the number of depositors in the banking system, by the last December closing, the amount exceeded 24 million, 62.17% out of which is focused on the savings accounts, 37.29% in checking accounts and the rest in time deposits, 85% of which had due dates between 30 and 60 days.

From this six-month period management, we obtained a net income of Bs. 4,088 million, after deducting income taxes (Bs. 341 million), showing a return over average equity of 20.04%, exceeding in 3.1 points the average of the same period of last year, but lower than the accumulated inflation rate.



From this six-month period management, we obtained a net income of Bs. 4,088 million, after deducting income taxes (Bs. 341 million), showing a return over average equity of 20.04%

It is worth mentioning the equity strengthening of the financial system, closing the period with a level exceeding 35 thousand million bolivars, after an increase of 22.7% during 2010, which represented the obtainment of a sufficiency index of almost 9.93%, 1.33 points over the percentage recorded in December 2009 (8.60%).

Banesco Banco Universal

The outstanding professional background of Banesco Banco Universal as the most important private bank of the country was reaffirmed by the financial results observed in the balance sheet corresponding to the period ended December 2010, leading important captions such as Managed Funds, Clients' Deposits, Total Assets, Loan Portfolio, among other. We also must highlight other significant areas for Venezuelan population such as the promotion of access to banking system and the contribution with small entrepreneurs through Banca Comunitaria Banesco.

We closed the period with total assets for Bs. 52,087 million, which represents not only the first place in the private banking segment, but 13.0% share in the system, observing an annual variation of 21.0% (Bs. 9,021 million).

68.3% of such amount includes average productive assets, representing the loan portfolio 53.1% of the Bank's assets, while security investments only comprise 9.2%.

Banesco Banco Universal during ended period, reaffirming the leadership in the mortgage activity by granting 2,577 new loans

The foregoing reaffirms Banesco's orientation to loan intermediation, obtaining a ratio of 60.34%, maintaining during the last periods, levels over the banking system's levels (55.91% in December 2010), fully achieving the goals of regulating entities regarding managed portfolio (tourism, mortgage, manufacturing, agricultural and microcredit portfolios).

During the period under review, Banesco recorded a significant boost in its loan portfolio, closing 2010 as the first bank of the country in granting loans (15.2% of share), with an amount of Bs. 27,654 million, showing during the last 12 months an increase of almost 5 thousand million (21.6%), for a total number of 1,773,167 loans, i.e., 19.0% of loans granted by the banking system.

We once again evidenced our commitment to national agricultural activity, occupying the first place, with an accumulated portfolio of Bs. 5,350 million, represented by more than 3 thousand loans, achieving the largest growth in the banking system during 2010, Bs. 1,534 million (+40.19%).

Financing for dwelling construction and acquisition was supported by Banesco Banco Universal during ended period, reaffirming the leadership in the mortgage activity by granting 2,577 new loans whereby more than 10,300 families were benefited with a placement of Bs. 2,552 million between short and long-term modalities, thus complying with regulations.

In connection with the manufacturing portfolio, the Bank reached 10.39% compliance, exceeding demands, with a placement of Bs. 2,417 million for a total of 1,251 loans directed to the industry sector, which represents a share of 14.9% and the second place in national market.

The growing demand of microcredits was also responded by Banesco, amounting such portfolio to Bs. 1,375 million in December 2010, after an increase of Bs. 371 million (36.9%) if compared to previous year, granting more than 35 thousand loans and exceeding the goal established by law, remaining as the absolute leader in this type of financing (20.6% share).

We also supported the country's commercial activity, with more than 122 thousand loans granted, ending the period with a portfolio balance of Bs. 6,237 million.

Banesco also maintained as one of the main banks used for vehicle financing, showing an amount of Bs. 1,194 million (10.2% share) in its portfolio in last December, representing an increase of 79% with respect to 2009.

It also should be highlighted the main role of Banesco in supporting national tourism recording loans for Bs. 638 million, first place in the system with a share of 18.0%.

Likewise, it should be mentioned the sound position of the different economic activities, being the first bank in financing to the agricultural, fishery and forest sector (16.8% share), as well as to the construction sector with a share of 11.7%. Our portfolio is also oriented to the commercial sector (14.7%) and manufacturing industry (8.7%), among other, which implies the wide diversification of our portfolio, as well as a strong presence in all the country's productive activities.

This performance resulted from the efficient management in the use of best practices, closing 2010 with one of the lowest default levels of the financial market, 1.30%, which evidences the excellent quality of the portfolio, properly provisioned with a hedging ratio over its fixed asset portfolio of 186.20%.

Thus, we managed to capitalize not only the growing financing demand for individuals and legal entities, but we remained as the preferred private bank of the country by savers, having 18.1% of depositors (more than 2,700,000) in this modality.

Furthermore, at 2010 closing, Banesco has the highest amount of depositors of the banking system, almost 6 million (23.2% of market share), maintaining its leadership in the number of account holders, exceeding two million eight hundred thousand clients for this product (32.1% share).

During the second quarter of the year, we observed an increase in deposits of more than eight thousand million bolivars for a closing balance of Bs. 45,832 million (14.1% of market), being 62% comprised of checking accounts (Bs. 28,241 million), while savings deposits amounted to Bs. 8,445 million, increasing their balance in almost one thousand nine hundred million bolivars.

From the total of clients' deposits plus the balance recorded in the caption of Housing Policy Law, a volume of funds managed amounted to Bs. 50,233 million in December 2010 (14.8% share), continuing in the first place of the market.

The period ended with a significant capitalization of Bs. 637 million, increasing total equity to Bs. 4,235 million (3rd. Place and a share of 12.1%).

From the statement of operations, we observe financial income for Bs. 2,986 million, Bs. 2,733 million out of which were generated by loan operations, having an increase of 10.5% if compared to the first six-month period of the year, due to the significant growth of the Bank's loan portfolio. Financial expenses amounted to Bs. 794 million, representing a decrease of Bs. 107 million during the period under review, which evidences the improvement in the deposit structure.

The operations of the second six-month period lead to the obtainment of a net income of Bs. 503 million, figure that along with the equity translated into a profit of 23.60%.

The initiatives of Banesco Banco Universal supporting the use of electronic channels and energy saving contributed to the increase of transactions by these means to 88.5% of total share and an increase in the number of clients using them.

In addition to its website BanescOnline, Banesco also offers its clients 446 service points at national level, 53,437 sales points, 1,865 ATMs, 342 auto-service equipment, 243 checkbook dispensers and its call center.

The period ended with a significant capitalization of Bs. 637 million, increasing total equity to Bs. 4,235 million (3rd. Place and a share of 12.1%).



Corporate Support

Human Capital: Our Main Asset

Banesco's leadership is supported by its main asset, the energy that fosters us to reach our goals and challenges us: Our Human Capital. Therefore we are constantly looking for options, strategies, benefits and activities that help to improve the life quality of all Banesco community. Among the initiatives of the Organization to consolidate this commitment to each collaborator during the second half of 2010 are:

| *Tu Casa Propia con Banesco* (Have Your Own Home with Banesco) Program |

Improving the life quality of its employees constitutes the fundamental base of Banesco's success. Therefore, the Organization makes efforts to increase the socioeconomic benefits granted to its employees in order to optimize their labor conditions. In 2006, the Organization formalized Tu Casa Propia con Banesco (Have Your Own Home with Banesco) Program to offer to its entire staff the opportunity to have their own home. For 2010, the Bank granted 330 loans. Banesco invested Bs. 364,628,984.64 in loans granted with its own capital, which represents an increase of 29% with respect to 2009 closing and the amount of Bs. 482,262,913.58 granted to the same employees with resources from the Mandatory Housing Savings Fund (FAOV) having an increase of 7% with respect to the second half of 2009. Additionally, we continue promoting the granting of loans for the acquisition of houses and reservation down payments, paid with the years of service. During the second half of 2010, 196 loans were granted for the amount of Bs. 3,454,700.00.

| Permanent Development |

We are an Organization that believes in its people and develops all their skills and strengths, in Banesco we are committed to the growth and professional development of our human talent. Therefore, we provide training fostering the achievement of the required competencies.

During the second six-month period, 197 training events were conducted with the participation of 3,199 employees for the purpose of enhancing the skills defined by the Organization, such as Engaged with Profitability, Staff and Work Teams Management, Integrity and Trust. Likewise, we incorporated movie session discussions in order



*During the second half of the year,
393 employees were promoted to higher
positions, with represent 6% growth
with respect to the same period in 2009.*

to assist our personnel to develop Clients' Orientation and Influence and Negotiation skills. Additionally, we conducted the remote individual development planning process with the participation of 5,187 employees, who started to execute their plan in July.

Likewise, during the second period of 2010, more than 10,000 employees received training in Personal Responsibility, Effective Communication, Management of Personnel and Work Teams and Talent Self-development, Integrity and Trust, Clients' Orientation, Planning and Organization and Technical-Regulatory Training.

