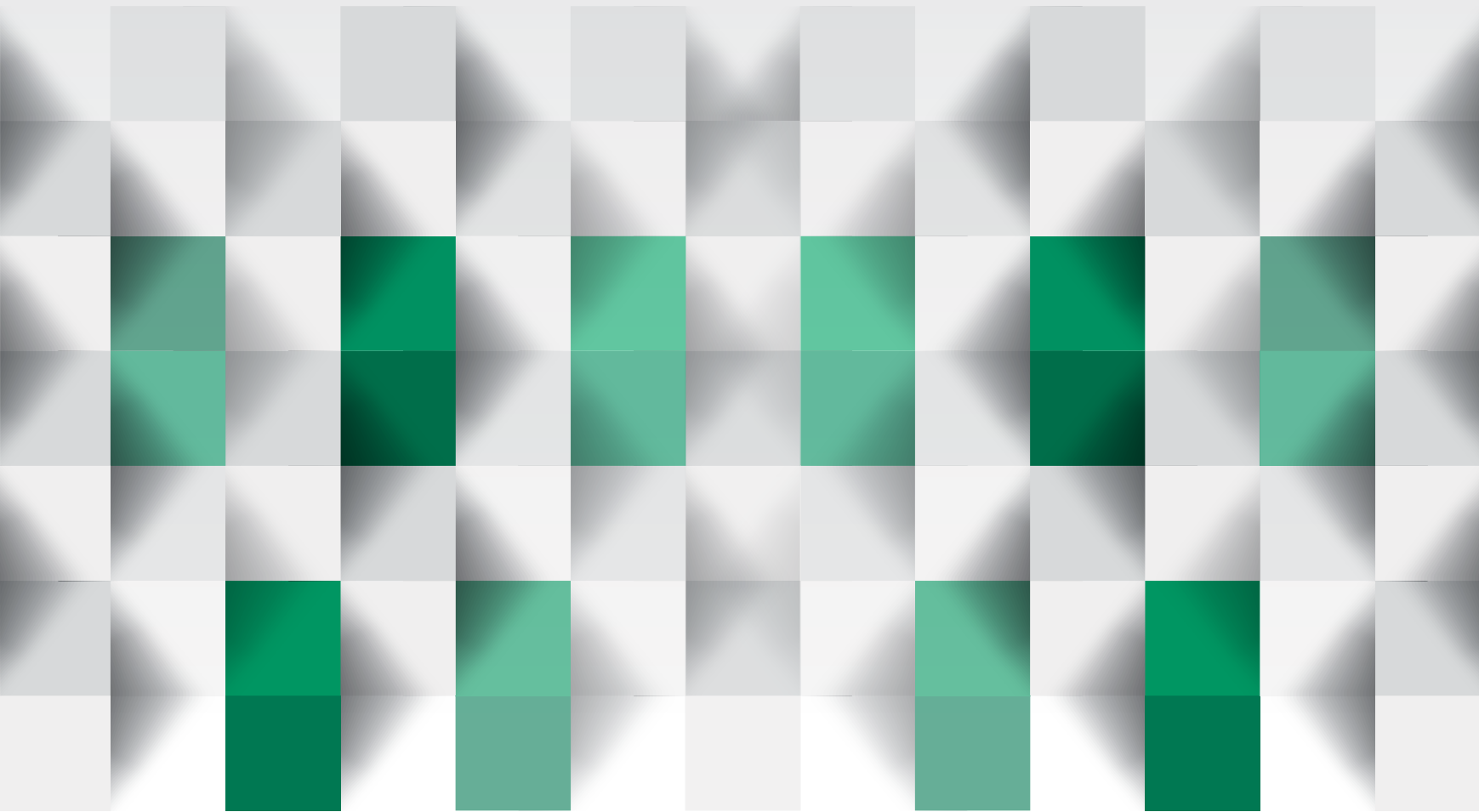


Financial Report



First
Half
2015



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Economic Financial Position in the First Half of 2015

Banesco is proud to share our performance results over the close of the first half of 2015 with our shareholders, workers, suppliers, and the community in general; confirming our leading position as the main private bank in the country.

Our achievements in this period include Banesco's significant presence in relevant sectors like: total assets (15.2% market share), customers' deposits (15.3% market share), and third party resources (15.1% market share), among others.



Additionally, we maintained our position as the institution with the highest equity in the country, Bs. 37.9 billion, which represents a 16.0% market share, recording a Bs. 18.8 billion increase over the same 2014 period for a 17.25% risk weighted capital ratio. This figure is far above the 12% minimum required by current regulations.

Special recognition should be provided to the credit portfolio, where we maintained our leading position among private banks as of June 30, 2015. We recorded Bs. 235.2 billion in gross credit portfolio, which corresponded to a 14.04% market share and a 83.4% increase over June 2014 results, when we reported Bs. 128.2 billion in loans.

This growth confirms our support to the country's productive sectors as we understand the importance of loans in helping to mobilize economic activity.

Committed to offering our over 6 million customers the best service, we have implemented strategies to promote service quality in all Organization levels. Additionally, we continued investing to adapt our network to the new service model that promotes the use of electronic channels to simplify transactions in a swifter and more secure way.

Our service network currently includes 408 service points; 1,565 ATMs, and 92,617 points of sale.

In addition to traditional channels, Banesco's clients rely on Electronic Banking, Mobile Banking, and Telephone Banking services. At June 2015 close, BanescoOnline has a total of

4,080,273 registered clients, who completed 100 million transactions in average per month in this six month period.

In Banesco Community Banking, we have a total of 26 Community Agencies and 251 Business Allies in 8,367 popular areas of 16 states of the country, which allowed us to grant 20,640 Working Loans at the close of the first half of 2015 with a total paid amount of Bs. 3,285 million. As to liabilities, we opened 23,676 Community Accounts and 16,885 clients affiliated to our *Ahorro Paso a Paso* (Step-by-Step Savings).

We want to particularly highlight the evolution of the Microentrepreneurs Training Program, which helps us support the venturing spirit so ingrained in Venezuelans. In the first year half, 5,129 entrepreneurs graduated throughout the country, for a total of 21,909 entrepreneurs graduated since 2008.

In our connection with the community, our social investment totaled Bs. 116.10 million in the first year half. From the total CSR amount provided during this year half, 53.4% (Bs. 61.97 million) was allocated to noncontractual benefits for our employees, whereas 46.6% (Bs. 54.12 million) was assigned to financing social projects for the benefit of the communities.

In May, we introduced the *Héroes Anónimos* (Unsung Heroes) campaign: a message about the Venezuelan spirit that went viral through social networks in only 24 hours. This piece was played over two million times in a single Facebook post, over 500,000 times in Banesco's official YouTube channel, and received thousands of tweets. Moreover, the video caught the attention of the media and was featured by print media, on internet sites, and the radio.

The accomplishments we present today have resulted from the commitment and the work of each and every Banesco woman and man, whom we extend our sincere recognition.

We ratify to our shareholders, workers, suppliers, and the community in general our intention to continue being your preferred choice in financial services.

MIGUEL ÁNGEL MARCANO CARTEA

Executive Chairman

Banesco Banco Universal, C.A.

Venezuelan Economy in the First Half of 2015

The prices of the main crude benchmarks decreased during the first year half caused by an oversupply versus a weakened demand of world oil, mainly caused by China's economic slowdown. Hence, the average price of Venezuela's oil export basket reached US\$/b 49.7 in the January-June period, decreasing by 48.8% over the same 2014 period and reducing the fiscal income for oil export.

The tax revenue for domestic economic activity increased by 139% in the first year half to Bs. 438,840 million, with the Value Added Tax (VAT) being the principal factor promoting this behavior, as it corresponded to 54% of the total income and experienced a 141% growth in this period. On the other hand, according to the National Treasury Office, the Central Government's tax expense stood at Bs. 691.4 billion in the January-June period, thus increasing by 60.4% over the first half of 2014.

The increase in tax expense resulted from two salary increases decreed by the National Government in January (15%) and May (20%). These increases were ordered for minimum wages and the Public Administration in general, thus resulting in adjustments to employee benefits payable to public agencies and an 85.8% variation in compensation expenditures over the first half of 2014. In consequence, the fiscal performance had a significant effect in monetary aggregates in the first year half, increasing monetary base by 36.1% while money supply increased by 32.6% also affected by the secondary expansion of money supply given the growth in the loan portfolio (40.5%).

Interest rates reflected the decrease in surplus reserves in proportion to the money supply and the growth of loan de-

mand. Hence, the financial system's average lending rate reached 19.29% in the first year half, increasing by 1.05 percentile points over the second half of 2014. The activities with the highest growth were Manufacture (16.9%) by 1.44 points and Trade (21.4%) by 0.99 points.

Moreover, the scheme of the foreign exchange administration system was changed at the beginning of the year (February 12), maintaining the US\$ preferential exchange rate (Bs./US\$ 6.3) through CENCOEX (National Center for Foreign Trade), unifying SICAD I and SICAD II (Supplementary System of Foreign Currency Administration I and II) at an initial Bs./US\$ 12 exchange rate, and creating SIMADI (Secondary Foreign Exchange System), a mechanism that allocated 2.13% of the foreign currency offer at an average exchange rate of Bs./US\$ 192.85.

Additionally, there was a US\$ 5,897 million decrease in International Reserves, which dropped to US\$ 16,183 million at half close attributable to payment commitments of foreign debt and expenditures caused by the oil export decrease.

The financial system's average lending rate reached 19.29% in the first year half, increasing by 1.05 percentile points over the second half of 2014.



Venezuelan Banking System

The banking system closed the first half of 2015 with the same number of participants as the same 2014 period, i.e. 35 institutions, 24 of which are private and 11 State owned. Its assets totaled Bs. 3,361.6 billion, 65.45% of which corresponded to private universal- and business banking, 33.36% to State owned banking, and the remainder 1.19% distributed among microfinance and development banking.

The sector's evolution in the first year half was positive, maintaining significant growth in the main items of the balance sheet. Significant indicators thereof were the 79.22% asset increase over the same 2014 period and the 34.88% asset increase over the last six months.

This increase was mainly due to higher balances in cash and cash equivalents and the gross loan portfolio, which respectively recorded 51.5% and 40.5% increases over December 2014 close. Investment securities maintain a slower growth, reflecting a 6.01% increase over the aforementioned period.

These variations led to important changes in the structure of the system's consolidated balance sheet, with a significant increase in the weight of cash and cash equivalents, as this item went from 23.9% of total assets in December 2014 to 26.8% in June 2015, whereas the loan portfolio increased its weight from 46.5% to 48.5% over the same period.

Investment securities lost materiality, as they currently represent 19.6% of assets, i.e. 5.4 percentile points below the first 2014 half.

The gross loan portfolio balance increased to Bs. 1,676 billion, recording a Bs. 515 billion increase in the first year half. There was also improvement in the indicator measuring the quality of the gross loan portfolio, as default decreased from 0.47% to 0.42%, while intermediation ratio increased to 56.3%.

The lending rate on mandatory loans increased significantly, with the highest increase in agricultural loans (40.02%) over December 2014 close, reaching Bs. 267.4 billion in June 2015, followed by manufacturing loans (+33.17%), with a Bs. 154.0 billion portfolio at period close.

As to the loan share on the gross portfolio, there was a significant variation in the trading portfolio, which went from 41.99% of loans in June 2015, followed by consumer loans (20.01%) and agricultural loans (15.44%).



Customers' deposits in the banking system increased to Bs. 2,976 billion, equivalent to a 36.28% six month growth and an 83.58% year on year growth, which is in line with the money supply increase over the period under analysis.

The sector's equity closed the period at Bs. 236.6 billion, which corresponds to a Bs. 54.1 billion (29.7%) growth over December 2014 close, showing a 10.09% equity sufficiency coefficient.

The performance results in this year half allowed us to achieve a Bs. 57.98 billion net benefit for the system and a 61.46% average performance on equity, exceeding the figure of the same 2014 period by 5.4 percentile points.

The gross loan portfolio balance increased to Bs. 1,676 billion, recording a Bs. 515 billion increase in the first year half.

Banesco Banco Universal in the First Half of 2015

In the first 2015 half, Banesco maintained its leadership in the Venezuelan private banking, recording Bs. 509.4 billion assets and Bs. 250.7 billion (96.9%) growth over June 2014 and Bs. 128.2 billion (33.6%) over the last six months, thus attaining a 15.2% market share.

This impulse was mainly caused by the favorable loan portfolio evolution, which increased Bs. 62.2 billion (35.9%) in the first 2015 half and closed the period at Bs. 235.2 billion in loans, for a 14.04% market share with over 369 thousand repaid loans in the last year half, which corresponds to a 58.7% growth in financing operations volume.

When we itemize the Bank's gross portfolio per economic activity, the significant percentage allocated to the country's main financial sectors becomes evident:

- ▶ Wholesale and retail trade, restaurants and hotels (15.93% of the gross portfolio) with Bs. 37.4 billion at June 2015 close;
- ▶ Agricultural, fishery, and forestry activity (14.85% of the gross portfolio) with Bs. 35.0 billion;
- ▶ Manufacturing industry (6.82% of the gross portfolio) with Bs. 16.0 billion in gross loans;
- ▶ Construction (4.23% of the gross portfolio) with Bs. 10.0 billion.

We maintained our leadership in the national banking system in microloans, with a Bs. 11.9 billion portfolio and over 3,700 repaid loans at June 2015 close, which corresponds to a 15.9% market share. In vehicles, we exceeded 1,200 loans and also closed the period at the leading position (43.2% market share) and a Bs. 9 billion portfolio.

Additionally, Banesco is the country's top private bank in granting housing loans with the Bank's own funding, benefiting over 700 families during this period with a Bs. 12.5 billion portfolio (13.4% market share) at period close.

Customers' deposits showed sustained growth over the first half (+33.5%), close in June 2015 with a Bs. 453.8 billion balance. This positions Banesco as the top private bank in this sector, with a 15.25% market share in the banking system and a 22.9% market share among private banks.

We continued the first 2015 half as the institution with the highest equity in the country (Bs. 37.9 billion) which corresponds to a 16.0% market share, recording a Bs. 8.1 billion increase over 2014 close for a 17.25% risk weighted capital ratio. This figure is far above the minimum required in Resolution No. 305.09 issued by the Superintendency of Banking Institutions (12%).

From the transactions carried out during the first six months of 2015, we obtained a net income of Bs. 9.4 billion, equivalent to a 16.2% market share, thus positioning Banesco Banco Universal as the highest ranking private bank with a 35.4% increase over the same 2014 period.

Our indicators also showed favorable evolution: particularly, we improved the proportion of operative expenditures plus expenditures on staff over financial income, going from 30.11% in June 2014 to 26.66% at the close of the first 2015 half; we maintained an adequate provision level for the loan portfolio (678.80%), above the 637.68% level shown by the financial system; and we achieved a 56.58% average performance on equity.