Additionally, as a clear evidence of the development opportunities of our collaborators, during the second half of the year, 393 employees were promoted to higher positions, with represent 6% growth with respect to the same period in 2009.

| Rewarding Loyalty |

In Banesco, we reward the time and loyalty of our peers for every five-year period of service. Like every year, in November and December, Banesco held the events to recognize 1,545 workers with minimum 5 years of service, and this year we awarded employees with over 35 years of service.

| A Toy in Christmas |

The children of our entire staff under 12 years old received between November and December and e-card to acquire whatever toy they wanted in a large toy store network all over the country. Thus, 7,970 children of our staff received a Christmas gift from the Organization.

| University Scholarships |

The Organization grants this benefit to employees pursuing an university career in Economics, Business Administration, Accountancy, Information Technology or similar careers related to the banking, financial and tax career, with an average grade over 15 points or its equivalent in other scales. For the academic period 2009-2010, we benefited 140 employees at national level. Such benefit corresponded to the amount Bs. 120.00 per month, which was deposited in their accounts from October 2009 to July 2010.

| Comprehensive Prevention Program |

Vacation Program Eco-vacations "It is possible without Drugs 2010"

This vacation program was held in August and September with the participation of 1,266 boys, girls and adolescents at national level. In the Metropolitan Area, 850 children aged between 5 and 12 years old participated under the 'day camp' modality, and 316 children between 8 and 12 years old from around the country participated under the 'overnight camp' modality.

Tu Bienestar (Your Wellness)

Always concerned for promoting the wellness of our employees, we fostered the initiative "Tu Bienestar", for the main purpose of enhancing the bonds between the Organization and the employees' life quality. As part of this initiative, during September, October and November, fitness activities were conducted in open spaces of our main office, where more than 700 people participated.

| Corporate Voluntary Service |

Business Social Responsibility is part of our organizational strategy. During 2010, 4,878 voluntary hours were incurred, increasing 22% if

Banesco's Annual Voluntary Service Meeting was held in November, when panel discussions and activities related to 2011 planning were performed.



compared to 2009. We also worked with our social partners in the following initiatives with children and adolescents:

Environment Voluntary Service

During this period, tree planting activities were conducted at Parque Nacional Warairarepano as well as Cleaning Journeys in different beaches of the country in order to gather and classify solid waste, where we had the cooperation of our employees and their families, who helped us to raise awareness as to the importance of protecting our planet.

Annual Meeting

Banesco's Annual Voluntary Service Meeting was held in November, when panel discussions and activities related to 2011 planning were performed.

IUJO Program

Continuing with our relationship with Instituto Universitario Jesús Obrero, social partner where our Professional Volunteers serve through Complementary Training sessions to its students, during the second half of 2010, we conducted 4 Supplementary Training Workshops for 80 students from Barquisimeto and Caracas. Workshops included: Financial Statements Basics, Drugs Prevention, Investments in the Stock Exchange and Accountancy Basics.

“Amigos de la Naturaleza” Initiative

This initiative arises for the purpose of developing didactic and recreational activities to foster environment responsibility in children and adolescents of Fundana, Casas Don Bosco and Hospital Ortopédico Infantil. During 2010, eco, didactic and voluntary activities were conducted with these social partners in connection with environmental care.

Provea

Through an Alliance with this non-profit organization, whose stated purpose is the promotion and defense of human rights, during the second six-month period, human right workshops were offered for the attendants to gain theory knowledge on human rights for future spread. Employees of our Corporate Voluntary Program participated in these activities, incurring in 208 training hours.

CaBanesco

The savings fund of Banesco's employees (CaBanesco) is stated for the purpose of fostering savings and advising associates on the proper use of its services, based on the social wellness to improve their life quality.

In line with its main purpose, during 2010, CaBanesco granted 7,752 loans to its associates, 38.08% out of which were for a mid-term, 61.84% for short-term and the rest (0.08%) for long-term.

The services rendered during the period ended December 31, 2010 include: funeral services (115), recreational services (391 days), assistance for medical emergencies (32), retirement funds (9) and mutual assistance (77).



For Vocation and Conviction

The Social Balance of Banesco Banco Universal reported during 2010 an investment of Bs. 30,809,580, accumulating since 1998 to this date Bs. 185,553,244.

In line with our mission, vision and values, Banesco Banco Universal is incorporating dialog with interest groups as part of its strategic planning. In connection therewith, we have worked during this year in the design of the dialog procedures as per international standard AA1000.

Likewise, at Board of Directors Meeting held November 24, a new Liability and Sustainability Policy was approved. For its implementation, a new Liability and Sustainability Committee will be created in replacement of the current RSE committee.

During 2011, the first dialog process with the internal interest group, i.e. human capital will take place.

IESA

We entered into a sponsor agreement with Instituto de Estudios Superiores de Administración (Institute for Advanced Studies in Administration - IESA), whereby we committed to grant \$ 1.5 million to enhance post-graduate Studies offered in this training business center.

As per the agreement, the funds will be granted within a 5-year term. In 2010, Bs. 1.29 million were granted, which at the exchange rate of Bs. 4.3 per US\$ 1 represent \$ 300,000.

Funds will be addressed to Campaña IESA 2015 for the incorporation of a stabilization fund allowing to expand and retain the professor staff of one of the signature programs of the Institute: The Finances Master and to improve the Entrepreneurs Center, the purpose of which is to promote and educate small entrepreneurs.

IESA has estimated to increase in 70% the number of annual graduating students in the Finances Master and educate about 15,000 entrepreneurs for 2015, when the institution will arrive to its 50° anniversary.

Fundación Amigos del Niño con Cáncer (Friends of Children with Cancer Foundation)

We renewed our support to Amigos del Niño con Cáncer Foundation and granted Bs. 100 thousand for the acquisition of antineoplastic medicines to be used for the treatment of cancer children and adolescents treated by this institution.

Amigos del Niño con Cáncer Foundation has 26 years of existence and its mission is to provide cancer children of low resources and their families with the means required for their treatment. This project has generated opportunities for a large number of children thanks to a comprehensive assistance.

| Solidarity |

We joined to the public and private companies that contributed with the people affected by rains occurred by the end of last November. Thanks to the solidarity of public and contributions made by the financial entity, the checking account opened by the Bank in solidarity with affected people reached Bs. 1,825,000.

For purposes of reaching such amount, Banesco made an initial contribution of Bs. 1,217,038. Additionally, clients' contributions for Bs. 303,981 were received, which were doubled by the bank to reach Bs. 607,962.

From the total amount of Bs. 1,825,000, Banesco allocated Bs. 1,425,000 for the acquisition of 50.84 tons of food and supplies for Ciudad Banesco Distribution Centers to be distributed among 18 institutions and entities that are directly collaborating with people affected by rain, namely:

- Mayoralty of the Bolivarian Municipality of Libertador
- Mayoralty of Sucre (Miranda State)
- Mayoralty of El Hatillo
- Mayoralty of Caracas
- Jesús Obrero School
- Fe y Alegría (Educational Institution)
- General Prosecutor's Office of the Republic
- Fuerte Tiuna (Army Base)
- Government of Miranda State
- Government of Vargas State
- Inparques Galipán (National Institute of Parks)
- INTTT (National Institute of Traffic and Land Transportation)
- Ministry of People's Power for Internal Affairs
- SAIME Porlamar (Administrative Service of Identification, Migration, and Immigration)
- Universidad Nacional Experimental Simón Rodríguez - El Valle
- Universidad Católica Andrés Bello
- Plaza Municipality Civil Protection (Guarenas-Guatire)

Additionally, Banesco, through its vice-presidency in Zulia-Falcón region, acquired products for Bs. 100,000 for disadvantaged people to be distributed by the governments of Zulia and Falcón, as well as by the Mayor's Office of Mara.

Likewise, through the unit that serves the Public Sector, we granted Bs. 50,000 to the Government of Nueva Esparta State in goods and fixtures for rain victims in that region.

*As of December 15, the Bank reports
150 cases of employees who require mortgage
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to their houses, lost of fixtures.*

Additionally, Banesco distributed sleep mats (680 units), serum and medicine kits. We also put to the disposition of Baruta Mayor's Office a work crew of 10 men for one week for recovery and clearance works.

Thanks to the call to cooperate with the Distribution Center of Ciudad Banesco, the neighbors and friends made contributions equivalent to 1.49 tons (clothes and products for ladies, children, gentlemen, food and linens, among others).

Other Contributions

From the funds deposited in the checking account opened by Banesco for people affected by rain, the Bank allocated Bs. 100,000 to the Venezuelan Red Cross and other Bs. 150,000 to the Banking Association of Venezuela, for the proper distribution of supplies.

Banca Comunitaria Banesco (Banesco Community Banking)

As part of the assistance program, the Banesco Community Banking Team of Antimano Agency granted food and material to our clients and users of this parish who were affected by rain.

With Our Employees

Banesco implemented a Contingency and Solidarity program with its employees affected by recent rains. Therefore, it activated three phone lines and an email whereby the demands of its employees are addressed in the entire country.

As of December 15, the Bank reports 150 cases of employees who require mortgage loans, remodeling loans for major damage to their houses, lost of fixtures. To date, 22 cases have already solved. The Bank has accommodated its employees in Hotels while solving their problem.

AVEC

More than 6 thousand students and teachers of 12 schools located in popular areas will benefit from the improvements to the physical structure of their schools, thanks to the renewal of the agreement entered into between Banesco Banco Universal and the Catholic Education Venezuelan Association, which implied the disbursement of Bs. 1 million.

99% of funds shall be used for the consolidation of the educative infrastructure, while the rest was used in the realization of the AVEC Triannual Meeting.

Thanks to Banesco's contribution, 6,260 students and teachers of 12 schools will be benefited, through works such as building of classrooms and sports fields, repair of electricity and sewage systems and building of labs, among other.

The schools where these works will be executed are spread throughout the national geography, including cities such as Tucupita, Barcelona, Barquisimeto, Coro, Maracaibo, Maracay and Mérida, among other.

Participative Budget-Colinas de Bello Monte

The initiative Participative Budget with Colinas de Bello Monte Community of Banesco Banco Universal was awarded with the Public Prize Por la Caracas Posible 2010, under the category Social Responsibility Experience. Since 2008, we maintained a budget to address projects presented and selected by the neighbors of this area where our main office, Ciudad Banesco, is located.

The prize was awarded this year for the first time, within the framework of the 5º Anniversary of the Civil Association Por la Caracas Posible. This NGO indicated that the purpose of this award was to highlight the labor of different actors in the promotion of a more human, decent, kind, participative and democratic city model.

During the verdict in the Social Responsibility Experience category, where Banesco was awarded, the jury indicated that based its decision on "the development of the 'Participative Budget Banesco-Colinas de Bello Monte: Community decides', whereby, the execution of different projects were promoted for the benefit of neighbors, such as: scenic easement, control measures for the use of public roads, attention and recreation of senior citizens, teaching awareness for the inclusion of people with disabilities into the classrooms, socio-productive incorporation of young people, support to health programs, scholarships, restructuring of educative spaces and implementation of personal and community security measures".

During the second half of 2010, we granted Bello Monte Community Bs. 366,291, which were used for projects such as Micropiles and Court Renovation of the Educational Center of Professor Association of UCV; Allocation of equipment to improve the security in Colinas de Bello Monte, it Community Council and Restructuring and Allocation of Physical Therapy and Rehabilitation Center, project presented by Santo Domingo Foundation.

Universidad de Carabobo (Carabobo University)

We granted Bs. 100,000 for the *XI Feria Internacional del Libro de la Universidad de Carabobo-FILUC 2010* (International Book Fair) held from October 30 to November 7, 2010.

The purpose of FILUC is to spread and exchange science, human and technology knowledge through a significant editorial spread, satisfying the academic, literary and cultural needs of readers.

Throughout its previous ten editions, it reached more than one million and a half visitors, fostering reading practice in more than 200 thousand children of schools of Carabobo State. Likewise, they have worked in updating of different teachers in the reading area, having the visit of well-known national and international writers and the attendance of important figures of the country's literary, political and cultural sector.

Academia Nacional de la Historia (National Academy of History)

Juan Pablo Rojas Paúl Foundation

We donated Bs. 102,500 to the National Academy of History and Juan Pablo Rojas Paúl Foundation for purposes of financing the project for the digitalization and semi-automation of the Liberator's File.

The individual responsible for this project is Professor Ezio Serrano Páez from the Social Science Department of Universidad Simón Bolívar (USB). The purpose is to prepare a basic index and digitalize the microfilmed original documents belonging to the Liberator's File and complete this repository with the Section of the principal registry existing in the Bolívarium (USB). The foregoing would constitute the first technical, modern and accurate index of the referred to file. The only file existing to these days was published in 1956 under the coordination of Ángel Grisanti.



Fundana

In addition, Bs. 180 million were contributed to our Social Partner, *Fundación Amigos del Niño que Amerita Protección* for the maintenance of *Las Villas de Los Chiquiticos*.

Fe y Alegría

For purposes of continuing with the expansion and remodeling works of IUJO San Francisco, located in Maracaibo, we contributed to Fe y Alegría trust fund the amount of Bs. 740,820 during the second half of the year. Fe y Alegría is also one of Banesco's social partners.

Innovative, Ecological and Digital

Leadership in digital communities

Always aware of the new communication trends and forms to interrelate with our clients and the community, in 2010 Banesco is present in the most popular social networks for Venezuelans.

We are present in Twitter through @banesco; in Facebook: Banesco Banco Universal; in YouTube, Banescoenimágenes and Blogósfera Banesco, we started our path in digital communities, constantly generating discussions, contents and promotions, especially designed for participants in these new affiliation and communication channels.

We are proud to show our leadership as the 1st worldwide bank with more followers in Twitter, as per figures published at visible-banking.com; thus recognizing the vocation to listen and respond to the voice of our clients and followers and thank the preference, popularity and positioning of Banesco trademark.

Speaking from Entrepreneur to Entrepreneur

For the purpose of offering the small and medium-sized companies, tools for their productivity and competitiveness, Banesco organized and sponsored for second year the journey "Speaking from Entrepreneur to Entrepreneur", which counted on the participation of a significant number of companies.

New appointment system for Cadivi requests

Through a marketing campaign at Banesco.com and social networks, and in order to assist our clients in Internet travel and purchase planning, in July we launched the information campaign as to the new appointment system through the Call Center to request Cadivi's certificates.

This new function was oriented to all individual or family requests in order to obtain the foreign currency required to travel abroad, cash and Internet purchases.

BanescoMóvil: Banesco in our clients' mobiles

Since May 2010 and through a social network campaign we offered our clients the BanescoMóvil service: a financial solution to make consultations, transfers and payments through his/her cell phone. This mass campaign was launched in October, including new functions such as transfers and payments to other Banks and payment of CANTV service.

For purposes of enjoying this service, clients have to be previously affiliated to BanescoOnline, having internet connection and credit in their mobile phones.



BanescoMóvil is also the first application especially designed for BlackBerry, which ratifies one of its main attributes as the financial innovation.



Adidas and Banesco grant Jabulani balls to children of Fe y Alegría and Casas Don Bosco

Hundreds of children from Fe y Alegría and Casas Don Bosco –two of the main social partners of Banesco with a well-known activity in favor of education in the country's popular areas-, received soccer balls, thanks to the alliance between Banesco and Adidas, which made possible the delivery of balls similar to those used by soccer stars in the last South Africa 2010 World Cup. This act was held at Ciudad Banesco.

¡ExtraCrédito: cuando nuestros clientes más lo necesitan! (ExtraCrédito: When our clients need it the most!)

For purposes of accompanying our clients throughout the different seasons of the year, we design offers and messages to Banesco cardholders, promoting the use of ExtraCrédito for purchase of travel tickets and packages; purchase of uniforms and school supplies and Christmas presents.

**En Navidad y durante todo el año:
Banca Electrónica Banesco, la forma
más ecológica de ir al Banco**

In Banesco we apply technological innovation and environment care; therefore, since September we started the campaign “Banesco Electronic Banking, the most ecological form to go to the Bank”, by inviting our clients to use the different Banesco electronic channels in order to contribute with energy, paper and time saving. The campaign was broadcasted in TV, radio, press and social networks.

In order to continue with the ecological call, in Christmas, the traditional Santa who visits our facilities at Banesco El Rosal and Ciudad Banesco, sent messages such as: “Sow a tree, save energy, save water”, words that accompanied the stunning images realized and illuminated with ecological techniques.

Winning Ticket in Christmas: 5,000 winners

For Christmas season, the Permanent Program Ticket Premiado Banesco (Banesco winning ticket) offered 5,000 prizes from November to December for individuals making payments and purchases through Banesco point of sales.

Banesco debit and credit cardholders, as well as credit cardholders from other banks participated for 5,000 opportunities to win an Instant Free Purchase.



Service and Quality... Measuring and Managing

During this period, we maintained the pursuit programs in order to guarantee the execution of the offer and the quality.

In this cycle—July/December 2010—, the periodical programs and market studies were applied to monitor the service and the clients' necessities focusing on channels and attention points, being high levels of satisfaction: Agency Service Audits (94 agencies assessed) reaching a level of performance of 96.6% and Telephone Banking Satisfaction (2 applications).



Electronic Channels

At 2010 closing, transactions through electronic channels had a relative increase of 4.8% with respect to previous year, passing from 67 to 71 million of average monthly transactions.

The share of transactions conducted through these channels was 88.47%, which represents an increase of 1.08 percentage points with respect to 2009.

BanescOnline

December 2010 closed with 2.3 million affiliated clients, that is, 348,860 clients joined the channel, which represents a 17.7% increase over December 2009.

On average, 37.6 million transactions were made per month, that is, an increase of 10.6% over 2009. The average monthly amount managed in 2010 was Bs. 9.7 billion, which showed a 49.5% increase over 2009.

New functionalities were included into this channel during the first half of 2010, including: Square account balance inquiry, Donations to Venezuela Sin Límite (non-governmental organization), and Debit Card PIN number reassignment.

Call Center

As of 2010 close, the call center received a monthly average of 2.9 million calls, of which 817,319 were received by the Call Center Agent per month. The channel managed 1.6 million transactions with an average participation of the robot (IVR technology) of 81%.

During this period, new functionalities were added through this channel, such as: Clave Dinámica de Operaciones Especiales (One-time password for special transactions - OTP), Debit Card PIN number reassignment, and Credit Inquiry.

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

At 2010 close, Banesco had:

- 53,437 Points of Sale (44,246 Physical POS and 9,191 Virtual POS), whereby 11.9 million monthly average transactions were made, showing a relative growth of 3.8% over 2009..
- Banesco currently has 37,000 reprogrammed Points of Sale admitting EMV (Chip), that is, 90% of affiliated businesses and over 11,000,000 transactions made through this technology.

- 1,865 ATMs, through which 10.8 million (Issuer) and 11.5 million (Acquirer) average monthly transactions were made in 2010, that is, 8% and 11%, respectively, over last year. We also maintain our leading position in transactions as acquirers in Suiche 7B and Conexus networks.
- 342 Self-Service equipments (581,780 monthly average transactions).
- 243 Checkbook Dispensers (153,000 monthly average transactions).