We continued the first 2015 half as the institution with the highest equity in the country (Bs. 37.9 billion) which corresponds to a 16.0% market share



Financial Highlights

GROWTH

	First Half 2014	Second Half 2014	First Half 2015	First Half 2015 First Half 2014	First Half 2015 Second Half 2014
Stated in million VEB				Absolute %	Absolute %
Total Assets	258,700	381,204	509,381	250,681	96.9%
Cash and Due from Banks	55,716	108,423	157,050	101,334	181.9%
Security Investments	72,597	88,963	104,065	31,468	43.3%
Credit Portfolio	123,451	167,954	228,700	105,249	85.3%
Deposits from Clients	230,832	340,029	453,842	223,010	96.6%
Deposits in Current Accounts	188,948	282,530	387,279	198,331	105.0%
Savings Deposits	38,235	51,329	59,851	21,616	56.5%
Times Deposits	625	1,216	732	107	17.0%
Other Deposits	3,024	4,955	5,980	2,956	97.7%
Total Stockholders' Equity	19,044	29,844	37,920	18,876	99.1%
Trust Assets	13,867	15,287	18,774	4,907	35.4%
Debtor Accounts Due to Trust Assignments (FAOV)	10,905	13,388	15,750	4,845	44.4%
Financial Revenues	14,876	20,118	26,821	11,945	80.3%
Financial Expenses	3,178	5,200	6,299	3,121	98.2%
Gross Financial Margin	11,698	14,918	20,521	8,823	75.4%
Financial Intermediation Margin	13,557	17,431	21,706	8,149	60.1%
Transformation Expenses	6,020	6,447	9,835	3,815	63.4%
Income Tax	40	0	1,244	1,204	3010.0%
Net Income	6,917	10,245	9,364	2,447	35.4%
Accumulate Agriculture Portfolio	21,774	27,564	36,042	14,268	65.5%
Official Institutions Deposits	8,877	9,963	21,008	12,131	136.7%
Micro Loans	9,117	9,779	11,918	2,801	30.7%
Comercial Loans	51,886	66,180	97,149	45,263	87.2%
Credits to Consumer	26,610	44,942	53,455	26,845	100.9%
Vehicles	5,615	6,754	8,990	3,375	60.1%
Credits Cards	20,995	38,188	44,465	23,470	111.8%
Mortgage Loans	9,209	10,960	12,545	3,336	36.2%

Ratios

Loan Portfolio Provisions / Non Accrual Loans	924.9%	908.8%	678.8%
Non Accrual Loans / Gross Loan Portfolio	0.4%	0.3%	0.4%
Net Results / Average Assets *	5.8%	6.3%	4.3%
Net Results / Average Equity *	75.4%	81.2%	56.6%
Liquidity	30.8%	39.6%	42.5%

* Annual Percentages

Credit Risk Reports Pronouncement

At the close of the first half of 2015, the credit risk management showed a performance characterized for obtaining a favorable profitability/risk level based on our indicators.

The Default Index in Total Portfolio was 0.41% and the hedging level of the Provision for Loan Portfolio was 678.80%.


Funds were mainly placed in economic activities, like Service, Trade, Agricultural, and Manufacturing activities, and credit services to natural persons, as the main sectors that received loans.

Collection strategies are still based on recovery with a comprehensive customer and preventive management approach, which has resulted in higher levels of effectiveness.

In the first half of 2015, close monitoring of past due balances and ongoing management, allowed a significant generation of value on the outcome of the credit business. The same management approach will be implemented in the second half of 2015.

Approvals of Lending Transactions Exceeding 2% of the Bank's Equity

In compliance with article 30(3) of the Decree Law of Banking Institutions on lending transactions, at the half of year close, the Board of Directors approved twenty-two (22) loans that individually exceeded two percent (2%) of the Bank's equity.



The Default Index
in Total Portfolio was
0.41% and the hedging
level of the Provision
for Loan Portfolio was
678.80%.

Comparative Financial Statements For The Last Two (2) Years And Application of Net Income



Chairman of the Board
Juan Carlos Escotet R.

Main Directors
Juan Carlos Escotet R.
Miguel Ángel Mancano C.
Sergio Sagstein Cármon
Rafael Castellano de Ledonno
Oscar Duval García
Vicente Ultras Salvador
José Grasso Vecchia

Statutory Auditors
Gordy Palmero Luján
Igor Williams de Castro

Secretary
Marco Tulio Ortega Vargas

Stock Capital Bs. 1,250,000,000.00
Capital Paid-In Bs. 1,250,000,000.00
Capital Reserves Bs. 36,470,123,472.90

Independent Accountants

Márguez, Perdomo & Asociados
[Miembros de CROWE HORWATH INTERNATIONAL]

BALANCE SHEET June 30, 2015 (Stated in V\$B)

ASSETS	Jun-15	Jun-14
CASH AND DUE FROM BANKS	157,090,324,986	55,715,600,289
Cash	6,083,955,146	4,579,215,407
Central Bank of Venezuela	134,164,694,385	44,224,241,829
Local Banks and Other Financial Institutions	1,422,970,140	482,018,881
Foreign and Correspondent Banks	151,358,247	320,287,000
Head Office and Branches	0	0
Pending Cash Items	15,227,347,068	6,149,837,322
(Provision for Bank Accounts)	0	0
INVESTMENTS SECURITIES	104,065,275,202	72,587,531,911
Investments in Central Bank	14,349,731,000	0
Investments in Trading Securities	0	0
Investments in Securities Available for Sale	21,590,131,242	15,342,326,745
Investments in Securities Held to maturity	39,627,637,654	41,096,266,288
Limited Availability Investments	496,855,212	280,537,475
Other Security Investments	28,000,916,074	15,878,403,203
(Provision for Security Investments)	0	0
LOAN PORTFOLIO	228,700,447,576	123,451,268,697
Outstanding Credits	234,245,998,136	127,685,713,675
Restructured Credits	34,839,788	37,548,014
Past Due Credits	722,500,781	514,950,022
Credits in Litigation	191,633,642	2,942,088
(Provision for Credit Portfolio)	(6,544,524,702)	(4,769,880,162)
INTEREST AND COMMISSIONS RECEIVABLE	4,818,992,340	2,821,846,560
Interest receivable from cash and due from banks	0	0
Interest receivable from security investments	1,574,479,807	1,184,571,793
Interest receivable from credit portfolio	2,795,649,334	1,443,160,928
Commissions Receivable	584,725,578	266,428,105
Interest Receivable on Other Accounts Receivable	0	0
(Provision for Interest Receivable and Other)	(135,863,379)	(72,314,266)
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	10,827,645	5,887,682
Investments in subsidiaries and affiliates	10,827,645	5,887,682
Investments in branches	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	428,276	3,550,150
PROPERTY IN USE	5,468,275,751	2,361,040,386
OTHER ASSETS	9,266,578,624	1,742,402,964
TOTAL ASSETS	509,381,158,952	358,699,696,509

LIABILITIES AND EQUITY	Jun-15	Jun-14
DEPOSITS	453,842,004,757	230,832,120,281
Deposits in Current Accounts	387,275,249,805	188,548,145,508
Non-Remunerated Checking Accounts	283,896,363,988	82,909,995,059
Remunerated Checking Accounts	151,343,080,652	80,042,333,391
Current accounts under exchange agreement n° 20	91,662,623	581,934,148
Demand Deposits and Certificates	52,448,162,542	25,413,886,910
Other Demand Liabilities	5,979,884,013	3,023,872,849
Savings Deposits	0	0
Time Deposits	59,851,315,064	38,235,254,287
Restricted Deposits from Clients	731,555,875	624,843,639
Right of Ownership and Participation on Security Investments	0	0
Time Deposits	0	0
DEPOSITS AND OBLIGATIONS WITH BANAVIH	6,258,322	2,143,548
OTHER FINANCING OBTAINED	3,653,853,186	1,871,594,871
Liabilities with local financial institutions up to one year	3,580,858,150	1,443,090,659
Liabilities with local financial institutions more than one year	0	0
Liabilities with foreign financial institutions up to one year	72,995,036	430,504,212
Liabilities with foreign financial institutions more than one year	0	0
Other Liabilities up to one year	0	0
Other Liabilities more than one year	0	0
OTHER FINANCIAL OBLIGATIONS	45,302,916	20,444,999
INTEREST AND COMMISSIONS PAYABLE	99,934,930	81,444,028
Expenses payable due to deposits from clients	98,239,319	30,433,015
Expenses payable due to obligations with BCV	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0
Expenses payable due to other financing obtained	1,694,991	1,013,011
Expenses payable due to other financial obligations	0	0
Expenses payable due to obligations convertible to capital	0	0
Expenses payable due to subordinated debt	0	0
ACCUMULATED AND OTHER LIABILITIES	13,813,675,338	6,896,078,302
SUBORDINATED DEBT	0	0
OTHER LIABILITIES	0	0
TOTAL LIABILITIES	471,461,029,429	239,695,827,995
STOCKHOLDERS' EQUITY	1,250,000,000	1,250,000,000
Capital Paid-In	1,250,000,000	1,250,000,000
Paid-in Surplus	0	0
Capital Reserves	1,318,218,191	1,299,304,041
Equity Adjustments	96,941,622	96,941,622
Accumulated Income	35,291,017,501	17,421,365,844
Non-Realized Gain or (Loss) on Available for Sale Security Investments	(1,165,553)	(988,853,617)
Treasury Stock	(34,890,286)	(34,890,286)
TOTAL EQUITY	37,920,121,473	19,043,871,604
LIABILITIES AND EQUITY	509,381,158,952	358,699,696,509
Contingent Debtor Accounts	58,519,858,568	35,913,758,886
Trust Assets	18,774,206,928	13,867,569,685
Other Trust Assignments	113,631,040	151,843,145
Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)	15,750,313,614	10,905,385,953
Other Debtor Accounts (Housing Mutual Fund)	17,991,368	16,848,281
Other Debtor Memorandum Accounts	945,127,104,384	505,085,240,505
Other Debtor Book Accounts	29,034,058	27,693,578

Statements of Earnings (Stated in V\$B)

	Jun-15	Jun-14		Jun-15	Jun-14
Financial Revenues	26,820,517,421	14,875,935,106	Financial Intermediation Margin	21,706,117,322	13,556,872,579
Revenues from Cash and Cash Equivalents	5,402,611	6,218,145	Transformation Expenses	9,835,248,318	6,019,946,337
Revenues from Security Investments	4,358,767,320	3,616,247,243	Personnel Expenses	3,150,417,124	1,999,805,639
Revenues from Credit Portfolio	21,316,384,913	11,300,336,496	Administrative and General Expenses	3,838,205,021	2,479,433,036
Revenues from Other Accounts Receivable	36,804,320	5,250,482	Contributions to Deposit Guarantee and Bank Protection Fund	2,436,724,921	1,430,039,510
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	Contributions to Superintendency of Banks and Other Financial Institutions	248,901,252	130,670,182
Revenues from Head Office and Branches	0	0	Gross Operating Margin	11,870,869,004	7,536,926,222
Other Financial Revenues	3,356,217	22,750	Income from Adjudicated Goods	15,680,447	95,456,592
Financial Expenses	6,299,374,918	3,177,770,067	Income from Special Programs	0	0
Expenses Due to Deposits from Clients	6,282,283,175	3,123,273,049	Income from Sundry Accounts	110,997,981	123,106,694
Expenses Due to Obligations with BCV	0	0	Expenses Due to Realizable Property	1,148,244	5,569,421
Expenses Due to Deposits and Obligations with BANAVIH	0	0	Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0
Expenses Due to Other Financing Obtained	17,091,743	23,763,491	Expenses Due to Dundry Accounts	1,343,630,127	770,813,451
Expenses Due to Other Financial Obligations	0	22,880,556	Net Operating Margin	10,652,769,061	6,979,108,636
Expenses Due to Subordinated Debt	0	0	Extraordinary Income	0	0
Expenses Due to Other Obligations	0	0	Extraordinary Expenses	44,876,052	21,823,071
Expenses Due to Head Office and Branches	0	0	Gross Income Before Taxes	10,607,893,009	6,957,285,565
Other Financial Expenses	0	7,752,971	Income Taxes	1,244,000,000	40,000,000
Gross Financial Margin	20,521,142,503	11,698,165,039	Net Income	9,363,893,009	6,917,285,565
Income from Recovered Financial Assets	208,008,830	167,599,582	Application of Net Income	0	0
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable, Losses	1,822,969,842	1,290,096,411	Reserva Legal	0	0
Provision for Loan Portfolio and Other Accounts Receivable, Losses	1,822,969,842	1,290,000,000	Statutory Utilities	0	0
Provision for Cash and Due from Banks	62,842	96,411	Other Capital Reserves	6,250,000	6,250,000
Net Financial Margin	18,906,181,471	10,575,668,210	Accumulated Income	9,357,643,009	6,911,035,565
Other Operating Income	4,948,010,217	4,087,375,708	LOSEP Contribution	115,301,440	75,773,811
Other Operating Expenses	2,148,074,366	1,106,775,339			

Net Income Distribution		
Legal Reserve	0	0
Other Capital Reserves	6,250,000	6,250,000
Restricted Surplus	4,683,781,642	3,456,125,442
Surplus to apply	4,673,661,367	3,454,910,103
NET INCOME	9,363,893,009	6,917,285,565

Participation in The Country's Production Sector as a Percentage of The Loan Portfolio

CREDIT SITUATION	Outstanding	Restructured	Non-performing Loans		Total (Bs.)	Percentage
			Past due credits	in Litigation		Composition
<i>Activity Economic</i>	CREDITS	CREDITS	CREDITS	CREDITS	CREDITS	CREDITS
Agriculture, Fishing and Forest	34,916,775,669	18,296,703	2,723,193	0	34,937,795,565	14.85%
Hydrocarbons and Mining Exploitation	755,800,424	0	750,000	0	756,550,424	0.32%
Manufacturing Industry	15,950,349,586	510,634	89,509,620	1,867,438	16,042,237,278	6.82%
Electricity, Gas and Water	158,335,346	0	0	0	158,335,346	0.07%
Construction	9,928,019,453	1,461,984	9,376,700	7,005,609	9,945,863,745	4.23%
Trade, Restaurants and Hotels	37,163,276,031	4,605,493	125,546,628	180,583,784	37,474,011,935	15.93%
Transport, Storage and Communications	3,100,181,283	503,045	4,981,112	506,401	3,106,171,841	1.32%
Financial Stablishments, Real State And Services Provided to Companies	127,657,074,807	8,414,146	522,138,006	1,670,411	128,189,297,369	54.49%
Community, Social and Personal Services	4,616,185,518	1,047,733	17,475,522	0	4,634,708,774	1.97%
Non Well-specified Activities	0	0	0	0	0	0.00%
SUB-TOTAL (Bs.)	234,245,998,116	34,839,738	772,500,781	191,633,642	235,244,972,277	100.00%

Report on Requirements And Claims Filed by Users of The Bank Services And How They Were Solved

1. Banesco maintains a technological tool named SIR (Comprehensive Requirement System) that allows managing customers and users' requirements and complaints through the different service channels, such as BanescOnline, national agency network, call center and administrative offices, offering timely and efficient response in line with current regulations.
2. During the first half of 2015, 24.292 financial complaints were processed for a total amount of Bs. 512.213.070,97, of which (15,447 claims / 63,59%) resulted to be favorable to clients; hence, Bs. 264.431.457,83. was refunded to clients.