53,437 Points of Sale (44,246 Physical POS and 9,191 Virtual POS), whereby 11.9 million monthly average transactions were made, showing a relative growth of 3.8% over 2009.



| Management of Payment Products, Means, and Services |

Cash Management Services

During the second half of 2010, the services of Payroll Payment, Suppliers Payment, and Direct Billing experienced a global growth of 34.31% in managed amounts and of 5.57% in transactions made through the Electronic Data Interchange (EDI) platform in comparison with last year's second half.

The joint operation of the Specialized Banking and our executives of Payment Means and Services facilitated the incorporation of 368 clients to the portfolio, that is, 6.968 clients by the second half of year. Tax Collection services grew by 37.30% over the second half of 2009, while transaction journals decreased by 19.61% –from 5.6 million in the second half of 2009 to 4.5 million in the second half of 2010.

New Developments

During this six-month period, new functions were incorporated to *Pago Electrónico* (Electronic Payment) as follows:

- New Users' Administration with the possibility of determining Administrator Users for accounts.
- Configuration of the information to be viewed by users in options regarding to consultation and approvals.
- Approval model administration per account.
- Improvements in the view and printing of Payment Vouchers to Suppliers.
- Preview of the content of the file before delivery.
- Detailed view of the approval model per document. If the document is in process, the approval trace is viewed as well as the approval signatures and pending signatures.
- Possibility of restricting the options available for MASTER users.
- New version of the DataEntry applicative type.

Regarding Mobile Solutions, other options were added to Banesco Móvil service for clients to carry out:

- Transfers between the same holder and third parties in Other Banks.
- Payments of credit cards of the same holder and third parties in Other Banks and CANTV payments.

This service is available in two versions: Web Móvil (browsing) and BlackBerry Application, which can be downloaded in your mobile phone.

In 2010, we offered our product ExtraCrédito Vuelta a Clases (ExtraCrédito Back to School) to help our clients in the purchase of school supplies and uniforms

| Debit and Credit Cards |

Debit Card Issuing Business

Banesco retains its leadership in the Debit Card Sales market, with a share of 24.14% at 2010 closing, which means a difference of 8.64 percentage points with respect to our closest competitor and 9.84 points with respect to the third place.

This leadership is sustained by the maintenance of excellent levels of service and strategies generating added value to our products to retain the preference of clients for Banesco Maestro Debit Cards, such as the improvement in the use of electronic channels for more comfort and velocity.

Banesco started the second half of 2010, with the campaign for the replacement of debit and credit cards from magnetic stripe card technology to chip card technology (EMV). The foregoing will provide more safety transactions conducted through POS and ATM. To date, more than 400,000 debit cards and 70,000 credit cards have been replaced, fostering the change of the rest of the clients with the Micro Chip campaign.

Credit Card Issuing Business

Banesco maintained for this six-month period its leadership in credit cards in the Venezuelan market, as a result from different business strategies that have been implemented and that follow our innovation line.

In 2010, we offered our product ExtraCrédito *Vuelta a Clases* (ExtraCrédito Back to School) to help our clients in the purchase of school supplies and uniforms, for which 2,870 stores were affiliated in the country. This campaign was spread in press, social networks and internal communications.

In June the SMBs credit card was created, directed to the small and medium-sized entity segment, for the purpose of finance the purchase of material and supplies for the development of their activities (working capital). This instrument has functions such as cash advance and point of sales consumption.

Banesco continues enhancing the commercial alliances and promotions with known trademarks in the Venezuelan market to offer more benefits to our clients, thus obtaining fidelity and loyalty to our trademark.

Specialized Segments

In 2010, the Vice Presidency of Segment Management, attached to the Banking and Cards Management, was mainly created to complement and support the management and performance of Sales Vice Presidencies of Specialized Segments in Information Management, Project Development, and Product Integration matters in order to leverage their performance regarding growth, profitability, productivity, and service quality.

| Corporate Banking |

During the second half of 2010, the Corporate Banking continued focusing its efforts on approaching its clients, giving priority to the sectors that required more financial support, both from a credit and a transaction point of view, through visitation plans that allowed knowing firsthand the clients' needs. This strategy translated into the provision of a service in line with the clients' requirements, aimed to achieve more connection and loyalty. This had an effect on the increase in the transactional activity and the increase in the volumes of imports processed through the Bank.

In the second half of 2010, the bank recorded a 101% annual increase in index funds over 2009, and granted manufacturing and tourism loans to one of the sectors promoting the country's development.

| Business Banking |

The Bank directly contributed to the compliance with the portfolio percentages required for the manufacturing and tourism sectors of the Bank by concentrating 16.0% and 7.5%, respectively, of these mandatory loans to its credit portfolio. The business credit aimed to the growth of the general economic activity and hence welfare generator, represented 73.5% of the portfolio.

| Agricultural Banking |

During the second half of 2010, the Agricultural Banking met the National Government's requirements to foster the country's agricultural development. The Bank continue focusing on giving priority to clients from the primary sector to develop the credit business at a producer level, and clients from the agroindustrial sector to, in addition to credit, boost the bank transaction activity and increase the volumes of imports processed through the Bank.

In the second half of year, the Agricultural Banking recorded a 45% annual increase in index funds over 2009, with a mixture of funds that leverage the Bank's profitability.

| Energy Banking |

The Bank maintained its growth in credits, continuously supporting compliance with the portfolio aimed to the manufacturing activity by meeting 60.40% of the total portfolio of the vice presidency, mainly from the petro-chemical sector (35%), the metallurgical and metal-mechanical sectors (47%), and others (18%).

The rest of the portfolio was aimed to the service area supporting the activities of the national oil industry, as well as the power and metallurgical sectors of the country, representing 39.6% of the total portfolio.



| Public Sector Banking |

The aspect of more impact is the attention given by this segment to the IVSS (Venezuelan Institute of Social Security), providing direct services to over 403,000 pensioners nationwide, equal to 24.5% of the total pensioners in the country, by offering an agency network throughout the country, flexible schedules, and services that simplify the payment of pensions to senior citizens.

| Premium Segment |

As of December 2010 close, the segment had 60,102 clients and a total of 10,577 loans granted, increasing the intermediation percentage and exceeding by 29% the estimates of the volume of the portfolio for the period, maintaining a great quality with a default index of 0.05%.

At an operating level, the alternate channel use indicator improved, thus promoting client self-management, optimizing both their time and ours.

The credit card use index by our clients, significantly increased by 87.22%, which proves that we offer the highest-level products within the market, increasing our clients' confidence in using their cards.

| Private Banking |

As of the second half of 2010 close, the segment showed a 29% increase in its trading portfolio over the previous period, maintaining a high-quality portfolio with an immobilization ratio of 0.49%, resulting from the consolidation of our relationship with our clients deepened through the exchange of credit products.

As of 2010 close, clients' deposits showed a 7% increase over 2009, recording a significant variation with a mixture of products resulting in a major contribution to the profitability of the Organization. The growth of this segment evidences the clients' confidence in the administration of their financial assets through this Bank.

| Mass Segments and SMBS |

During the second half of 2010, we increased our presence nationwide, opening 6 new service points: Banesco Express in El Recreo Mall, Teller Window Coca-Cola Maracaibo, Banesco Express Boleíta, Teller Window Víveres de Cándido, Banesco Express Tamanaco, and the bank agency in Copacabana Mall.

As of December 2010 close, the structure consisted of 446 service points nationwide (Private Banking and Banesco Community Banking offices excluded) with 7,653 employees.



Mass Sales Management registered growth of 27.79% to the credit portfolio during the second half of year

In order to meet the specialized service needs of the SMBs Segment, we boosted the deployment of consultants in the Capital District and the following regions: Los Llanos, Western-Andean, Southeastern, and Zulia-Falcón.

New Agency Client Services

We offer Banesco Express Procedures + Consultations, aiming at centralizing the functions of administrative positions of services by standardizing activities, in order to improve sales effectiveness and the efficiency of the operational model, optimize the agencies' dimensions, improve the network's client service model, simplify, specialize, and standardize the operational model, and, finally, provide our staff with time to sell and generate new businesses.

Mass Sales Management registered growth of 27.79% to the credit portfolio during the second half of year, observing the following variation on the business line: Commercial loans (31.78%), Microcredit (25.46%), Vehicle loans (52.67%), Mortgage loans (14.65%), Manufacture loans (54.33%), and Tourism loans (56.06%). We closed the year with over four million five hundred clients, which represents an increase of 6.4% with respect of the previous semester.

Programs per Clients

New measures were taken addressing the different areas in order to strengthen relations, increase cross-product, and improve the client's profitability:

- **SMBs event:** "From entrepreneur to Entrepreneur" 2nd edition, to which a group of the SMBs clients was invited, there were lectures regarding the economic environment, the staff as the company's essential base, and finally, the Web 2.0 and social networks.

Sectoral Orientation

- **Food:** Credit loans for businesses like bakeries, markets, and supermarkets, among others, to finance inventory, remodeling, and equipment.
- **Health-Pharmacy:** Short term financing to acquire inventory.
- **Spare parts-Automotive:** Financing inventory.
- **Importers:** Credit loans for foreign currency purchases and letters of credit.

| Banca Comunitaria Banesco (Banesco Community Banking) |

Banca Comunitaria Banesco (BCB), the Bank's initiative in micro-finance to meet the financial needs of low-income people, began doing business in July 2006, benefitting over 130 thousand people to date and providing indirect service to 652,645 people, granting a total of 73,369 Préstamos para Trabajar (Working Loans) with a low default rate of 2.16%. 118,726 clients have enrolled in the *Ahorro Paso a Paso* (Step-by-Step Savings) program, opening a total of 130,529 *Cuentas Comunitarias* (Community Accounts).