Financial Requirements Processed by Channel • First Half 2015

CHANNEL	Numbers of Requirements	Customers	% of Req. for Capture Channel	Bs.
BanescOnline	15,724	13,572	64.73%	31,971,855.49
Agency Network	5,508	4,964	22.67%	296,828,492.25
Administrative / Especialized Segments	3,060	2,533	12.60%	183,412,723.23
Total	24,292	21,069	100.00%	512,213,070.97

3. During the same period, 908.001 service requirements (updating of customers' data, increase in credit cards limit, and replacement of credit cards, among others) related to the post-sale of our products and services were processed through the channels indicated in the attached charter.

Services Requirements Processed by Channel • First Half 2015

CAPTURE CHANNEL	Numbers of Requirements	Customers	% de Req. for Capture Channel
BanescOnline	616,984	424,628	67.95%
Agency Network	219,587	193,943	24.18%
Administrative / Specialized Segments	63,138	49,023	6.95%
Telephone Banking	8,292	7,284	0.91%
Total	908,001	674,878	100.00%

4. During the six-month period that just ended, the Compliance Level of the service supply in the Complaint and Requirement Management service was 95,84%.

Equity Sufficiency Coefficients Levels

Pursuant to Resolution 305.09 of July 9, 2009, published in Official Gazette 39.230 of June 29, 2009, the premises and procedures to calculate the equity sufficiency coefficient are as follows:

- Accounting equity sufficiency index, obtained from dividing the accounting equity amount plus operating management by total asset value. The coefficient to be multiplied by one hundred (100) which should not be less than nine percent (9%). As published in the Official Gazette No. 40,509 of October 1, 2014.
- Total equity sufficiency index, obtained from the sum of primary equity value (level I) plus Supplementary Equity (Level II), divided by the total amount of contingent assets and operations, weighted by risk level. The coefficient to be multiplied by one hundred (100), which should not be less than twelve percent (12%).
- Total equity sufficiency index (Level I) is the primary equity ratio (Level I) divided by the total amount of contingent assets and operations, weighted by risk level, which should not be less than six percent (6%).

Based on the provisions and on the results obtained in June 2015 and December 2014, the percentages reached are as follows:

DESCRIPTION	June 2015	December 2014
Accounting Equity Sufficiency Index	10.18%	9.76%
Total Equity Sufficiency Index	17.25%	19.08%
Total Equity Sufficiency Index (Level I)	17.25%	19.08%

Electronic Channels And Bank Agencies

As of June 2015 close, Banesco had a wide network of physical and electronic distribution channels whereby the Bank offers a wide range of products and services:

- ▶ 408 service points (agencies, satellites, Banesco Express)
- ▶ 1.565 ATMs
- ▶ 67 Stands
- ▶ 92.617 Points of Sale

External Auditor's Report

The financial statements of the Bank corresponding to the first half of 2015, included in this report, were audited by the external auditors of the Institution, "Márquez, Perdomo & Asociados", and confirmed the fairness of such financial statements.

Liquidity, Leverage, Efficiency And Profitability Indicators

PRINCIPAL FINANCIAL INDICATORS	JUN. 15	DEC. 14	JUN. 14	DEC. 13	JUN. 13
1. Equity					
(Equity + Operative Management) / Total Assets	10.18%	9.76%	10.00%	10.17%	10.85%
Non-Productive Assets / Equity + Operative Management	453.08%	389.28%	294.12%	328.00%	218.37%
2. Assets Quality					
Loan Portfolio Provisions / Gross Loan Portfolio	2.78%	2.94%	3.74%	3.67%	2.55%
Non Accrual Loans / Gross Loan Portfolio	0.41%	0.32%	0.40%	0.64%	0.70%
3. Managements *					
Personnel Expenses + Operative Expenses / Average Productive Assets	4.80%	4.42%	4.87%	4.60%	5.16%
Personnel Expenses + Operative Expenses / Financial Income	26.66%	26.16%	30.11%	28.57%	32.19%
4. Earnings *					
Net Results / Average Assets	4.29%	6.31%	5.79%	6.80%	5.97%
Net Results / Average Equity	56.58%	81.15%	75.37%	82.87%	71.14%
5. Liquidity					
Availability / Customer Funds	34.60%	31.89%	24.14%	27.30%	18.97%
Availability + Investment in Securities / Customer Funds	42.52%	39.62%	30.78%	36.49%	30.70%

* Annual Percentages

Internal Auditor's Report on the Assessment of Internal Control Environment

FIRST HALF 2015

Pursuant to the provisions of Article 28 of Decree Law of the Partial Amendment to the Banking Institutions Law, published in Official Gazette Nr. 40.557 on December 8, 2014, and the prudential regulation issued by the Superintendency of Banking Institutions (hereinafter SUDEBAN) on August 27, 2014, articles 1 and 16 of resolution 164.14 referred to "General Standards on the Internal Audit Unit of Banking Institutions", we present the summary of our management, the work accomplished, and the activities developed by the Internal Audit Unit in Banesco Banco Universal, C.A. from February 1, 2015 to July 31, 2015, which was submitted the Audit Committee and the Board of Directors Committee for consideration, as provided for and approved in the Internal Audit Operating Plan defined for 2015.

Banesco Banco Universal, C.A. has an Internal Audit Unit broadly independent to discharge its duties in an effective, efficient, and timely manner, and with the powers necessary to achieve its goals. The Bank's Executive Vice-President of Internal Audit is the Internal Auditor, who is responsible for this area, and his staff, attached to the Internal Audit Unit, report to Banesco's Board of Directors both functionally and administratively.

The Unit has a Statute of the Internal Audit Function, which is reviewed from time to time and provides for the Principles, Standards, and Responsibilities of the Internal Auditor, the Policy of Assurance of the Internal Auditing Activity, Policies and Procedures Manuals for Internal Audit and Internal Auditing Activity, as well as work guidelines. These materials are defined in consistency with National and International Standards on Internal Audit and the standards set forth by the Institution.

The methodology applied by the Internal Audit Unit for the development of the audit plan based on the risk management procedures was performed based on the following criteria:

- ▶ The Internal Audit Operating Plan was approved by the Audit Committee and submitted to the Board of Directors for ratification thereof. Six (6) progress reports regarding the Operating Plan were performed and submitted to the Board of Directors Committee (every month) and the Comprehensive Risk Committee (every six months of the operating plan).
- ▶ The regulations set forth by SUDEBAN were taken into consideration, as well as the current regulations on banking activities and the guidelines of the Committee on Banking Regulations and Supervisory Practices of the Bank for International Settlements (Basel Committee).
- ▶ Auditing was mainly aimed at reviewing Procedures based on risks in the Central, Administrative, and Operative Areas, Agency Network, Information Technology, and Prevention and Control of Money Laundering and Terrorist Financing (PCML/TF).
- ▶ Audit tests were applied to evaluate significant risk exposures, follow up the corrective/preventive actions supported by

strategies, and verify the Environment of Internal Control and efficient operation, thus contributing with the improvement of the effectiveness and efficiency of Banesco Banco Universal, C.A., and providing perspective and guidance over the basis of analysis and assessment of its information and procedures.

- ▶ Samplings consisted of statistical and non-statistical approaches, applying the professional criteria in the design and execution of the sampling plan and the assessment of results.

- ▶ For the first half of year, the hedges set forth in the Internal Audit Plan were reviewed, with focus on the following aspects:

- Control self-assessment questionnaires to evaluate the maturity of Internal Control.

- Rating of effectiveness of the internal control environment during evaluation of the different aspects involving the update, application, and operation of the Institution's internal controls, the risk management framework, the effectiveness of internal controls, and efficiency and productivity of the resources.

- Review and verification of compliance with the legal provisions regulating the banking activity and, particularly, the provisions of the Decree Law of the Partial Amendment to the Banking Institutions Law, other resolutions, regulation letters, and official notices issued by SUDEBAN, as well as other current regulations related to the banking activity applicable to the reviews made.

- Verification of the application of the provisions set forth by SUDEBAN's Accounting Manual for Banks, in the balances supporting the figures presented in Banesco's financial statements.

- Annual Monitoring, Evaluation, and Control Program over the implementation of the aspects contained in the current regulation for the treatment of Prevention Risks and Control of Money Laundering and Terrorist Financing, Comprehensive Risk, and Technological Risk.

- Monitoring Comprehensive Risk Management and Technological Risk Processes, as well as tests to validate the closing of gaps identified in the analysis of the Regulatory Agency, Operational Risk, Internal Audit, and External Audit.

- Compliance with special audits related to certification of processes assessed by the Regulatory Agency in inspections by SUDEBAN concerning reconciling items pending regularization in Banesco Banco Universal, C.A.'s operating account in foreign currency (2013/2014); files of customers with allocations from the Supplementary System for Foreign Currency Administration (SICAD) and the National Foreign Trade Center (CENCOEX); customers' files on PCML/TF; and fairness of transactions recorded in Technology Investments CAPEX account.



Audit Types	Scheduled	Worked
General Audits	39	36
Special Audits	-	5
Follow-up Audits	4	10
Audits of PCML/TF	2	6
Self-assessment of Maturity of Internal Control	70	66
Total	115	123

As of the close of the first half of 2015 program, Internal Audit came to the following conclusions:

The audits conducted included follow-up assessment of the action plans to comply with the Technology Law, SUDEBAN's Resolution 641-10 on Electronic Banking, and resolutions on electronic channels and services.

Likewise, we have followed up the findings identified in the Comprehensive Risk Management Unit, thus verifying that Banesco has made efforts in order to constitute the organizational structure provided for in SUDEBAN's Resolution 136.03 for appropriate Risk Management. Additionally, we have been incorporating the design of methodologies to identify, measure, control, monitor, and value the different risks assumed, as well as the development of policies provided for in the abovementioned regulation.

Regarding SUDEBAN's Resolution 119-10 in PCML/TF matters, we performed audits and verified compliance with the provisions of the Standards on Risk Management and Control related to Prevention of Money Laundering and Terrorist Financing applicable to institutions regulated by SUDEBAN, including risk areas (Banks and Agency Networks). Based on our work, we conclude that the plans and programs designed to prevent and detect transactions presumed to be or which could be related to Money Laundering and Terrorist Financing work properly.

The remote audit review of the Internal Controls of Banesco Banco Universal, C.A. agency network was completed, which is an Input to define the sample of on-site audits, in all processes its processes, business, services, and regulatory aspects, including the review of 408 (100%) remote audits (agencies, satellites, teller windows, and express windows), with individual reports and summaries Issued per regional management.

In Information Technology, we followed up the inspection reports on Technological Risk reported by SUDEBAN, External and Internal Audit, as well as the procedures, applications, and components, communications, links, and interfaces of Banesco Online; technological processes that support the complaint operations of Banesco customers and internal customers; technological processes that support service operations of Extracredito (Extra Loan); Computer Center (where all necessary IT resources that support critical business services and the data processing of the Organization are located); Alternate Center; Continuity Plan; controlled technology tests in the first and second quarters; and Suiche 7B.

As to the application of the Professional Practice Framework for Internal Audit, the Unit has adapted to specific factors of the legal, regulating, and cultural environments as well as the expectations of the stakeholders, according to regulations in force

in the country and the best Internal Audit practices in Assurance, Statements on Internal Audit Standards and Procedures to meet SUDEBAN's requirements.

We have been complying with the scheduled training plans for Internal Audit staff, with the completion of the third cohort of Banesco's Advanced Program for Internal Audit and specialized preparation of systems auditors for CISA Certification.

Application of satisfaction surveys to internal customers and Directors of the Organization, under standards of the best international auditing practices in order to get feedback of the work done and apply corrective measures to some aspects to improve.

Review and implementation of the cost budget under methodologies applied that optimized resources efficiently.

The activities of Internal Audit were defined taking into account the standards established in the regulations in force, considering the principles of objectivity and independence of the Internal Audit Function.

We had an average rate of 2.54, i.e. Acceptable, after the reviews made to internal controls of the units and processes of Banesco Banco Universal, C.A., and based on the results of the survey about self-evaluation on controls to measure the maturity of controls, our maturity level was 70%, i.e. Proficient. Hence, considering these results, it was observed that there is adequate implementation of policies and processes for Banesco Banco Universal, C.A. to meet the following:

- Operate according to the strategies defined by the Senior Management with the support of human, technological, and material resources, ensuring efficient use.
- Appropriate decision making and a reliable and transparent disclosure of information to its Board of Directors, shareholders, employees, clients, relevant authorities, and the general public (all stakeholders), for which it should have information systems with the required quality, sufficiency, security, and opportunity.
- Identification, evaluation, and monitoring of risks, to maintain effective control and reduction of losses, through appropriate administration thereof.
- Operating processes consistent with the provisions of the Executive Management and constantly evaluated to verify the operation of controls and adopt, if necessary, corrective action in a timely and effective manner.
- Compliance with current regulatory standards and internal policies and procedures established by the Board of Directors and the Executive Management.
- Risk awareness, appropriate corporate governance and ongoing and timely monitoring, ensuring the integrity and ethical values, strategic objectives based on the operational capability, compliance by Administration and control activities related to Policies and Procedures.

Therefore, it is concluded that the efficiency and effectiveness in the management of the Internal Control System of Banesco Banco Universal, C.A. maintains a reasonable security.

Communications of the Superintendency of Banking Institutions regarding Provisions, Observations, Recommendations, or Initiatives about the Operation of the Bank

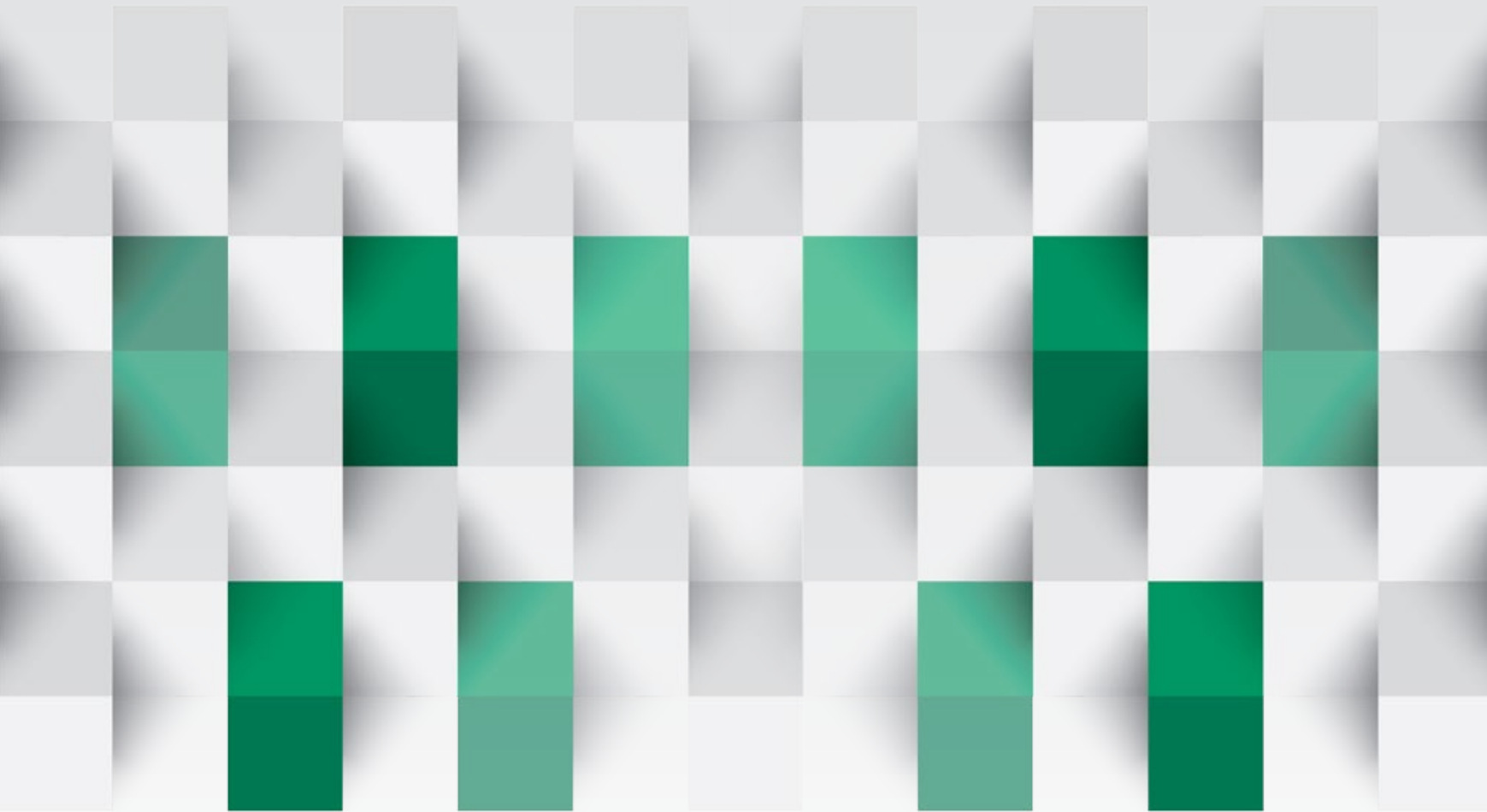
GENERAL REGULATIONS			
DATE	REGULATION LETTERS	DATE	REGULATION LETTERS
08/01/15	SIB-II-GGR-GNP-00335. Delivery of forms with their corresponding instructions, called "Investment plan and schedule submitted by the beneficiary to the Bank" and "Loan follow-up report."	24/02/15	SIB-II-GGR-GNP-06119. "Guidelines that must to consider when submitting the requirements corresponding to the applications listed in Article 33 of Decree Law on Banking Institutions and Prudential Regulations In force."
13/01/15	SIB-II-CCD-00975. Measuring of mortgage lending portfolio fulfillment corresponding to December 2014.	24/02/15	SIB-II-GGR-GNP-06118. Ratification of standards for appropriate Comprehension Risk Management.
16/01/15	SIB-II-GGR-GNP-CCD-01462. Reference to Regulation Letter SIB-II-GGR-GNP-CCD-18392, concerning the resources for the provision of nonfinancial services aimed o give comprehensive support to persons granted agricultural financing.	26/02/15	SIB-II-GGR-GNP-06567. Sending of information on the contributions aimed at communal projects or other forms of social organization.
23/01/15	SIB-II-GGR-GNP-02566. Deferral of the date of application of Article 50 of Resolution No. 067.14 containing the general standards on the duties, responsibilities of the external auditor, audits, and audited reports of Banking Institutions.	05/03/15	SIB-II-GGR-GNP-07545. Modification of form PM-SIB-113/012011(2) "Total Guaranteeable Basis and Guaranteed Basis of the Number of Depositors, and Consolidated Amount by Natural Person, Legal Person, Decentralized Entities, and Grand Total as per Scale and Amount of Deposits Not Covered by the Guarantee of the Social Protection Fund of Bank Deposits."
29/01/15	SIB-DSB-CJ-PA-03109. One Bolivar out of every thousand (1x1000) for the granting of credit instruments to natural or legal persons whose branches or agencies are in the jurisdiction of the Capital District is subject to tax.	05/03/15	SIB-II-GGR-GNP-07546. "Guidelines for determining equity/assets and contingent operations, applying weighting criteria based on risk."
03/02/15	SIB-II-GGR-GNP-03660. "Parameters to be considered by banking institutions to apply restricted surplus provisioned for the capital reserve of fifty percent (50%) of the income for each six-month period."	06/03/15	SIB-II-GGIR-GTR-07630. "Online surveys on technology and systems".
04/02/15	SIB-II-GGR-GNP-03879. Payment of contribution to be made by institutions under the supervision and control of this agency.	16/03/15	SIB-II-GGR-GNP-08694. Ratification of articles 49 and 54 of the "Law of Credit, Debit, and Prepaid Cards and Further Financing or E-Payment Cards."
12/02/15	SIB-II-GGR-GNP-04923. General rules for trading transactions of foreign currency securities in local currency.	30/03/15	SIB-II-GGR-GNP-10606. Modification of form 13-006 "Calculation of contributions by Banking Institutions".
13/02/15	SIB-II-GGR-GNP-05214. Reference to Regulation Letter SIB-IIGGR-GNP-10107 of April 18, 2012, concerning the request for information on the Asset/Liability management measurement (Liquidity GAP).	09/04/15	SIB-II-GGE-GNP-11290. "Guidelines for determining equity/assets and contingent operations, applying weighting criteria based on risk."
19/02/15	SIB-DSB-CJ-PA-05498. Warning about the problems arising out with some banks that allow transfer between accounts by Members of the Management and Supervisory Boards of Savings Banks, Savings Funds, and Similar Savings Associations, whose term of office expired.	23/04/15	SIB-II-GGR-GNP-13056. Orders the acceptance of balance sheets or income or expense statements prepared and signed by technical accountants according to the parameters set forth herein.
24/02/15	SIB-II-GGR-GIDE-05958. Modification of the Technical Specifications Manual "AT33 SICAD II Transactions" Updated to AT33 "Exchange Agreement."	07/04/15	SIB-II-GGR-GNP-14631. Modifications to the accounting manual for Banks, Other Financial Institutions, and Savings and Loan Entities.
24/02/15	SIB-II-GGR-GNP-05957. "Compliance with the hours set for foreign currency transactions in the National Banking System under Exchange Agreement No. 33 of February 10, 2015."	07/05/15	SIB-II-GGR-GNP-14634. Aspects to consider in transactions made through the marginal currency system.
24/02/15	SIB-DSB-CJ-OD-06088. Order enforcement of the regulation regarding the authorization that public sector entities must processed with the National Treasury to open accounts with funds from the National Treasury in Banking Institutions.	20/05/15	SIB-II-GGR-GNP-15964. Ratification of Bank Security Standards.
		01/06/15	SIB-II-GGR-GNP-17733. Payment of resources corresponding to nonfinancial services aimed to give comprehensive support to persons granted agricultural financing.
		11/06/15	SIB-II-CCD-18844. Reasons to reject financing of real estate projects prequalified under the 0800MIHOGAR program.



SPECIFIC REGULATIONS

DATE	REGULATION LETTERS	DATE	REGULATION LETTERS
30/12/14	SIB-DSB-UNIF-44471. “Aspects to consider in transactions made through the Alternative Foreign Currency Exchange System (SICAD II)”.	02/03/15	SIB-DSB-UNIF-06894. Findings from the Special Inspection as of October 31, 2014, regarding the assessment of compliance with management and control measures of risks associated to money laundering and terrorist financing.
30/12/14	SIB-DSB-UNIF-44490. Findings from the Special Inspection conducted for October 2014, regarding the assessment of compliance with risk management and control measures against money laundering.”	02/03/15	SIB-DSB-UNIF-06888. Findings from the Special Inspection as of January 31, 2015, regarding the assessment of compliance with management and control measures of risks associated to money laundering and terrorist financing.
15/01/15	SIB-II-GGR-GA-01326. Considerations made to the sample contract of the General Conditions of the Non-Banking Correspondents.	04/03/15	SIB-II-CCSB-07244. Instructions in Official Notice SIB-II-CCSB-11789 of April 18, 2013, regarding information on the issuance and delivery of Debit Cards (DC) to pensioners registered with the Venezuelan Institute of Social Securities (IVSS) are rendered ineffective.
19/01/15	SIB-DSB-CJ-PA-01787. Implementation of Administrative Procedure due to failure to comply with the obligation to provide the information required by this Supervisory Agency within the terms established for that purpose. Case: Servicios de Ingeniería Civil SICCA, C.A.	17/03/15	SIB-II-CCD-08913. Observations to submitted documents corresponding to the Regular Shareholders’ Meeting to be held on March 26, 2015 on lending portfolios as of December 31, 2014.
29/01/15	SIB-II-GGIBPV-GGIBV3-03115. Follow-up of “2014 Business Plan”.	23/03/15	SIB-II-GGIBPV-GIBPV3-09560. Observations to submitted documents corresponding to the Regular Shareholders’ Meeting to be held on March 26, 2015.
06/02/15	SIB-II-GGR-GA-04237. Observations to the “General conditions of the agreement for POS for credit cards and debit cards, and membership of establishments to accept payments through the credit and debit card service.”	25/03/15	SIB-II-GGIBPV-GIBPV3-09952. Comments on the submitted documents corresponding to the Regular Shareholders’ Meeting to be held on March 26, 2015.
06/02/15	SIB-II-GGIR-GRT-04240. Grating of extended term to comply with Resolution No. 641.10 of December 23, 2010, related to “Standards ruling the use of e-banking services.”	17/04/15	SIB-DSB-CJ-PA-12225. The Administrative procedure is closed through Resolution No. 051715 of April 17, 2015, by implementing corrective and not punitive measures. Case: Servicios de Ingeniería Civil SICCA, C.A.
09/02/15	SIB-II-GGIBPV-GIBPV3-04475. Follow-up of the findings from the General Inspection as of December 31, 2012.	30/04/15	SIB-II-CCSB-13883. Results from the Special Inspection to Bank Service Quality conducted on November 2014, and January and February 2015.
19/02/15	SIB-II-GGIBPV-GIBPV3-05597. Follow-up of observations to the Balance Sheet, Form “E” as of August 31, 2014, evidencing credits to purchases exceeding the amounts provided for in the Banking Institutions Law (LISB).	04/05/15	SIB-II-GGIBPV3GIBPV3-13991. Follow-up of the observations made to the Regular Shareholders’ Meeting held on September 19, 2014.
23/02/15	SIB-II-GGIBPV-GIBPV3-05917. Follow-up of the observations to the Regular Shareholders Meeting held on March 24, 2014.	05/05/15	SIB-II-GGIR-GSRB-14165. Comments on the submitted documents corresponding to the Regular Shareholders’ Meeting to be held on March 26, 2015, concerning the special report on the audited financial statements as of December 31, 2014.
26/02/15	SIB-II-CCSB-06452. Follow-up of the findings from the Special Inspection conducted from July to August 2014, concerning Bank Service Quality.	08/05/15	SIB-II-GGIR-GRT-14760. Expiration of the term to adjust the “Standards ruling the use of e-banking services.”
27/02/15	SIB-DSB-OAC-AGRD-06631. The Bank is ordered to reimburse the amount of Bs. 1,200,200.00 due to claim filed by Gustavo Teran for several wire transfers made through the e-banking service.	27/05/15	SIB-DSB-CJ-PA-16939. Application of corrective measure due to failure to specify the total resources required for manufacturing loans at December 2014 close.
02/03/15	SIB-DSB-UNIF-068861. Observations arising out of the Special Inspections made to Banesco agencies in the city of Maturin, State of Monagas.	09/06/15	SIB-DSB-CJ-PA-17647. Beginning of Administrative procedure for allegedly failing to submit documents.
02/03/15	SIB-II-DSB-UNIF-06882. Observations to the Action Plan concerning the implementation of measures to keep its clients in the loop about the regulations governing transactions made through the Alternative Foreign Currency Exchange System (SICAD II).	17/06/15	SIB-II-GGIR-GRT-19586. The bank is urged to strengthen the technological platform in online banking service, due to clients’ claims.
02/03/15	SIB-DSB-UNIF-06870. Observations to the assessment made as of October 31, 2014, to the implementation on a risk basis of Conozca su Cliente (Know Your Customer) Policy related to transactions of the Alternative Foreign Currency Exchange System (SICAD II).	26/06/15	SIB-II-GGIBPV-GIBVPV3-20970. Consideration of arguments discussed in a meeting held on March 24, 2014, concerning payments made for external consulting recorded in subaccount 181.06.1.01.1900 “External Consultants.”

Relevants Information to Stakeholders



Notice

BANESCO BANCO UNIVERSAL, C.A.

Stock Capital Bs. 1.250.000.000

By order of the Board of Directors and pursuant to articles 10, 12 and 27(2) of the Bylaws, the shareholders of Banesco Banco Universal, C.A. are hereby called to a Regular Shareholders' Meeting to be held on September 28, 2015, at 8:00 PM, in Auditorium Fernando Crespo Suárez, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, entre Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve on the following matters:

FIRST: Upon revision of the Board of Directors' report and the comptrollers' report, approval of the independent auditors' report on the Financial Statements for the six-month period ended June 30, 2015.

SECOND: Decree, allocation and payout of cash dividends.

THIRD: Appointment of a new Member of the Board for period 2015-2016.

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

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRÍGUEZ

Chairman of the Board of Directors

NOTE: Known all stockholders by these presents that the Board of Directors' report, the comptrollers' report, the audited financial statements, as well as other reports and proposals to be discussed in the Stockholders' Meeting, will be available to you at the offices located in Edificio "Ciudad Banesco", Piso 3 (third floor), Legal Vice Presidency.

Caracas, September 2th 2015.

RIF: J07013380-5

BANESCO BANCO UNIVERSAL, C.A.

Stock Capital Bs. 1.250.000.000

By order of the Board of Directors and pursuant to articles 11, 12 and 27(2) of the Bylaws, the shareholders of Banesco Banco Universal, C.A. are hereby called to an Extraordinary Shareholders' Meeting to be held on September 28, 2015, 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, entre Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve on the following matters:

FIRST: Reduction of the Bank's capital stock by Bs. 500,000, as a result of the buyback of 50,000 preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008-II.

SECOND: Increase the capital stock by Bs. 500,000 through the decree, allocation, and payout of dividends in common shares.

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

FOURTH: Partially amend the bank's bylaws.

FIFTH: Unification of all modifications and statutory amendments approved to date in one text.