During the second half of year, Banca Comunitaria Banesco (Community Banesco Banking) granted 13,109 microcredits (Bs. 170.5 million), thus increasing its portfolio to Bs. 207.2 millions. Clients have opened 20,354 Community Accounts, with an account balance of Bs. 36.9 million. Moreover, 22,508 clients affiliated to *Ahorro Paso a Paso* (Step-by-Step Savings) with a Bs. 3.4 million account balance.

As part of our commitment to innovate in products that meet the financial needs of low-income people, BCB launched a trial for a new product among its clients: *Préstamo Educativo Comunitario* (Community Education Loan) through a Banesco Visa Credit Card to exclusively finance BCB micro entrepreneurs with excellent paying records and whose children are currently studying up to university level to buy school supplies and uniforms. 588 clients benefited from this product during the trial period.

As to the service network, a new agency was opened in Aragua State, Palo Negro Sector, and the relocation of Maiquetía Agency was



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completed. With these we have now 16 Community Agencies in total, thus consolidating our presence in: La Vega, Antimano, San Martín, Guarenas, Petare, La Isabelica (Valencia), Puerto Cabello, Higuerote, Los Roques, Catia, Cúa, Santa Teresa, Valencia Centro, and El Cementerio.

In July 2010, Fundación Venezuela Sin Límites (Venezuela Without Limits Foundation) and the Schwab Foundation for Social Entrepreneurship gave Claudia Valladares, Vice-President of Banesco Community Banking, the *Emprendedor Social 2010 de Venezuela* award (Venezuela's Social Entrepreneur). BCB also received the *Digital Award* (Sponsorship to attend the Corporate Social Responsibility Program of Harvard Business School in November 2010) from the RSE Magazine. Moreover, BCB was included in the Network of Outstanding Social Entrepreneurs of the World of the World Economic Forum, and had the opportunity of participating in its Annual Meeting, held in China in September 2010. Likewise, BCB was sponsored by the Schwab Foundation for Social Entrepreneurship to attend the Social Entrepreneurship Program by INSEAD in Fontainebleau, France, in November 2010.

On the other hand, in July, BCB was one of the 19 winning ideas of Latin America's 420 participants of the idea contest for financial inclusion within the "Program in Technologies for Financial Inclusion" hosted by the Inter-American Development Bank (IDB), Fondo Multilateral de Inversiones (Multilateral Investment Fund - FOMIN), Corporación Andina de Fomento (Andean Development Corporation - CAF). The idea presented consisted of offering "Financial services via mobile phones for the unbanked population". Thus, BCB moved forward to the contest's second phase opting for the financing of up to \$500 thousand for the development and implementation of the idea.

In October, we were invited by the Inter-American Development Bank to present at the XII Inter-American Forum on Microenterprise (FOROMIC), held in Montevideo, Uruguay, delivering a presentation on the winning idea of the Ronda de Negocios TEC-IN (TEC-IN Business Round) hosted by the "Financial services via mobile phones for the unbanked population", and participating in the "Technology and Micro-finance: Looking for the best combination". During the event, BCB promoted its products and its initiative to offer services via mobile banking.

In October and November, thanks to the Microentrepreneurs Training Program, consisting of several modules of a 48-school hour duration, delivered in alliance with acknowledged institutions of micro-entrepreneurship training: Instituto Venezolano de Capacitación Profesional de la Iglesia (Venezuelan Church Institute for Professional Training - INVECAPI); A.C. Fomento del Desarrollo Popular (Foundation for Research Development -FUDEP); Microsoft Venezuela, Caracas' Metropolitan Mayor's Office, RKM, A.C. Buena Voluntad (Good Will Civil Association), and Consultora Asunto Público (Public Affair Consultants). A group of 163 clients from Catia and Petare received financial training, thus improving their businesses' productive capacity and optimizing their competitiveness.

We were awarded the Citibank Prize for Entrepreneurs in November by the Citigroup Foundation through Citibank Venezuela, together with ACCION Internacional and Centro Lyra. This time, three BCB micro entrepreneurs won the prize: 1st place in Commerce Category, 2nd and 3rd place of Service Category.

| Trust Fund |

As of December 2010 close, the Trust Fund portfolio amounted to Bs. 7,180 million, showing an asset increase of Bs. 524 million during the second half of year, which represents a 7.87% variation.

48% of the funds correspond to Collective Trusts (Bs. 3,433 million), 17% to Administration Trusts (Bs. 1,256 million), 19% to Guarantee Trusts (Bs. 1,350 million), 12% to Investment Trusts (Bs. 862 million), and 4% to Combined Trusts (Bs. 279 million).

In view of the high volume of Administration Trusts in our portfolio, in September 2010, the feature of Report Self-Management and Inquiry

for this type of trusts was transferred to production in the Servicio BanescOnline Fideicomiso (BanescOnline Trust Fund Service). That feature, as well as other transaction-type features, were already available for Collective and Investment Trusts.

The trust assets of the financial system as of the second half of year amounted to Bs. 85,503 million, showing a decrease of Bs. 3,408 million. Banesco maintained the second place as trustee within the market of private banks, with a share of 22.0%.

Regarding total trust market share, Banesco is fourth, with a share of 8.5%.

| Credits |

Always hoping for the development of national economy, we present the amounts achieved in the second half of 2010, thanks to the perseverance, team work, and the unquestionable sense of responsibility that identify us in the Venezuelan Financial System. Throughout the year we work to maintain leadership of the credit portfolio, which results in the liquidation of a larger amount of loans, intended to all the national productive sectors.

In 2010, we reached Bs. 28,341 millions in the credit portfolio, thus increasing 21.9% with respect to the previous year, meeting the goals established by the regulatory organs of directed portfolios: Tourism, Mortgage, Manufacture, and Farming Loans, and Microcredits.

Supported by a technologically advanced platform, we managed to significantly reduce our response time, offering competitive interest rates while carrying out a continuous growth program, which enabled us to satisfy the market's needs. In the automotive sector, we improved our product's conditions, thus positioning us as one of the main banks of this sector, with a portfolio balance of Bs. 1,194 millions, having liquidated a total of Bs. 883 millions in a year.

Regarding commercial credits, at close of 2010, we reached a portfolio balance of Bs. 6,237 millions, corresponding to over 122 thousand credits granted, thus supporting important commercial sectors related to the strengthening of our country's economic activity, like: construction, telecommunications, and textile; having liquidated a total of 82,774 credits in a year, represented in Bs. 13,255 millions.

For the tourist sector, we offered significant support in financing construction, provisions, and equipment for tourist service providers in their different forms, having a portfolio of Bs. 638 million, for the close of the year's second half, which represented an increase of 62% with respect to December 2009, liquidating more than 229 million bolivars in the second semester.

It is worth mentioning that for the second half of 2010, we achieved the requirements for that portfolio, having 3.03% average for the gross

credit portfolio 2008-2009, being 3% the compulsory amount established by Law.

We are one of the Banks that has provided more funds to boost the country's tourist sector, managing a significant number of financial and technical resources to capture tourism operators requiring financing for the development and adequacy of their facilities; therefore, we have visited the main touristic states of the country, directly offering the interested parties financial solutions supporting their individual requirements; this activity has been developed jointly with Tourism Technical Boards organized by MINTUR, where technical and financial advisory is offered to clients with tourism projects.

During 2010, we have proved our commitment with the country's agriculture activity, supporting sectors focused on primacy fields and meeting the portfolio percentage intended for this sector, mainly managing those activities linked to primary agriculture production with 61% compliance. During the second half of year, we liquidated Bs. 2,570 millions, represented in over 3 thousand credits for that sector; at fiscal close, we reached Bs. 5,350 millions, the compliance in percentage terms was of 25.36% for a demand of 25% at 2010 close.

In the mortgage portfolio, we ended the second half of year as market leaders, financing 2,577 new credit loans, which benefited over 10,308 people with obtaining their own house.

That is how we met 10% (6.8% long term and 3.2% short term) of the requirements demanded by Law, placing Bs. 2,552 millions, reaching 10.98% distributed in Bs. 1,803 million (7.76%) corresponding to the long term mortgage portfolio and Bs. 749 million (3.22%) in short term mortgage or constructor loans.

We also closed the year by achieving 10.39% of the manufacture portfolio, which represents a collocation of Bs. 2,417 million intended to transform raw material into finished and semi-finished products, for a total of 1,251 credit loans.

At close December 2010, the microcredits portfolio increased Bs. 1,375 millions, reaching 5.44% compliance, superior to the compulsory amount (3%). Throughout the year, significant advanced were made in positioning the Banesco brand as one of the main microcredits promoters in the nation, with a leading role in financing small business and entrepreneurs, being the leading bank in such loans.

In 2011 we will continue to strengthen our position in each sector, always aiming at our economy's development, securing our client's perception of us as the best market alternative to timely satisfy their particular needs and financing requirements.



International

Imports

In 2010 we observed a 40% increase of foreign currency liquidation with respect to 2009, mainly due to the strategy of attracting new clients from Agriculture and Corporative Banks, and the clients directly managed by the agency network, with emphasis on essential commodities importers (food and medicine), raw material, and capital items.

91.44% of the total amount of liquidated imports are oriented to the ordinary market (no Latin American Integration Association - ALADI), and 8.56% to imports of countries members of ALADI.