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRÍGUEZ

Chairman of the Board of Directors

NOTE: Known all stockholders by these presents that the Board of Directors' report, the comptrollers' report, the audited financial statements, as well as other reports and proposals to be discussed in the Stockholders' Meeting, will be available to you at the offices located in Edificio "Ciudad Banesco", Piso 3 (third floor), Legal Vice Presidency.

Caracas, September 2th 2015.

RIF: J07013380-5

Corporate Governance Report

Banesco Banco Universal, C.A.

Banesco Banco Universal, C.A. is a Banking Institution domiciled in the city of Caracas, in the Bolivarian Republic of Venezuela and duly authorized to conduct financial intermediation transactions, trusts, mandates, commissions, and other confidential assignments allowed to universal banks, subject to the supervision, inspection, control, regulation, and oversight by the Superintendency of Banking Institutions.

Shareholders' Meeting

It represents the universality of the shareholders and has the company's supreme management. The meetings are regular and are held within 90 consecutive days after each half year close, and are extraordinary where deemed convenient by the Board of Directors for the company's interests or when required by a group of shareholders representing at least 20% of the capital stock. Its acts and resolutions are binding for the Bank and all its shareholders.

Among its functions, the Shareholders' Meeting is empowered to: i) Appoint the directors of the Board; ii) Appoint the members of the Board and allocate their remuneration; iii) Appoint the comptrollers and their deputies and allocate their remuneration; iv) Appoint one or more advisors with the right to attend and speak in the Board of Directors' meetings; v) Discuss, approve or modify the financial statements presented based on the Comptroller's report; vi) Resolve on the early termination, extension, merger with another company, sale of corporate assets, change of business purpose, increase, decrease, or reimbursement of the capital stock and amendment to the Bylaws regarding the indicated matters; vii) Decide on dividends decree and their form of payment, amount, frequency and time to be paid, in conformity with the Law and the Bank's Bylaws; ix) Decide on the recording of reserves or special accruals that may come before the Board of Directors; x) As well as know and resolve on any other issue within its sphere of competence in compliance with the Law and the Company's Bylaws.

Board of Directors

The Board of Directors of Banesco Banco Universal, C.A. is to be comprised of at least seven (7) and no more than thirteen (13) Directors. The main role of the Board is the management and general administration of the businesses and operations carried out by the Bank, including corporate social responsibility policies. It is empowered with the broadest dispositive and administrative powers on the goods and businesses of the company, provided it is not about matters exclusively reserved to the Shareholders' Meeting or other bodies established by the Law or the Bank's Bylaws. It is responsible for defining and strategically managing the Bank, and approves the business principles and policies, thus regulating the autonomy of executive decisions to protect the shareholders' interest and the institution.



Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years with the results of each year. The Board meets on a regular basis at least once a month and may be called to an extraordinary meeting upon request by the Chairman of the Board or by three (3) of its members.

In compliance with the Banking Institutions Law, the Board of Directors has the following powers and duties: i) Establish the financial and credit strategy of the Bank and control the execution thereof; ii) Analyze and make statements about credit risk reports, as to the proportionality and term of the guarantees granted; iii) Decide on the approval of lending and borrowing transactions individually exceeding two percent (5%) of the Bank's equity; iv) Give an opinion, at its own, on the financial statements and the internal audit report that includes the auditor's opinion on the compliance with the rules to prevent money laundering; v) Know and resolve on the content and compliance with the communications of the Superintendency of Banking Institutions regarding provisions, observations, recommendations, or initiatives about the operation of the Bank; vi) Comply with and enforce the provisions of the Law, the Superintendency of Banking Institutions, the General Shareholders' Meeting, and the Board of Directors.

In addition, the Board of Directors has the responsibilities described in the Bylaws of the Bank.



The structure of the Corporate Governance of Banesco Banco Universal, C.A. includes the following committees:

Audit Committee

The Audit Committee has the duty to know the financial statements to be considered by the Board of Directors and subject to approval by the Shareholders' 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 company. 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 company, cooperating with the supervision and follow-up of the bank's internal and external audit, approves the scope of the annual audit, and reviews together with the Board of Directors and the External Auditors all significant topics regarding litigations, contingencies, and claims.

Risk Committee

Its main duty is the management, identification, measurement, and mitigation of the risks, which the Bank is exposed to, by fixing risk limits under the policies established for each of the activities carried out by the Bank in credit, market, legal, and business matters, among others, in conformity with the national laws and the best international practices. In addition, the Risk Committee advises the Board of Directors and the different Credit Committees on the decision-making, and establishes 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 delegated to the credit committees the authority to grant credits under any modality provided by law, by assigning to each autonomy or credit committee an established individual borrowing limit. To this date, the Central Credit

Committee, the Executive Credit Committee, the Delegate Credit Committee, the Regional Credit Committees, and the individual autonomies have been created.

Technology Committee

Its main duty is to verify that the technological implementations are in line with the strategies and objectives of the Bank, with a big picture and a horizontal vision of the business, using the resources in a responsible manner, and identifying and managing risks. In addition, the Technology Committee guarantees the formulation of the business architecture and the technology planning governance of the Bank, and optimizes and supervises performance of the processes and delivery of solutions.

Committee of Prevention against Money Laundering and Terrorist Financing

It is aimed to control and supervise lawful compliance of the preventive measures intended to fight Money Laundering and Terrorist Financing inside the Bank. The Committee also acts as consulting and advising authority to support the tasks that are the responsibility of the Board of Directors, the President of the Institution, and the Compliance Officer, as to the compliance of the matters related to the current regulations on the prevention of Money Laundering and Terrorist Financing.

Ethics Committee

Its main duty is to guarantee the proper receipt, analysis, evaluation, and resolution of complaints, concerns, and matters that may be affecting compliance with the standards on ethical values set forth in the Code of Ethics and Conduct of Banesco Citizens, and aspects affecting the integrity and image of the Bank.

Chairman of the Board of Directors

The Chairman of the Board of Directors is subordinated to the Shareholders' Meeting and the Board of Directors. In the exercise of his/her powers, he or she acts as legal representative of the institution before any and all authorities, public or private, and on its behalf, grants contracts, agreements, settlements and, in general, all kinds of documents of any nature whatsoever; discharges all the duties assigned by the Board and chairs the Shareholders' Meetings and Board of Directors' sessions; and jointly with the latter, exerts the supreme management of the Bank's activities.

CEO

The Chief Executive Officer is in charge of the daily running, management, and operation of the Bank's businesses and on-site services, as well as of the administration, supervision, and monitoring of its businesses, accounting, financial statements, inventory, and accounts.

In addition, the CEO has the authority to supervise, monitor, and coordinate the activities and tasks assigned to each executive office; chairs the executive office committees of the Bank, and represents the Bank before third parties in non-legal matters, being empowered to enter into contracts, agreements, and covenants on the Banks' name, place, and stead.

Internal Auditor

In conformity with the Decree Law on Banking Institutions, the Internal Auditor is the person in charge of guaranteeing that the Bank's transactions and procedures are compliant with the Law, the prudential regulation, the bank's internal process manuals, and the accounting principles approved by the Superintendency of Banking Institutions.

The Internal Auditor is also in charge of supervising the due operation of internal control systems; guaranteeing compliance with the resolutions issued by the General Shareholders' Meeting, the Board of Directors, and the Superintendency of Banking Institutions; endorsing the financial statements jointly with the legal representative and the general accountant; internally coordinating the analysis of the diverse operations of the institution and, together with the Audit Committee, informing the Board of Directors on the findings of the audits performed in order to improve the procedures and mitigate any potential deficiencies.

Compliance Officer

The Compliance Officer is an official, who is subordinated and reports directly to the Board of Directors of the Bank. The Compliance Officer has the purpose of strengthening the mechanisms that contribute to the supervision of the risks related to Money Laundering and Terrorist Financing (ML/TF).

His/her duties include, among others, being the Chairman of the Bank's Prevention and Control of ML/TF Committee; coordinating, supervising, and managing the compliance program against ML/TF, as well as monitoring adherence to all regulations in force ruling this matter; designing the Annual Operating Plan of Prevention and Control of ML/TF jointly with the Committee and the Unit of Prevention and Control of Money Laundering and Terrorist Financing.

Code of Ethics and Conduct of Banesco Citizens

The Code of Ethics and Conduct of Banesco Citizens helps define and regulate Banesco's conception on ethical values by establishing behavior patterns aimed to reinforce honesty, as the essential way of acting of Banesco citizens. The application thereof basically emphasizes respect to human rights, as well as prevention and control of money laundering and terrorist financing. Therefore, Banesco citizens must adhere to the values below:



RESPONSIBILITY Be responsible when carrying out their activities, which entail fully assuming the authorities, duties and tasks entrusted, and even have initiative and be diligent in the compliance of all requirements and demands inherent to their position, make the most of their time, and give the best to everyone.

RELIABILITY Guarantee achievement of bank secrecy and the privacy of any other confidential clients' information, unless an authority requires certain information within the scope of its duties; and not use the information obtained in the exercise of its duties, authorities, or tasks for personal or third party profit. In addition, they will always tell the truth, respond with honesty, admit their mistakes, and ask for help whenever necessary.

QUALITY Act with respect for personal dignity, carefully discharge each duty, striving to exceed the expectations of our customers and users.

INNOVATION Catch up on new technology, use them appropriately, implement new ways to do things, analyzing the risks and adhered to the Code of Ethics and Conduct of the Institution.



Comptrollers' Report

Banesco Banco Universal, C.A. • Six-month period ended June 30, 2015

Shareholders of Banesco Banco Universal, C.A.

As Main Comptrollers of Banesco Banco Universal, C.A., and pursuant to the provisions of Articles 287, 309, and 311 of the Code of Commerce, we have reviewed the balance sheet of Banesco Banco Universal, C.A., as of June 30, 2015, and the related statements of income and appropriation of net income, changes in stockholders' equity and cash flows for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory information corresponding to such financial statements, attached to the independent auditors' report of the Bank, Márquez, Perdomo & Asociados (Member of Crowe Horwath International) of August 20, 2015, to be made part of our report for all intents and purposes.

Management's Responsibility for the Financial Statements

The Management of Banesco Banco Universal, C.A. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards established by the Superintendency of Banking Institutions (SUDEBAN), which differ in some respects from Accounting Principles Generally Accepted (VEN-NIF). Likewise, the Management of Banesco Banco Universal, C.A. is responsible for implementing internal controls deemed relevant for such financial statements to be free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

Auditors' Responsibility

The independent auditors are responsible for expressing on the financial statements based on their audits. They conducted their audits in accordance with International Audit Standards on Auditing and in accordance with accounting standards established by the Superintendency of Banking Institutions (SUDEBAN). Those standards require that they comply with ethical requirements and plan and perform their audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit involves performing procedures to obtain evidence about the amounts and disclosures presented in the financial statements.

The procedures selected depend on the auditor's judgment, and include assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to Banesco Banco Universal, C.A. for the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank. An audit also includes evaluating the appropriateness of accounting policies used and the fairness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The independent auditors of the bank believe that the audit evidence obtained is sufficient and appropriate to provide a reasonable basis for their opinion.

Comptrollers' Responsibilities

Our responsibility is to issue a recommendation on these financial statements based on our audit. The audit was conducted in accordance with the scope we deemed necessary under the circumstances. Such scope is substantially smaller than that of an audit conducted in accordance with International Standards on Auditing, which aims to express an opinion on the basic financial statements, taken as whole. Hence, it is worth mentioning that both our review and our judgments and opinions in this report on the financial position of Banesco Banco Universal, C.A., as of June 30, 2015, are mainly based on the report of the Bank's independent auditors Márquez, Perdomo & Asociados (Members of Crowe Horwath International) of August 20, 2015, above mentioned.

Recommendation

In the opinion of the independent auditors, the financial statements present fairly, in all material respects, the financial position of Banesco Banco Universal, C.A. as of June 30, 2015, the statement of income and cash flow for the six-month period then ended, in accordance with generally accepted accounting principles established by the Superintendency of Banking Institutions (SUDEBAN) for the Venezuelan banking system. Therefore, and based on the scope of our audit, as stated above, we recommend approval thereof.

Emphasis on a Matter

As explained in Note 1 of the Bank's independent auditors' report, on November 13, 2014, the President of the Republic issued Decree Law on Banking Institutions, published in Extraordinary Official Gazette No. 6.154 of November 19, 2014, reprinted in Official Gazette of the Bolivarian Republic of Venezuela No. 40.557 of December 8, 2014, superseding Decree Law on the Partial Amendment to the Banking Institutions Law, published in Official Gazette of the Bolivarian Republic of Venezuela No. 39.627 of March 2, 2011.

Therefore, the banking institutions will submit for consideration by SUDEBAN a plan to adjust to the new Decree Law, if any, within thirty (30) consecutive days from publication in the Official Gazette. On January 7, 2015, Subsidiary Banesco Banco Universal, C.A. submitted such adjustment plan to SUDEBAN. Subsequently, in response to the Bank's communication, by Official Notice No. SIB-II-GGIBPV-GIBPV3-22081 of July 7, 2015, SUDEBAN indicated the Bank certain comments and observations on the content of such plan.

Accounting Base

Banesco Banco Universal, C.A. presents its financial statements in accordance with accounting standards established by the Superintendency of Banking Institutions (SUDEBAN), which differ in some respects from Accounting Principles Generally Accepted, as explained in Note 2 to the financial statements of the independent auditors' report. The accompanying financial statements were prepared in order to comply with the standards and practices established by that agency and not to be presented in conformity with Accounting Principles Generally Accepted in Venezuela VEN-NIF.

Other Matters to Report

The Superintendency of Banking Institutions (SUDEBAN) notified the banks by Official Notice No. SIB-II-GGR-GNP-21014 of June 26, 2015, the deferral to submit the supplemental information corresponding to the end of the first half of 2015 on the consolidated or combined financial statements prepared on the basis of Generally Accepted Accounting Principles, as well as the individual audited financial statements adjusted for inflation. Therefore, such information must be submitted to the Supervisory Agency where required to the bank. This is not a qualified opinion of the independent auditors.

The financial statements as of June 30 and May 31, 2015, were republished on August 19 and 18, 2015, respectively,

following orders from the Superintendency of Banking Institutions by Official Notice No. SIB-IIGGIBPV3-25615 of August 7, 2015, which indicates reversal of Bs. 5,635,726,042 and Bs. 5,926,027,501, respectively, held in Other Assets to the Loan Portfolio. Therefore, the financial statements as of June 30, 2015, included in this report correspond to the financial statements republished on August 19, 2015.

Based on the assessment of portfolios of Loan and Interest and Commissions Receivable as of June 30, 2015, presented in the Special Report of the Independent Auditors of August 20, 2015, which was issued to meet the standards for the preparation of the semiannual external audit reports established by the Superintendency of Banking Institutions, respectively, the provisions of Bs. 6,544,524,701 for the Loan Portfolio and Bs. 135,862,379 for Returns Receivable and other, as of June 30, 2015 are, in our opinion, reasonable and sufficient for their purposes in accordance with the standards issued by the Superintendency of Banking Institutions.