Letters of Credit

On December 31, 2010, the total letters of credit acceptance was of USD \$ 638.37 million, which represents a 37.66% increase with respect to 2009 close (USD \$ 463.74 million). Such increase follows a strategy oriented to economy areas with sustained demand of foreign currency for imports through that mode of payment.

Massive Operations

This activity includes the transaction processes originated by the Exchange System related to the use of Credit Cards in Travels Abroad, Cash Advances for Travelers, Electronic Commercial Operations, Students Abroad, Family Remittances, Pensioner and Retired People, as well as Special Cases (Health, Sport, Culture, Urgencies, among others).

Banesco leads request reception for individual, managing 757,660 files, which implies an increase of 117% with respect to 2009.

International Events

In 2010, we participated in three international events, focused in keeping relations with our correspondent banks worldwide, and in seeking new business for the International Correspondents, Foreign Trade, and International Treasury areas.

We participated in the Annual Governors Assembly of the Inter-American Development Bank in Cancun (Mexico) in May 2010; the Latin American Foreign Trade Congress in Houston, USA, in June 2010, and the Annual Assembly of the Latin American Federation of Banks (Felaban) in Punta del Este, Uruguay, in November.

In conclusion, we held over 90 meetings with representatives of financial institutions, where subjects related to Trade Finance and International Bank Correspondents were discussed.

Loss Prevention and Business Continuity

Following the presented strategy, generating value to our shareholders and contributing to the Institution's Social Responsibility, based on



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efficiency, service quality, and effective coordination of the different areas, we have kept a continuous process of Integral Security improvement and awareness. To that regard, we have developed for the Prevention and Continuity Workshops for the seventh consecutive year, addressing all Banesco Citizens.

Our management's main accomplishments are presented by area as follows:

In the **Prevention area**, there were joint efforts with the areas responsible of business in the Chip Technology Products and Channels Project, accomplishing the successful deployment of 100% Banesco Points of Sale and the continuation of the final phase for the development and adaptation in Banesco ATM's, thus aiming at



diminishing loss risk, providing higher security to transactions via these products and channels, as well as meeting periods and regulations established by the regulatory organ.

Likewise, regarding **Internet Banking** (BanescOnline), the One-Time Password Project was mass-distributed, thus reducing, in the first phase, more than 55% of losses related to this channel in the second half of year.

In coordination with Business areas, new diagrams were incorporated to the recovery management, mainly oriented to the Debit Card Product, which allowed us to optimize and increase amounts for this concept, as well as to strengthen this process in other products and channels, thus resulting in a significant contribution over the account balance, represented on a decreasing effect of over 17% on gross losses.

Regarding the continuous mitigation and reinforcement process of our channels, products, and services, additional mechanisms were implemented to validate checks in order to strengthen security in our authorization and compensation processes, thus significantly reducing them about 50% with respect to first semester and 75% with regard to the previous year.

In **monitoring management**, a series of preventive actions were carried out to automate preventive detection and blockage processes for card potentially exposed to cloning risks, approving their reactivation by the client via Call Center or BanescOnline. Moreover, in order to ensure service quality, a text message SMS process was created to notify the clients of the exposed products, and guarantee them the timely protection of their patrimony affecting them in the least possible way.

Actions and developments supporting the monitoring of the platform and the environment were carried out successfully to strengthen the Institution and our client's protection processes of information.

We registered service levels superior to 98% in Call Center of the Security Operations Center, reaching the highest standards of our clients' satisfaction level, as well as maintaining a constant effort of improving quality and attention times, providing a timely and effective response to the requirements and operations related to the Loss Prevention and Business Continuity Management, thus guaranteeing the compliance and service levels demanded by the regulatory organs.

Likewise, as a key strategy in management quality and attention to requirements of fraud events, an online procedure was deployed through BanescOnline without the need to go to an agency, thus contributing with the established attention times for these requirements as well as helping to decongestion the agencies.

On the other hand, we continued to strengthen training and awareness campaigns for businesses and clients on the best practiced of use and

We continued to strengthen training and awareness campaigns for businesses and clients on the best practices of use and adaptation of Payment Methods and Channels

adaptation of Payment Methods and Channels, which addressed 243 businesses for a total of 512 trained people. Moreover, we continue to optimize our constant awareness process to employees and new admissions through the deployment, jointly with Human Capital, of an E-learning program in the regions with local enablers.

In the **Protection area**, follow-ups to security norm and control compliance continue to decrease the impact of the agencies' robbery, as well as to continue the security evaluation and reinforcement process, enabling a more efficient and safe management, protecting the Institution and the client's patrimony.

We successfully completed the annual agency certification process before the Government's security organs, apart from also evaluating and testing several mechanisms and processes with will innovatively optimize agency security and, therefore, mitigation of inherent losses.

As for the Protection area, in regard to Industrial Security and Medical Service, different campaigns were carried out on Industrial Security, Occupational Health, and Medical Workshops through the Institution's electronic media, in order to promote preventive conducts in our employees.

The main material for these campaigns was oriented toward the following topics: Office Security Tips; How to act in an emergency: Publications on What to do in case of an emergency?, Knowing Legal Norms; Occupational Health; Health Campaigns; Workshops: Screening and Prevention of the most common or high risk pathologies in the Organization.

Medical Service Management benefitted our employees with over 4,780 consultations during the second semester.

In compliance with the Legal Norm Organic Law on Prevention, Work Conditions and Work Environment (LOPCYMAT) (Art. 56), Regulation of the Hygiene and Security Conditions of the Ministry of Labor (Decree 1.290 of 12/18/1968 – Art. 77), Regulation on Fire Prevention (Decree 2.195 of 08/17/1983 – Art. 22), and COVENIN Standard 2226-90 "Guide to prepare emergency control plans", 30 emergency clearing simulations were carried out in the Offices: Ciudad Banesco, El Rosal Torre I, Torre América: Offices of TodoTicket, Service Desk, and Boleíta Warehouse.

Likewise, in compliance with article 39 of LOPCYMAT, on 11/25/2010, the Occupational Security and Health Service Constituent Act of



Banesco Banco Universal was signed and made official, making us the first bank in the country to constitute, and officially present such service.

Moreover, with regard to Social Responsibility, we started the Police Module's Construction and Equipment Project near Ciudad Banesco, with an investment of more than Bs. 300,000 donated to the community through Mayorality of Baruta, which has brought security for the municipality's neighbors as well as to the Banesco staff in the vicinity. Additionally, upon request of the Chacao Municipal Police, we are supporting the community by offering prevention workshops for the Municipality's neighbors.

In the **Losses Control area**, we continue to strengthen institutional relations with the different Official Security Organisms of the State to support internal management. Moreover, in order to facilitate the management of our contributors, we coordinated processes of Identification, Military Registry, Renewal of Driving Licenses and Medical Certificates for Driving.

Regarding the **Business Continuity**, we successfully carried out initiatives, projects, and coordination jointly with the responsible areas in order to accomplish the successful improvement and recovery of services in case of disruptive events by executing 26 simulations of contingency technological platforms or of high availability, updating 100% of the current contingency plans both manual and technological, which guarantees the availability of contingency environments in the event of a major failure of the production environment and the business' critic operations.

The estimated goal for covering contingency scenarios was surpassed, which allows us to be prepared and systematically respond to such events.

| Infrastructure and Conservation |

Energy Savings

- Decreasing electric consumption: 25% savings; exceeding the 20% percentage required during the electrical emergency.
- 3,461 light bulbs were changed.
- In 5 weeks we exceeded the 20% goal of decreasing consumption in high-consumption offices and agencies in Caracas Metropolitan Area.
- We achieved 11% savings, without self-generation, with the dimming of lights in the hallways and parking lot.
- As of March, self-generation started with satisfying results: 2 hours a day between 7:00 AM and 9:00 AM.

| Technology and Procurement Management |

During 2010, Technology and Procurement Management, reaffirmed its commitment with the Organization's results, supporting the business and meeting the goals by delivering technological solutions that allows winning and maintaining our clients' preference thanks to the quality, simplicity, and convenience of our service offer. Likewise, the Management significantly contributed in rationalizing the Transformation Expenses.

The two key initiatives carried out were:

New Business Technological Attention Model

The new model is based on a business associates diagram, solutions engineering, and operative continuity, which facilitates interaction among the different areas with technology, thus providing leverage to the expense rationalization strategy. Among its benefits, the most important are:

- Diminishing solution deliver times.
- Increasing quality standards.
- Delivering more robust and safe solutions.
- Optimizing the use of technical and human resources.
- Focusing on the availability of technological services used by our clients.
- Rationalizing IT costs.

Banesco's Technological Plan

We have developed Banesco's Technological plan, which enables short, medium, and long term technological strategic vision, and its respective implementation plan, which will allow:

- Addressing the Business needs and its capabilities.
- Simplifying the company's architecture and applications.
- Attending to Banesco's operative risk analysis.



Balance Sheet

Banesco Banco Universal, C.A.

Balance Sheet

Stated in Million VEF	Dec. 2010	Jun. 2010	Dec. 2009	Jun. 2009
ASSETS				
CASH AND DUE FROM BANKS	17,345	11,284	11,611	9,475
Cash	1,798	1,139	1,340	755
Central Bank of Venezuela	14,697	8,978	9,563	7,453
Local Banks and Other Financial Institutions	74	130	136	48
Foreign Banks	73	99	54	52
Head Office and Branches	0	0	0	0
Notes Receivable	703	938	518	1,167
(Provision for Bank Accounts)	0	0	0	0
INVESTMENTS SECURITIES	4,782	5,011	5,983	6,635
Investments in Central Bank	406	757	531	3,106
Investments in Trading Securities	0	0	0	0
Investments in Securities Available for Sale	2,066	1,977	3,380	1,471
Investments in Securities Held to-maturity	1,497	1,530	1,544	1,961
Limited Availability Investments	762	371	303	151
Other Security Investments	53	376	241	33
(Provision for Security Investments)	0	0	-16	-88
LOAN PORTFOLIO	27,654	24,589	22,739	19,958
Outstanding Credits	27,922	24,889	22,773	19,958
Restructured Credits	50	34	22	24
Past Due Credits	362	339	436	383
Credits in Litigation	8	37	17	7
(Provision for Credit Portfolio)	-688	-711	-509	-414
INTEREST AND COMMISSIONS RECEIVABLE	453	466	378	434
Interest receivable from cash and due from banks	0	0	0	0
Interest receivable from security investments	57	49	34	69
Interest receivable from credit portfolio	456	420	394	381
Commissions Receivable	74	69	72	83
Interest Receivable on Other Accounts Receivable	0	0	0	0
(Provision for Interest Receivable and Other)	-133	-72	-121	-99
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	8	8	7	167
Investments in subsidiaries and affiliates	8	8	7	6
Investments in branches	0	0	0	162
(Provision for investments in subsidiaries, affiliates and branches)	0	0	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	36	2	5	0
PROPERTY IN USE	887	840	863	855
OTHER ASSETS	922	485	1,482	456
TOTAL ASSETS	52,087	42,684	43,066	37,980

Banesco Banco Universal, C.A.

Balance Sheet

Stated in Million VEF	Dec. 2010	Jun. 2010	Dec. 2009	Jun. 2009
LIABILITIES				
DEPOSITS FROM CLIENTS	45,832	37,175	37,763	33,326
Deposits in Current Accounts	28,241	21,947	19,913	17,534
Non-Remunerated Checking Accounts	12,872	9,473	8,611	7,554
Remunerated Checking Accounts	15,369	12,474	11,302	9,979
Other Demand Liabilities	7,341	5,521	4,572	684
Obligations for Money Desk Operations	0	0	0	0
Savings Deposits	8,445	6,557	6,800	5,636
Time Deposits	11	3	21	3,500
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	1,795	3,147	6,457	5,972
OBLIGATIONS WITH BCV	0	0	0	0
DEPOSITS AND OBLIGATIONS WITH BANAVIH	0	4	1	4
OTHER FINANCING OBTAINED	389	337	567	468
Liabilities with Local Financial Institutions up to One Year	137	101	208	315
Liabilities with Local Financial Institutions more than One Year	0	0	0	0
Liabilities with Foreign Financial Institutions up to One Year	252	236	359	152
Liabilities with Foreign Financial Institutions more than One Year	0	0	0	0
Other Liabilities up to One Year	0	0	0	0
Other Liabilities more than One Year	0	0	0	0
OTHER FINANCIAL OBLIGATIONS	60	20	28	4
INTEREST AND COMMISSIONS PAYABLE	21	49	130	118
Expenses Payable Due to Deposits from Clients	20	49	129	116
Expenses Payable Due to Obligations with BCV	0	0	0	0
Expenses Payable Due to Deposits and Liabilities with BANAVIH	0	0	0	0
Expenses Payable Due to Other Financing Obtained	0	0	0	1
Expenses Payable Due to Other Financial Obligations	0	0	0	0
Expenses Payable Due to Obligations Convertible to Capital	0	0	0	0
Expenses Payable Due to Subordinated Debt	0	0	0	0
ACCRUALS AND OTHER LIABILITIES	1,550	1,291	980	947
SUBORDINATED DEBT	0	0	0	0
OTHER LIABILITIES	0	0	0	0
TOTAL LIABILITIES	47,852	38,875	39,469	34,867
STOCKHOLDERS' EQUITY				
CAPITAL STOCK	1,250	1,204	1,125	1,050
Capital Paid-in	1,250	1,204	1,125	1,050
PAID-IN SURPLUS	0	0	0	0
CAPITAL RESERVES	705	654	614	582
EQUITY ADJUSTMENTS	158	174	0	0
ACCUMULATED INCOME	2,142	1,816	1,742	1,553
NON-REALIZED GAIN OR (LOSS) ON AVAILABLE FOR SALE SECURITY INVESTMENTS	15	-3	151	-37
(TREASURY STOCK)	-35	-35	-35	-35
TOTAL LIABILITIES	4,235	3,809	3,598	3,113
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	52,087	42,684	43,066	37,980
CONTINGENT DEBTOR ACCOUNTS	12,531	1,012	1,168	812
TRUST ASSETS	7,180	6,656	6,020	6,155
OTHER TRUST ASSIGNMENTS	198	148	159	130
DEBTOR ACCOUNTS DUE TO TRUST ASSIGNMENTS (HOUSING MUTUAL FUND)	4,401	3,879	3,376	2,890
OTHER DEBTOR ACCOUNTS (HOUSING MUTUAL FUND)	10	9	8	8
OTHER DEBTOR MEMORANDUM ACCOUNTS	142,055	137,466	106,725	69,332
OTHER DEBTOR BOOK ACCOUNTS	26	25	25	25

Statements of Earnings

Stated in million VEF	Dec. 2010	Jun. 2010	Dec. 2009	Jun. 2009
FINANCIAL REVENUES	2,986	2,689	2,588	2,561
Revenues from Cash and Cash Equivalents	2	0	1	0
Revenues from Security Investments	179	179	247	307
Revenues from Credit Portfolio	2,733	2,475	2,281	2,224
Revenues from Other Accounts Receivable	32	32	34	27
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	0	0
Revenues from Head Office and Branches	0	0	0	0
Other Debtor Book Accounts	40	3	25	2
FINANCIAL EXPENSES	794	901	1,174	1,268
Expenses Due to Deposits from Clients	779	894	1,117	1,250
Expenses Due to Obligations with BCV	0	0	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0	0	0
Expenses Due to Other Financing Obtained	6	2	10	9
Expenses Due to Other Financial Obligations	0	0	0	0
Expenses Due to Subordinated Debt	0	0	0	0
Expenses Due to Head Office and Branches	0	0	0	0
Other Financial Expenses	9	5	47	8
GROSS FINANCIAL MARGIN	2,192	1,788	1,414	1,293
Income from Recovered Financial Assets	62	34	29	11
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	330	612	483	261
Provision for Loan Portfolio and Other Accounts Receivable, Losses	330	612	483	261
Provision for Cash and Due from Banks	0	0	0	0
NET FINANCIAL MARGIN	1,925	1,210	960	1,042
Other Operating Income	749	2,046	1,209	739
Other Operating Expenses	219	1,042	396	222
FINANCIAL INTERMEDIATION MARGIN	2,455	2,215	1,772	1,559
TRANSFORMATION EXPENSES	1,856	1,603	1,312	1,176
Personnel Expenses	695	663	567	526
Administrative and General Expenses	891	748	651	556
Contributions to Deposit Guarantee and Bank Protection Fund	245	169	71	73
Contributions to Superintendency of Banks and Other Financial Institutions	25	24	22	21
GROSS OPERATING MARGIN	599	612	461	383
Income from Adjudicated Goods	8	6	11	11
Income from Special Programs	0	0	0	0
Income from Sundry Accounts	32	28	21	60
Expenses Due to Realizable Property	4	3	1	0
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0	0	0
Expenses Due to Sundry Accounts	124	232	152	155
NET OPERATING MARGIN	512	411	339	298
Extraordinary Income	0	0	0	0
Extraordinary Expenses	9	6	7	4
GROSS INCOME BEFORE TAXES	503	405	332	295
Income Taxes	0	2	10	5
NET INCOME	503	403	322	290
APPLICATION OF NET INCOME				
Legal Reserve	51	40	32	29
Statutory Utilities	0	0	1	1
Other Capital Reserves	0	0	0	0
ACCUMULATED INCOME	453	359	286	257
LOSEP CONTRIBUTION	5	4	3	3
OTHER ACCOUNTS				
Third-Party Investments	0	0	0	223
Monthly Agriculture Credit Portfolio	295	469	400	494
Accumulated Agriculture Credit Portfolio	5,350	4,525	3,816	3,373
Public Sector Deposits	3,517	3,159	2,820	2,805
Micro-Credits	1,375	1,112	1,004	798
Credits to the Segment of Tourism in accordance to law in force	735	442	466	343
Mortgages according to the Special Law for the Protection of the Housing Loan Debtor	3,202	3,012	2,635	2,117
Financial Soundness Ratio	8.85%	9.73%	9.34%	8.80%
Manufacturing Loans	2,417	1,889	2,112	1,268