In the six-month period ended June 30, 2015, we attended the sole Regular Shareholders' Meeting held on March 26, 2015, as comptrollers.

The Bank has implemented the relevant audit programs to comply with the instructions in Regulation Letter No. HSB-200-1155 of February 24, 1984, issued by the Superintendency of Banks and Other Financial Institutions, current Superintendency of Banking Institutions, in accordance with Regulation Letter No. HSB-200-5355 of September 13, 1984.

The dividends decreed and the statutory reserves are compliant with the provisions of the regulations ruling the matter.

During the reporting period, we received no complaints from any shareholder nor have any of them informed us about the existence of circumstances that we think may undermine or weaken the financial position of the institution.



GORDY PALMERO
Statutory Auditor
C.P.C. 7.202



IGOR WILLIAMS
Statutory Auditor
C.P.C. 20.427

Caracas, August 21, 2015

Corporate Management Report

Human Capital

Talent Development

With our systematic, planned, and continuous orientation in education and development processes and in our search for new methodological strategies to promote learning in our Human Talent, we implemented actions aimed at the technical improvement of Banesco Citizens during this first 2015 half, so they can efficiently perform their duties and yield high-quality results. Our most important initiatives in this sense were focused in the following:

- Education activities focused on key business areas including loans, sales, business processes, project management, financial logistics, and effective communication and negotiation techniques. We also focused on strengthening leadership- and management skills of work teams with *Programa Lider Banesco* (Banesco leadership program), innovation, and customer service orientation. Likewise, and in compliance with legal regulations, we implemented banking knowledge activities related to specializations on the prevention of money laundering and terrorist financing.
- Following our Virtual Learning initiatives, we set up the platform *SAP en la nube* (SAP in the cloud) under Banesco's management this year; consequently broadening the virtual learning portfolio by including five modules, the main ones being: *Programa Ciudadano Ejemplar* (Exemplary Citizen Program), which promotes customer service and strategic communication. With this, we aim to start producing a cultural change in the Organization with the participation of 7,543 employees, which corresponds to 65,184 man/hours, thus promoting self development among Banesco employees.
- Inspired in the philosophy of learning organizations, we also developed our Internal Recognition Program.

During this first half, 60 employees of the different vice-president offices have successfully completed 674 teaching hours to other internal areas in the Organization.

- We actively participated in the compliance with the Law by teaching 450 Trainees of INCES (National Institution for Socialist Training and Education). 210 of these INCES trainees are in theoretical training in Auxiliary Training Institutions nationwide, acquiring technical knowledge and developing abilities that will allow them to incorporate to the banking sector; and 240 apprentices in the hands-on stage in different Organization units.
- Following the optimization of our internal processes and the increase of quality of service provided by Banesco as a Financial Institution, we are still implementing the Operational Ex-



cellency Program by training 49 experts in different business areas, whereby 1,088 man/hours in training were invested. In addition, we supported the Project Office by training specialists in Project Management methodologies with experts on this area in order to ensure best practices.

- In the promotion of specialized training of Banesco Citizens, we invited 54 employees to enroll in important certification courses this 2015 in the areas of: innovation, trust, BPM SOA, Big Data, management and supervision, and business management for attorneys in universities recognized nationwide, including UCAB, USB, and UNIMET.
- In this year half, we continued with the implementation of the second Advanced Internal Audit Program (PABAI) due to its success in 2014. This program was led by the Executive VP of Internal Audit jointly with the Executive VP of Human Capital and involved the participation of 17 internal auditors.
- In order to strengthen our analysis and loan granting capacities, we continued the certification process for Business Leaders throughout the country. The main purpose of this certification program is to guarantee the theoretical and practical knowledge that these leaders require for a comprehensive training and vision.
- We participated actively in the integration and standardization of sales procedures and roles, promoting training and development activities in order to simplify technical knowledge through one on one activities like *Somos Uno - Somos Banesco* (We are one, we are Banesco), *Sistematica Comercial Banesco* (Banesco Commercial System), and *Vista 360°* (360° Vision). We provided particular emphasis on motivational conferences taught nationwide on a massive scale.
- The training efforts in Banesco Community Banking (BCB) were focused on the development of designs and implementation of technical and behavioral programs aimed to strengthen knowledge and motivation of professional talent in order to maintain the leadership of the business and the commitment of these teams on reaching the goals set for 2015. All the training activities allowed us to achieve the following results in the first half of 2015:

- 170,063 man/hours invested in training and development activities, 104,879 man/hours of which were invested in in-person training and 65,184 man/ hours in virtual training.
- 12,829 participations in in-person training activities.
- 7,237 workers have attended at least one in-person training activity.
- 7,543 workers have developed their virtual training.

Quality of Life

We carried out sport, recreational, cultural, and voluntary service-oriented activities as part of the Quality of Life Plan, thus contributing to improve the quality of life of workers and motivating them to better use their leisure time, and promoting spaces to reconcile the professional and personal life of Banesco citizens and their families. Some of the most relevant activities are as follows:

Activities Aimed at Sports, Recreation, and Prevention against the Use of Alcohol, Tobacco, and Other Drugs

- ▮ **Toning-up Activities:** 239 workers participated in these activities, which were developed in Caracas and included dance therapy, glut-ab, functional exercises, and yoga, among others.
- ▮ **Ongoing Training in Different Disciplines:** Given in Valencia and Caracas in softball, volleyball, indoor soccer, and basketball.
- ▮ **Banesco Runners Club:** With the participation of 277 employees.
- ▮ **Banesco School of Soccer for Children:** With 213 participants, this school is aimed at children aged 5 to 12.
- ▮ **Ciudad Banesco Recreational-Preventive Activity:** We implemented activities reinforcing company values. Additionally, we had an activity related to *Copa America* soccer cup, with 899 employees.
- ▮ **Labor Integration Conferences.** We had 494 employees who participated in entertaining activities aimed at strengthening their capacities in leadership, teamwork, assertive communication, and creative thinking.
- ▮ **Creative Drawing:** Aimed at workers' children aged 5 to 12, this activity allowed children to enjoy an environment of healthy enjoyment by drawing "how they experience Banesco values".
- ▮ **Preventive Bowling:** This activity was developed in Puerto La Cruz, Maracaibo, Maturin, Maracay, and Caracas with the participation of 869 workers.

Cultural Activities

- ▮ **Theater/Presentation of Plays:** Three theater plays were performed in this year half for the enjoyment of our workers, with 279 attendees.
- ▮ **Choral Singing Workshops:** The performances include Mother's and Father's Day homage and supporting the visit to Rafael Rangel nursing home.
- ▮ **Book Exchanging:** This activity is organized once a month in Ciudad Banesco's facilities.

Voluntary Service Activities

The most important activities performed in the first half of 2015 include:

- ▮ Banesco's participation in *Give & Gain Day* 2015 for the second year in a row. This activity is promoted by the Business in the Community organization (UK) and encourages best practices in volunteer activities worldwide. Banesco Banco Universal also implemented activities in *Fundación Apoye* and the Orthopedic Children's Hospital.
- ▮ Participation of Banesco Voluntary Service in the *Environmental Rally* activity, a World Earth Day initiative organized by Universidad Metropolitana.
- ▮ We provided training on Human Rights to our volunteers.
- ▮ We visited our social partners of Don Bosco, Fundana, and Instituto Universitario Jesús Obrero in Catia.

Contractual Benefits

As part of the contractual benefits, in the first half of 2015, the Bank granted Bs. 716.6 million to its workers. The most outstanding are as follows:

- ▮ **Unsecured Loans:** Banesco, aiming to support its workers and their family in the acquisition of their homestead, grants unsecured loans. This benefit allows workers to complete the down payment or the notarization, and is payable with years of service. Since April 2015, the amounts of unsecured loans have been increasing, and vary based on seniority and performance, amounting to Bs. 4.3 million in the first half of the year.
- ▮ **Food Law for Workers:** The amount of the benefit increased in the first half of 2015, and was granted to other workers of the organization, over and above the current legal requirements.
- ▮ **Daycare Benefit for Workers' Children:** The first business day of each month, Banesco credits the benefit in the bank accounts of the daycare centers. The amount credited is pursuant to law and based on the minimum salary in effect. In the first half of 2015, the granted benefit amounted to Bs. 18.2 million.

Corporate Social Responsibility

In the first half of year, Banesco's Social Investment amounts to Bs. 116.1 million

During the first half of this year, we confirmed our commitment to our employees and social partners, as well as to develop more and more Venezuelan entrepreneurs, in order to generate tangible results in response to the demands of communities, the impact of which will translate into education for life.

In this period, the social investment amounted to Bs. 116.1 million, 53.4% of which (Bs. 61,970,000) was allocated to non-contractual benefits for our employees, while 46.6% (Bs. 54.12 million) was allocated to finance social projects to benefit communities.

Community Participative Budget

After seven years with the participative budget with the community of Colinas de Bello Monte, Caracas sector where the headquarters of the Bank is located, we extended this initiative to the entire municipality and other regions of the country. In this period, we carried out the activity for the second time in Maracaibo, State of Zulia, and Baruta, State of Miranda.

In both activities, we allocated Bs. 800,000 for education, health, environment, animal protection, eldercare, culture, and infrastructure projects, among others.

Sociedad Anticancerosa de Venezuela (Anti-cancer Society of Venezuela)

During this period, we contributed Bs. 3.5 million to Sociedad Anticancerosa de Venezuela for the purchase of a digital mammography unit that will be used in Mobile Clinics (MC), which are part of the Cancer Prevention Program of the Cancer Society. The MCs are aimed at early detection of the four most common types of cancer in the Venezuelan population (breast, cervix, prostate, and skin cancer).

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

For the tenth consecutive year, we renewed our support to *Fundación Amigos del Niño con Cáncer*. We contributed Bs. 250,000 to this NGO that attends children and adolescents from 0 to 18 years old, who have been referred from public hospitals and come from low-income families.

Fe y Alegría

Since 2006, we have maintained our ongoing support to the projects submitted by the technical college Instituto Universita-



rio Jesús Obrero (IUJO), Barquisimeto's attachment. We recently renewed the agreement with this institute for Bs. 24.44 million to finish the construction and equipping of high-core laboratories in IUJO, Barquisimeto. For this project, at the end of 2014 Banesco gave an initial contribution of Bs. 7.71 million, whereby the expenditures made in nine years amount to Bs. 39,620,000 for the construction and equipping of this place of study in Lara.

Fundación Venezolana contra la Parálisis Infantil (Venezuelan Foundation against Child Paralysis)

We contributed Bs. 3 million to Fundación Venezolana contra la Parálisis Infantil for equipping the intensive care unit of Hospital Ortopédico Infantil, in Caracas.

This contribution will allow updating the equipment of Intensive Care Unit during the expansion of this service.

Hospital Ortopédico Infantil (orthopedic children's hospital) performs around 5,000 surgeries annually, which sometimes require the ICU. Since 1998 to date, Banesco has contributed Bs. 7.07 million to Fundación Venezolana contra la Parálisis Infantil.



SenosAyuda

We joined *SenosAyuda* (a non-profit civil association for breast cancer matters) in the prevention of breast cancer in Run/Walk named “*La meta es rosada*” (*The goal is pink*) on World Cancer Day. This was not a sport activity only, it also contributed to the promotion of breast cancer prevention programs fostered by this Institution, like *SenosEduca*, *SenosEntretiene*, *SenosApo-ya*, and *Senos-Fortalece*, as well as detection, education, and psychological support studies, among others.

In this first round, the participants and running enthusiasts showed their abilities in the 10k race and 5k walk.

At the end, they enjoyed a stand-up comedy show with Laureano Márquez, Emilio Lovera, and Claudio Nazoa, hosted by Viviana Gibelli and Daniela Kosán.



Asociación Venezolana de Educación Católica (AVEC)

In this period, we renewed our support to AVEC, our social partner, by contributing Bs. 2 million for the repair and construction of three schools of this association. The project was to repair and refurbish the multipurpose court of the school Unidad Educativa Colegio Nuestra Señora de Guadalupe, the construction of three classrooms in the school Unidad Educativa Colegio Monseñor San Miguel, and supply and installation of a water tank in the stay-in school Escuela Hogar Segundo Corazón de Jesús.

Since 2004 to date, we have made a Bs. 13.54 million investment in this institution.

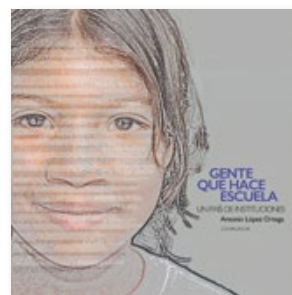
Microentrepreneurs Training Program

Thanks to the partnerships established with different educational institutions, our Microentrepreneurs Training Program continues graduating thousands of entrepreneurs to strengthen their business. During this period, 5,129 entrepreneurs graduated throughout the country for a total of 21,909 graduates since 2008. Last year, this initiative won the 18th edition of CODESPA Awards (Spain) in the category “Social Innovation of the Company.”

University Fairs Books

We participated as exhibitors at the first Caribbean International Book Fair, organized by Universidad de Margarita in Porlamar. In this edition, we conducted the colloquy about our publication *70 años de humor en Venezuela* (Seventy Years of Humor in Venezuela) and presented the book *Gente que hace escuela: Un país de instituciones* (Pioneer People: A Country of Institutions), a text that presents the stories of 45 Venezuelan institutions that have made teaching their reason to exist and their legacy.

We also sponsored and were present at the 18th edition of the International University Book Fair (FILU), organized by Universidad de Los Andes, which took place on June 19-27 in the Mucumarila Convention Center in the city of Merida, State of Merida.



Social Networks

In the first half of year, Banesco addressed over 25,000 customer requests through its social networks, 59% of which corresponds to Banesco customers' requirements, while 25% were service and product-related enquiries.

As of June 30, 2015, we had a community of nearly one million users in our official accounts in Twitter, Facebook, Instagram, YouTube, LinkedIn, and Google+, in addition to a blog.

@Banesco in Twitter, the social network of choice of Banesco Banco Universal clients, had 564,000 followers. Apart from addressing the requests of our users and clients through our account, Banesco shares content related to enterprise, technology, sports, business, and personal finance, among others. In addition, @Banesco is also a reference to clients and users when it comes to learning more about the products and services offered by the Bank.

While @Baneskin, account where information on environmental issues, financial tips, and safety advises is published, had over 132,000 followers.

Banesco Banco Universal has 231,322 followers in Facebook, 28,400 followers in Instagram, and 5,402 YouTube subscribers. The channel *Banesco en Imágenes* (Banesco in images) records an historical of 2,621,693 reproductions, and Blog.banesco.com already has 1,668,044 visits.

As part of the strategy to offer innovative products, adapted to the current trends, and social networks being a space in which people increasingly interact, we launched *BanescoAmigos* App, which can be downloaded free by Facebook users having an account in Banesco. This application allows "whip-rounds" and transfers to third parties who are friends in Facebook and also have account in Banesco.

In the first half of 2015, the Bank also awarded prizes for Bs. 120,000 to the winners of the contest *#Gente-QueEmpren-*



de (enterprising people) @leocoupphoto, @isabelarteaga, and @carluhoccs, and will soon baptize the first Book of Mobile Photography. The contest was made through the Bank's Instagram account and organized with the alliance of Instagramers Venezuela to reward and promote mobile photography in that social network. The images showed the work of hundreds of Venezuelan entrepreneurs from all sectors.



The contest *#ArquitecturaVenezolana2015* (Venezuelan Architecture) also began through the Bank's Instagram account, effective until December 2015. In addition, Banesco held the contests *#SemanaSantaconBanesco* (Easter with Banesco), *#MadresBanesco* (Banesco Mothers), *#PadresBanesco* (Banesco Fathers), and is currently developing *#VacacionesConBanesco* (Vacations with Banesco).



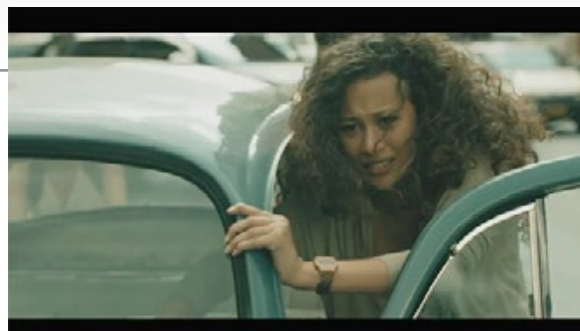
Marketing and Innovation

Mobile Friendly Website

In our constant effort to staying current and offering users the most simple and easily manageable solutions, we launched the Banesco.com website in May 2015 with responsive design to different devices, either desktop computers or mobile devices (smartphones or tablets.) This new version of the website allows finding sections and viewing their content more easily in different screens due to the inclusion of larger icons, which makes browsing easier for the user. Among other features, Banesco.com's adaptable version stands out for its simplicity and a more modern, clear, and minimalist design that uses the space for better viewing, making it possible to go with the user anywhere or with any device. Likewise, computer graphics, videos, and tutorials stand out to support the explanation of processes and make them understandable for anyone.



Furthermore, we introduced the section “Sala de Prensa” (Press Room): a space with relevant information for journalists. This initiative includes a multimedia section where press releases and graphic support materials can be downloaded for the dissemination of corporate news. We also set up a “videonotes” space, a new concept supported in audiovisual resources to spread informational content about the Organization.



Héroes Anónimos (Unsung Heroes)

In April, we launched the *Heroes Anonimos* (Unsung Heroes) campaign in mass media and our main social networks: Twitter, Facebook, and YouTube. Our goal with this campaign was to achieve a connection with the Venezuelan spirit and raise awareness about the fact that values are fundamental for a society's growth, emphasizing those values that have always been present. The campaign started as a way to appreciate the selfless attitude of people making the smallest acts, who are not seeking recognition but to support and lend a hand without expecting anything in return. We were also attempting to promote these actions among those who do not practice them anymore, so they regain their strength and put them into practice again.

We published a set of graphic pieces related to the campaign in our different digital platforms in order to reinforce the message.



Ticket Premiado (Winning Ticket) Permanent Program

In the first half of 2015, we reinforced the Permanent Program through the Winning Ticket campaign “*El Punto es el de Banesco*” (The point is that of Banesco), with its two commercial versions. Just like last year, we launched campaigns during the most representative seasons, rewarding cardholders during each of them: Saint Valentine's Day, Mother's Day, Father's Day. These campaigns were carried out through mass media, like cable television, special purchases in newspapers and magazines, and internet.

We closed the period with a campaign in line with the most ancient football tournament still in effect: America's Cup. During the period he discussed about a new version of TV advertisement and its corresponding print and Internet versions. With this campaign, we gave our customers, once again, the opportunity to win the swipe your card through a point of sale Banesco.

Business Management

Segments

During the first half of 2015, the management of the Vice Presidency of Segments was focused on developing strategies to ensure the best customer experience and capitalize the business of the segments with the greatest potential for the bank, focusing on products, services, and service models for each of these segments, optimizing the value offering and commercial activities, as well as the range of products and more cost-efficient transactional services.

In order to leverage these strategies during the first half of 2015, we developed commercial actions to place loans and capture funds aimed at over 250,000 clients, both legal and natural. Business actions that benefited over 50,000 clients were specifically taken to give loan support to our clients.

Driven by these strategies the Mass and SME Segment experienced a loan portfolio growth of 42.9% in the first half of year, while deposits showed an increase of 29.4%.

Legal Entities Bank

Corporate Banking

The performance of the Corporate Banking in the first half of 2015 is the result of work focused on supporting our clients by addressing their transactional needs through the offering of products and services designed to facilitate the administrative work in the companies. All this has been achieved thanks to a team focused on knowing each economic sector where our clients perform, providing financial advisory that has turned Banesco into their ally.

In the first half of 2015, customers' deposits and loan portfolio in Corporate Banking grew by 22% and 24%, respectively, based on the six months immediately preceding.

Agricultural Banking

During the first half of 2015, the Agricultural Banking continued with the commitment to support the agricultural and agro-industrial development of the country by granting financing to clients engaged in primary production, agro industrial, and service activities, under a strategy of approach and knowledge of the sectors where they operate.

We have a highly motivated team, willing to provide technical and financial advice to our clients. During the first half of 2015, we granted 1,527 loans for more than Bs. 18,000 million, which allowed reaching and even surpassing the man-

datory agricultural portfolio established by law, as well as the mandatory loan sub-buckets.

Regarding customers' deposits, our financial solutions to clients enabled an 89% increase over December 2014 vs. 46% in the first half of 2014.

Business Banking

In the first half of 2015, Business Banking experienced a 29% increase in deposits as a result of the ongoing contact the business teams maintain with their clients, providing personalized, financial advice service to identify their needs and offer them products related to payment means and services to improve the transactions of the businesses and strengthen their relationship with Banesco.

The Business segment continues strengthening its client portfolio in the productive sectors of the country, particularly in the manufacturing, trading, and tourism sector, thus achieving in the first half of year a 41% increase in the loan portfolio.

Energy Banking

Energy Banking is responsible for serving companies that are part of the basic industry in power generation: Oil, Gas, Power, and Iron and Steel, by supporting plans drawn with the offering of specialized financial services and credit leverage, thus being for over a decade the best Specialized Banking of this sector because it has been able to understand and advise its clients to build together an integrated value chain that fosters business and services.


In addition, the bank serves over 1,000 oil, gas, electrical services, and metal machine manufacturing contractors, both national and international, and its largest business axis is the range of services to the contractor.

The Energy Banking is extremely proud of achieving more than 200 projects of national impact together with the team of Executives in this unit, and the contribution to the productive system, which at the end of the first half of 2015 translated into a 46% growth in liabilities for this banking.

Public Sector Banking

The valuable service offer for clients in the government sector must be excellent and secure. For this purpose, the Public Sector Banking has trained professionals who understand the sector's needs, which ultimately translates to businesses and services for both parties.

The operational platform sustained banking services with success and maximum availability in order to ensure the standard tax collection procedures in this period, thus be-



coming an ally for our clients in the Central Government and Decentralized Public Sector.

As to the Decentralized Public Sector, we redesigned the service model in the tax collection area, reengineering processes to provide better service to its taxpayers.

We included new Provincial Governments and Mayoralities that now receive services through our different channels, thus contributing to a 50% tax collection growth.

Public Sector banking increased over 115% in a satisfying and sustained manner during the first half of 2015.

Payment Means

As to the Collection Services, in the first half of 2015, the collection volume increased by 48% over the second half of 2014, and 161% over last year's same period. This growth is mainly due to the boost of revenue through bank tellers and electronic deposits of checks, which alone accounted for 68% of the total collected.

As to the Payment to Suppliers Service, the amount processed grew by 35% over the previous six-month period and 136% over the first half of 2014, as a result of the incorporation of over 500 new customers into this service.

Trust Fund

Banesco's long and important trajectory as a trustee in Venezuela has positioned us among the leading trustees of the country with a much diversified trust portfolio in terms of operational management and purpose of the trusts.

In the first half 2015, we experienced a growth of Bs. 3,488,000 (22.82%) in Trust Fund Assets, thus reaching Bs. 18,774 million at June end, which places us as the third private trustee bank of the country.

Of this total, 53.13% corresponded to Collective Trusts Funds (Bs. 9,975,000), 27.23% to Investment Trust Funds (Bs. 5,112,000), 13.25% to Warranty Trust Funds (Bs. 2,487,000) 6.39% to Management Trust Funds (Bs. 1,200 million).

International Products

In the first half of 2015, Banesco Banco Universal increased its share in the peer group due to the decentralization of clients and economic sectors served regarding foreign currency applications.

Banca Comunitaria Banesco (Banesco Community Banking)

We are a microfinance-specialized, efficient, profitable, and sustainable bank engaged in providing service to the popular sectors, especially those lacking banking services. We offer financial products and services that fit their needs with accessible, simple, and quick procedures, through innovative, state-of-the-art technology. We count on a sales force that provides personalized financial consulting directly in the communities. We are committed to contribute to the improvement of the social structure and the quality of life of the population, by generating financial, social, and environmental value.

At the close of the first half of 2015, we granted 20,640 Working Loans, with a total repaid amount of Bs. 3,285 million. We opened 23,676 Community Accounts, with an account balance of Bs. 1,159 million, and 16,885 clients affiliated to our *Ahorro Paso a Paso* (Step-by-Step Savings), with a total account balance of Bs. 41.7 million.

In total, at June 2015 close, we had granted a total of 248,732 Working Loans, with a total paid amount of Bs. 12,439 million, and a delinquency rate of 0.80%. We also benefited 377,790 clients by providing indirect service to 1,888,950 users.

At June 2015 close, we had a total of 26 Community Agencies, consolidating our presence in La Vega, Antímano, San Martín, Petare, Catia, El Cementerio, Santa Teresa, Maiquetía, Higuerote, Guarenas, Barinas, Valencia (2), Barcelona, Puerto Cabello, Cúa, Maracay, Acarigua, Palo Negro, Maturín, Barquisimeto (2), Porlamar, and Maracaibo (3).

In order to provide a quality service to our customers, we have 76 businesses with Personal Service modality (*Barras de Atención*) and 175 Banesco Aquí (non-banking correspondents).

Thus, we have 251 business allies in 8,367 neighborhoods in 16 states of the country.

Social Impact

Banesco Community Banking is a leader, pioneer, and friend of microentrepreneurs in Aragua, Barinas, Carabobo, Cojedes, Distrito Capital, Falcón, Guárico, Lara, Miranda, Monagas, Nueva Esparta, Portuguesa, Vargas, Yaracuy, and Zulia.

Following our figures:

- ▀ Served Clients: Over 377,790
- ▀ Microloan Disbursements: Bs. 12,439 million
- ▀ Benefitted Microentrepreneurs: 248,732
- ▀ Persons Indirectly Served: 1,888,950
- 26 community agencies nationwide
- 468 *Banesco Aquí* for bank transactions
- 21,909 Graduates from the Microentrepreneur Training Program

Electronic Channels and Bank Agencies

At the close of the first half of 2015, Banesco a wide network of physical and electronic distribution channels. Hence, the Bank offers a wide range of products and services nationwide:

- ▶ 408 Service Points (agencies, satellites, Banesco Express)
- ▶ 92,617 Points of Sale (Physical, Merchant, Loteros (sellers of lottery tickets), and web-based (POS))
- ▶ 1,565 ATMs
- ▶ 67 Stands

Electronic, Telephone, Virtual, and Mobile Channels

In the first half of 2015, transactions made through Banesco electronic channels increased by 22% over the first half of 2014. The share of transactions made through electronic channels closed at 97.15%.

Internet Banking Channel

At June 2015 close, BanescOnline had over 4 million affiliated clients, 190,000 new clients incorporated to the channel during the first half of the year —a 5% increase over December 2014.

As of June 2015, over 1.9 million clients repeatedly carried out transactions —a 3.2% increase over the previous six-month period.

In the first half of 2015, financial transactions increased by 36% over the same period in 2014.

In February 2015, The Currency Management (SICAD/SIMADI) function was enable for both natural and legal clients affiliated to BanescOnline to manage the placement or query of purchase orders in US dollars; and the function to query the balance in US dollars in the consolidated position is also available.

Leveraging on the transactional bypass strategy, we increased the limits set for transfer transactions to third parties in Banesco and transfers to other institutions in order to improve the experience of our clients.

As to online banking transactions, we continue providing effective attention to 100% of the requirements made via Sir Web within the term established, thus ensuring quality of service.

Mobile Banking Channel

In the course of the migration of our Mobile Banking to a new technological infrastructure, the BanescoMóvil applications for BlackBerry, BlackBerry 10, Windows Phone, Iphone, Smartphones, and Tablet Android were released pursuant to the article on handling multiple sessions in Mobile Banking of the Law on Electronic Channels, and include a new functionality Movistar pre-paid telephone service collection.

The applications of Llave Virtual (Virtual Key) for Smartphone, Android, and BlackBerry were migrated as well, including a new functionality for final locking of Banesco Credit Cards, also pursuant to the article on handling multiple sessions in Mobile Banking of the Law on Electronic Channels.

Telephone Banking Channel

During the first half of 2015, Banesco Telephone Banking answered a total of 25,879,134 phone calls —88% (22,714,750 phone calls) were answered by the automated system (IVR – Interactive Voice Response) and 12% (3,164,384 phone calls) by our telephone agents.

In the first half of 2015, Banesco's Telemarketing and Te-leoperation Unit made sales, operational, and information campaigns of many products, thus reaching over 156,000 clients, the average contactability ratio reached was 78.73%, and an average effectiveness of 90.47%, thus exceeding the goal set (70%).

ATMs

At the close of the first half of 2015, we had 1,565 ATMs nationwide (1,044 Unifunctional and 521 Multifunctional), through which 96 million transactions were processed: 73.14% through unifunctional ATMs and 26.85% through multifunctional ATMs.

Non-Banking Correspondents (NBC)

At the end of the first half of year, we had 468 service points, thus increasing by 22% over December 2014.

Another goal achieved in the first half of year for the Non-Banking Correspondent Channel is the unification of all affiliated businesses, of Banesco and Banca Comunitaria, with the NBC and ATM Management to improve the experience of all our clients, as we will work under a single brand called BanescoAquí.

POS (Points of Sale) Channel

We closed the first half of 2015 with 92,617 Points of Sale installed in over 77 thousand affiliated businesses nationwide, whereby over 208 million transactions were made.

Debit Card Issuing Business

Debit Card Issuing Business

In the first half of 2015, Banesco Debit Cards recorded a 138% increase over last year's same period.

Banesco DC's leadership is directed at maintaining optimal service levels for its customers' increased convenience, speed, and security, promoting the use of electronic channels to improve the daily POS limits, supporting decongestion of agencies, and strategies that strengthen preference, like the Ticket Premiado (Winning Ticket) program.