Principal Financial Indicators

	Dec. 2010	Jun. 2010	Dec. 2009	Jun. 2009
1. EQUITY				
Equity + Operative Management / Total Assets	8.85%	9.73%	9.34%	8.80%
Non-Productive Assets / Equity + Operative Management	435.39%	312.46%	372.98%	332.17%
2. ASSETS QUALITY				
Loan Portfolio Provisions / Gross Loan Portfolio	2.43%	2.81%	2.19%	2.03%
Non Accrual Loans / Gross Loan Portfolio	1.30%	1.49%	1.95%	1.91%
3. MANAGEMENT				
Personnel Expenses + Operative Expenses / Average Productive Assets *	9.55%	9.30%	8.26%	8.10%
Personnel Expenses + Operative Expenses / Financial Income *	52.81%	52.47%	44.68%	42.24%
4. EARNINGS				
Net Results / Average Assets *	2.06%	1.90%	1.60%	1.58%
Net Results / Average Equity *	23.60%	21.95%	19.20%	19.02%
5. LIQUIDITY				
Availability / Customer Funds	37.85%	30.35%	30.75%	28.43%
Availability + Investment in Securities / Customer Funds	43.24%	37.71%	41.10%	42.16%

* Annual Percentages

Credit Portfolio per Type of Economic Activity

December 2010

Stated in million VEF	Outstanding Credits	Restructured	Non Accrual Loans		Total	Composition
			Past Due	In Litigation		
Agriculture, Fishing and Forest	4,595	22	18	3	4,639	16.37%
Hydrocarbons and Mining Exploitation	2	0	0	0	2	0.01%
Manufacturing Industry	2,416	0	1	0	2,417	8.53%
Electricity, Gas and Water	4	0	0	0	4	0.01%
Construction	3,224	0	10	3	3,237	11.42%
Trade, Restaurants and Hotels	4,028	1	26	1	4,056	14.31%
Transport, Storage and Communications	299	0	2	0	301	1.06%
Financial Stablishments, Real State and Services Provided to Companies	12,770	26	301	0	13,098	46.21%
Community, Social and Personal Services	583	0	4	0	588	2.07%
Non Well-specified Activities	0	0	0	0	0	0.00%
TOTAL	27,922	50	362	8	28,341	100.00%

SOCIAL BALANCE ACCUMULATED

1998 - 2010

(Stated in VEF)		Accumulated
DESCRIPTION	Year 2010	1998-2010
Social Investment		
APPLICATION BANESCO RESOURCES	30,809,580	151,940,787
Fe y Alegría	1,481,640	21,755,379
State Foundation for the Venezuelan System of Children and Youth Orchestras (FESNOJIV)	2,123,696	9,853,665
Association of Venezuelan Catholic Education (AVEC)	1,000,000	6,036,091
Universities and Other Institutions	853,819	6,547,075
Banesco Life-Long Scholarships	224,327	1,474,695
Other Education Institutes and Organizations	370,124	1,887,493
Venezuelan Foundation against Child Paralysis	800,000	1,693,919
Venezuelan Red Cross	–	701,945
Other Health and Medical Care Organizations	100,000	1,195,036
FUNDANA	180,000	1,725,254
Civil Association Don Bosco Houses Network	3,871	1,471,205
Salesian Ladies Civil Association	250,000	1,329,441
Attendance to the childhood and people with special neccessities	142,731	2,101,970
Toys donation to the communities	–	3,108,451
Editorial Projects	228,433	4,694,058
Computers donations	10,945	417,958
Other contributions	–	6,571,067
Solidarity (Capital and Regional)	2,381,875	4,173,892
Social Undertaking Project with the IESA	1,290,000	1,290,000
Words for Venezuela	–	3,307,401
Investment in works in Colinas de Bello Monte	614,730	3,033,123
Social work of the Church	–	947,717
Mayoralties, regional governments and other State Organizations	1,693,216	4,545,254
Non-Contractual Social Benefits for Banesco Employees	16,842,065	61,497,613
Corporate Volunteering Contribution	218,108	581,085
APPLICATION OF ARTICLE 96 (LOCTISEP)	–	33,612,457
Association of Venezuelan Catholic Education (AVEC)	–	4,434,352
Children Museum	–	300,000
FUNDANA	–	110,000
Alliance for Venezuela Free of Drugs	–	100,000
ABC PRODEIN (School Santa María City, Petare. CISAMA)	–	276,000
Educational Foundation Canaima Schools	–	571,950
Civil Association Don Bosco Houses Network	–	2,853,406
Education (Campaign against drugs and sports events)	–	24,966,749
Prevention and Control of Money Laundering	–	–
Total Social Investment	30,809,580	185,553,244
CONTRACTED COMMITMENTS	1,814,964	1,814,964
FE Y ALEGRÍA	1,814,964	1,814,964
Total Contracted Commitments	1,814,964	1,814,964
GENERAL TOTAL SOCIAL INVESTMENT PLUS COMMITMENTS MADE	32,624,544	187,368,208

Directors

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



Corporate Governance

Banesco Banco Universal, C.A. is a financial institution incorporated in the Bolivarian Republic of Venezuela and authorized to conduct any kind of operations and businesses allowed to universal banks in conformity with the 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 throughout the national territory.

On March 30, 2009, a Regular Stockholders' Meeting was held whereby a dividend in common shares was declared for the amount of Bs.F. 79,000,000.00. As a result of the dividend decree in common shares, the capital stock of BANESCO BANCO UNIVERSAL, C.A. is Bs.F. 1,204,000,000.00, divided in 95,400,000 registered common shares of the same class, non-convertible in bearer shares, at a par value of Bs.F. 10.00 each, and 25,000,000 of registered preferred shares, non-convertible in bearer shares, at a par value of Bs.F. 10.00 each. This procedure was authorized by the Superintendency of Banks and Other Financial Institutions and the Securities and Exchange Commission. In connection therewith, as of June 30, 2010, Article 5 of the Bank's bylaws reads as follows:



...” ARTICLE 5: The capital stock of “BANESCO BANCO UNIVERSAL, C.A.” amounts to Bs.F. 1,204,000,000.00) divided in 95,400,000 registered common shares of the same class, non-convertible in bearer shares, at a par value of Bs.F. 10.00 each, 25,000,000 of registered preferred shares, non-convertible in bearer shares, at a par value Bs.F. 10.00 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 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 have right to vote at Bank’s Stockholders’ Meetings only 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, the Board of Directors, the Chairman of the Board of Directors, the Compliance Officer for Prevention of Money Laundering, the Internal Comptroller, as well as the Credit, Risk, Assets and Liabilities, 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' Meetings |

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, establish their remuneration, appoint controllers and deputies, appoint 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, amount, frequency and time to be paid, in conformity with the law and bylaws, as well as deciding on any other issue for which it was summoned.

| 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 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 vital to define and strategically manage the Bank, and also approves the business principles and policies, thus regulating the autonomy of executive decisions to protect the stockholders' interest and the organization. Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years with the results of each year. 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 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 and claims.

- **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

The Assets and Liabilities Committee must guarantee compliance with Integrated Risk and Investment Management policies

comply with the different risk policies that have already been established for such purpose.

• **Asset and Liability Committee:**

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

The Assets and Liabilities Committee must guarantee compliance with Integrated Risk and Investment Management policies, and may propose to the Risk Committee or the Board of Directors, as appropriate, modifications or reviews to such policies.

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

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

Board of Directors

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

Commisaries

Main: Gordy Palmero Luján 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:

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

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.

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

The Directive Topic Committees shall be responsible for the control and follow-up of internal and external regulations, the preparation of policies, plans, and strategies to be presented to the Board of Directors for approval, as well as the creation of action lines to control management incentive and discipline.

The Executive Topic Committees shall be responsible for the compliance with the policies and objectives established by the administration and coordination of resources, the creation and distribution of the corporate value guaranteeing a better resolution of conflicts related to corporate issues, development of core capacities and compliance with internal and external regulations.

The implementation of these Committees will allow reaching higher efficiency and effectiveness levels in key decision-making, as well as a stronger and more developed Corporate Governance structure of Banesco Banco Universal C.A.





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, Commerzbank.

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

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

Canada Royal Bank of Canada.

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

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

Colombia Banco de Bogotá, Bancolombia, Bancoldex, Banco de Occidente, Banco Santander.

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

Curazao Maduro & Curiel's Bank.

Denmark Danske Bank, Nordea Bank.

Dominican Republic Banco de Reservas, Banco BHD, Banco Popular.

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

El Salvador 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, Société Générale.

Germany Commerzbank A.G., Unicredit HVB A.G., Deutsche Bank.

Guatemala Banco Industrial, Banco GT Continental, Banco Agromercantil.

Holland Commerzbank A.G., Deutsche Bank

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

Hong Kong Standard Chartered Bank, Deutsche Bank A.G., Citibank N.A., Unicredit HVB Ag., Commerzbank A.G.

India Standard Chartered Bank, Deutsche Bank, HSBC Bank.

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

Japan The Bank of Tokyo and Mitsubishi Bank, Standard Chartered Bank, Citibank N.A., Unicredit 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. (Citibank), HSBC Bank, Banco Santander, Banco del Bajío, Banco Regional, Banorte, BBVA Bancomer.

New Zealand ANZ Bank.

Nicaragua Banpro, Bancentro.

Norway Nordea Bank.

Panama HSBC Bank, Multibank, Credicorp Bank.

Paraguay Banco Do Brasil, Banco de la Nación Argentina, Banco Sudameris, Banco Continental.

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

Portugal Banco Espírito Santo S.A., Banco Banif, Millennium BCP, Caixa Geral de Depósitos.

Puerto Rico Banco Popular de Puerto Rico.

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

Spain HSBC Bank, Commerzbank Ag., La Caixa.

Sweden Nordea Bank, Svenska Handelsbanken.

Switzerland Commerzbank AG., Deutsche Bank

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

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



Affiliated Banks

- Banesco S.A., Panamá
(antes Banesco International Bank Inc.)
- BBU Bank (Miami, Puerto Rico)

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.

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