Over 283,000 pensioners enjoy the convenience of moving their pension funds in a quick, convenient, and safe manner with their Pensioner DC in the Points of Sale, ATMs, and BanescoOnline. Moreover, 1,961 students already had their Banesco University DC.

We increased our daily limits for purchases and consumptions in point of sales with Banesco Maestro cards according to the product:

- Classic, electronic, pensioners, and Universidad Nueva Esparta cards: up to Bs. 250,000.
- Banesco Maestro Gold and Legal Debit Cards: up to Bs. 600,000.

Daily withdrawal limit in ATMs according to the product:

- Electronic, Classic, Pensioner, and Universidad Nueva Esparta cards: up to Bs. 12,000.
- Golden: Up to Bs. 16,000.



SI QUIERES GANAR EN ESTA COPA PÁSALA AL PUNTERO VERDE

Participa por Tickets Premiadados en todas las compras. Haz tu mejor jugada al pasar por un Punto de Venta Banesco tus tarjetas de crédito de cualquier banco, o la Tarjeta de Débito Banesco, porque los compras te pueden salir gratis.



Si quieres comprar y ganar, pásala siempre al puntero verde.



Credit Card Issuing Business

The credit card portfolio grew by 110% over the same period close in 2014. Nearly 100,000 credit cards were provided in the period. The delinquency in CC portfolio remained at 0.5%.

Likewise, ExtraCrédito Compras (Extra loan for purchases) increased by 165% over the first half of 2014, through POS and ExtraCrédito Efectivo (extra loan in cash).

It is worth mentioning that for the third consecutive year the Visa franchise granted Banesco Banco Universal service awards for performance. We received two awards for Quality of Service: Effectiveness of Chargebacks related to Fraud and Effectiveness of Chargebacks not related to Fraud due to the results achieved in 2014.

Promotions and Alliances

Every promotion is aimed to increase the contribution to the lending portfolio by promoting sales in the effective term, and generate a residual effect that extends the advertising effect subsequent to completion. The business alliances do not only promote the use of Banesco Cards, but aim to strengthen the loyalty relationship Banesco-Client by providing unique benefits based on their tastes and preferences.

Alliance – *Una Sonrisa de Entrada* (A Big Smile)

Based on the lifestyle and preferences of our Premium and Private Banking clients, this alliance aims to offer an amenity by providing a starter in restaurants (Ganadero Grill, Barricacas, DOC, and Tarzilandia) in the metropolitan area of Caracas, when they pay with Banesco credit cards. Currently, nine restaurants located in El Hatillo have joined this alliance.

Promotion – *Lo que ellos hacen con los pies tú lo puedes mejorar con las manos* (You can improve with your hands what they do with their feet)

Aimed at clients of our exclusive Premium and Private Banking segment, effective from April 19 to July 19, whereby they could participate for two (2) packages for two to travel to Chile and witness the semifinal of America's Cup 2015, and two (2) Samsung Smart TV, by making purchases with their credit cards.

Acquirer

Acquisitions grew by 180.8% over the first half of 2014, promoted by the growth in debit acquisition (+190.6%) and in credit acquisition (+151.7%).

With a solid 33% market share at the close of the first 2015 half, Banesco's leadership in Acquisitions is due to the outstanding service levels the Organization provides to its business clients. Banesco has customized service through full time commitment sale- and postsale executives and quick service through technical and business monitoring services that allow guaranteeing service continuity under the highest quality standards. We have 75,198 affiliated businesses at June 2015 close as a result of a structured affiliation plan carried out alongside the different business segments, developing the most important and sensible sectors in the country.

Likewise, we awarded over 19,084 clients of Banesco and of other banks that used our points of sale.

Competitive Intelligence

Given the increasingly challenging economic environment, a competitive market, technological advances, new habits of clients, and their growing financial culture, it becomes essential for companies to develop strategies aimed not only at satisfying clients' needs and expectations but also exceeding them.

With this in mind, Banesco focused its business model in its clients in order to create positive experiences that could exceed their expectations so that customers will consequently recommend the bank to their relatives and friends. In order to achieve this, Banesco has launched a Customer Experience Plan on a cross cutting basis.

The Experience Plan promotes a change of culture in services in order to improve clients' satisfaction by promoting behaviors such as: kindness, courtesy, coherence, and empathy, and strengthening the value of correct counseling to clients and swift service through the different channels or points of contact.

To better know its clients, Banesco has a global methodology of continuous customer experience measurement that is based on recommendation. This methodology is called Net Recommendation Index (NRI) and was inspired by the Net Promoter Score (NPS). Implemented in 2014, this methodology is still evolving throughout this year as a part of the Balance Scorecard (BSC) indicator for the Bank as a whole.

The NRI allows understanding the factors that affect recommendation and contrasting (comparing) Banesco's position regarding its main competitors (Benchmarking.) Beyond a measurement, Banesco understands and applies this methodology as a management model used to create concrete action plans in order to build and sustain client fidelity. As a supplement to NRI measurement, we maintain our permanent audit service monitoring program in the agency network (ADS.)

In 2015 and as one of its foundations, Banesco has been developing a program of awareness and virtual training in the SAP in the Cloud platform alongside Universidad Metropolitana. This program is aimed at strengthening and developing competences and knowledge that connect Banesco Citizens emotionally and attitude wise with the comprehensive Customer Experience model. This program is called "Ciudadano Banesco Ejemplar" (Exemplary Banesco Citizen) and is aimed at all employees in the Agency Network.



Information Technology, Business Processes, and Transactions

In the areas of Information Technology, Processes and Operations, we continue focused on our approach of boosting long-term structural solutions for Banesco to be recognized as a Global Digital Corporation, simultaneously meeting the needs in present time, thus generating short- and long-term significant businesses that foster our view.

Therefore, we support on a strategy based on the following:

- ▶ High levels of innovation
- ▶ Structured and systematic optimization of the technology architecture and the business processes
- ▶ Effective and efficient project management
- ▶ A sound and reliable transaction with proactive risk management

Thus, guaranteeing a quality comprehensive approach to our clients.

Innovation

As to IT innovation, we continue promoting initiatives aimed at adding value to the business, improving and optimizing internal processes, and encouraging the innovation culture.

We continued developing the Innovation Initiatives Plan (explorations, prototypes, pilots, and projects), providing tools to the business in order to reach goals and generate new business opportunities with different technological trends of global impact. The most important initiatives include:

BanescoAmigosMovil. A mobile application that allows transferring money via Facebook. This app has over 5,000 registered users since it was launched this year, and its campaign ranked first in the “Top of Mind” awareness.

Banesco Móvil. We continued including new features like Buzón Banesco (Banesco Inbox): an app for Banesco clients and users that allows sending relevant information about the bank through customized messages; Banesco Catálogo (Banesco Catalogue): an app that provides information about the Products and Services offered by Banesco; Calculadora Banesco (Banesco Calculator): a credit simulator; and Llave Virtual (Virtual Key): an option to temporarily block and unblock credit and debit cards.

We achieved over 60% year on year growth in transactions through our clients’ mobile devices. We were the first bank in the country to have Mobile Banking in every smartphone operating system as well as specific tablet apps.

With our users’ mobility and comfort in mind, we improved the design of www.Banesco.com to offer an outstanding visual experience when logging from a smartphone, tablet, laptop, or desktop computer, with the new Banesco.com Responsivo (Responsive Banesco.com) version, which will allow finding sections and viewing their content more easily in any device screen due to the inclusion of larger icons and easier browsing.

We continue promoting innovation as part of our Banesco Culture, offering tools to generate innovating ideas through the Programa de Embajadores Innovadores 2015 (2015 Innovative Ambassadors Program), which has gathered over 250 new participants with the following results:

- ▶ We have gathered 269 ideas from the 2015 Innovative Ambassadors Program.
- ▶ We have 27 teams developing ideas to be evaluated and rewarded.
- ▶ We have Innovation Mentors responsible for replicating the creative process and Innovation activities.

Additionally, in June 2015, we began a certification course in alliance with Universidad Simón Bolívar for the 36 ambassadors who excelled in 2014.

Architecture

Seguimos gestionando y optimizando la Arquitectura Tecnológica. We continue managing and optimizing the Technological Architecture by executing the actions foreseen in the strategic planning for this first half of year leveraged in the de-



velopment of key projects. At the same time, we have been reviewing the core processes that support the practice of enterprise architecture, ensuring their evolution according to the new needs of the Organization.

Processes

Process optimizations in this first half of year have been focused on three lines of action:

- Construcción del futuro (Building the future) - We changed the processes focused on an approach set for 2018, namely, optimization of the sales process in agencies (Systematic and CRM) and Document Management.
- Repensando la acción (Reconsidering the action) – Initiative aimed at reviewing and adjusting previously set plans to adapt them to new needs.
- Resolviendo retos del presente (Overcoming present challenges) - We addressed new needs, like adaptations related to regulations and common to our sector (SIMADI).

Regarding the Quality Model, we reviewed the critical processes aligned with customer experience, including management of claims and requirements, attention and waiting times at the agencies, online password change management, credit card application and delivery process, availability of ATMs, as well as internal processes relevant for the operational capacity.

Project Office

We continue maintaining a consistent level of performance in project development, reporting performance indicators of the portfolio that have exceeded the goals set for 2015. Likewise, structural measures were taken because we identified opportunities for improvement in project management processes, thus establishing a new proactive methodological framework that helps achieving the goals set for the portfolio.

We have progressively achieved a degree of effectiveness, control, and consistency in the development phase of projects through the implementation of ongoing optimizations, based on proactive monitoring in the process of change management and the establishment of checkpoints along the lifecycle of projects to ensure the quality of key deliverables.

As part of the portfolio management activities, we continue promoting the strengthening and alignment of projects with the corporate strategy and the regulatory framework in order to enhance execution thereof and fulfillment of corporate goals.

Engineering and Maintenance of Applications

We deliver technology solutions aligned with the strategic approach and business growth. In this sense, we optimize the systems for the process of issuing, distribution of checkbooks and cards, the exchange system, trust, debit winning ticket, the incorporation of new companies and points of sale to the collection process through Internet channels, the incorporation of new functionalities at the teller's window, e-deposits and transfers in the Online Payment channel, and the implementation of the customer relationship management solution (CRM), which allows analyzing and identifying at once customer service and sales opportunities.

In order to improve the client's experience in Banesco, the technology was modified to increase the daily limit on ATM withdrawals and transfers through BanescOnline. In addition, the capabilities of Online Banking were broaden and new security policies were incorporated for Internet, Mobile Banking, Teller Window, and Community Banking.

IT Operations

In the first half of 2015, and as a result of the plans of ongoing improvement of the technological platform and the maturity of its processes, IT Operations provided high service levels in platforms supporting the Bank's services, products, and channels.

In addition, we have strengthened the reliability and security of customer services to support the business growth and the bypass strategies to electronic channels.

As part of our preventive analysis activity of the platform capabilities, we conducted studies of the technological infrastructure supporting business services, and set the action plan necessary to ensure that the transactional growth projected for 2015 has the necessary infrastructure that allows us to leverage business growth and the level of customer satisfaction with our service.





Comprehensive Risk Management

In the first half of 2015, the Organization continued focusing its risk management on global loss control and mitigation, the promotion and strengthening of continuity, and follow-up of the key risk indicators approved by the Board of Directors within the risk-profitability levels accepted, based on the identification of risks. This identification is achieved through the ongoing review and monitoring of presentations, evaluation of new and existing products, and the support corresponding to this analysis, supported by the continuity of Communication, Measurement, and Training processes that constitute the Risk Culture Plan, the main objective of which is to provide Banesco Citizens the necessary tools to manage risk in their processes.

At the close of the first half of 2015, the team of the Executive Vice Presidency of Comprehensive Risk Management coordinated and gave specialized training sessions in Comprehensive Risk Management, Risk Management Methodology to the areas of Payment Means and Services, Electronic Channels, and IT, and to the participants of Programa de Jóvenes Talentos (Program for Young Talents) coordinated by Human Capital. In addition, the advanced internal audit program “Programa Avanzado Banesco Auditoría Interna” (PABAI) included a training talk on Risk Management Methodology.

In addition, the team of risk-certified facilitators of the Human Capital Directorate gave twenty-six (26) comprehensive risk talks to new employees and reinforcement in other areas of the Bank (792 trainees).

Likewise, in the first half of 2015, we offered eight (8) credit risk-specialized training talks included in the “Credit Spread Project”, as part of the bank’s strategy.

Credit Risk

In the first half of 2015, we continued implementing actions to strengthen the credit risk management, based on: a) reinforcement of the criteria for granting and maintaining credits; b) execution of training plans in credit analysis aimed at the sales area for an appropriate decision-making process; c) extension of the technological tool consolidating the criteria to be considered in the selection of clients; and d) highly predictive granting and behavior models and methodologies, which are continuously reviewed and have enabled us to maintain a quality loan portfolio at the levels predicted by the Organization.

In this sense, we reinforced the sessions of the Portfolio Quality Committee in all its modalities, thus extending its operating range to the Mass Segment regions, establishing commitments by the process owners that contribute to improve the recoverability of the evaluated portfolios, based on the detection of signs of alert in clients, both individually and as a group, and in the granting processes.

Market and Liquidity Risk

In Banesco Banco Universal, the Market and Liquidity Risk categories are managed through methodologies based on international standards and practices.

In the case of market risks—as the contingency arising out of price fluctuations, exchange rate, and interest rate—in the Organization, mainly the value at risk (VaR) and the financial margin sensitivity to rate changes are followed up.

As to Liquidity Risk—as potential equity losses due to failure or difficulty to obtain funds to honor commitments with creditors—the Institution follows up short- and medium-term liquidity indicators, gaps of assets and liabilities, in addition to the coverage indicator on a daily basis. The coverage indicator showed good performance in the first half of 2015 with liquid assets levels exceeding the volatile liabilities, both in normal and in stress conditions, with average results in the first half of year for both scenarios of 225% and 151%, respectively.

Operational Risk

Regarding Operational Risk—as the potential financial impact on the Organization caused by weaknesses, insufficiencies, or failures in processes, persons and internal systems, or external events, Banesco has maintained and reinforced the implementation of risk analysis methodologies in the different value chains, as well as in new products and/or services.

During the first half of year, based on the Risk Culture Plan, we strengthened the positions of the Process Owner, the Risk Master Deputy, and the Comprehensive Risk Deputies in the value chains and core processes through risk analyses. That allows us to continue strengthening the end-to-end vision of the processes to identify and assess the risks and controls, and establish mitigation actions to close gaps, mitigate losses, and minimize the impact of legal and/or reputation-related risks.

The assessments, analyses, and ongoing follow-up with the process owners, together with the Internal Audit area, have constituted a key component in keeping risk levels within the established limits, which allows us to guarantee the business continuity.

Proposal submitted by the Board of Directors for consideration and decision by the Regular and Extraordinary Shareholders' Meeting called for September 28, 2015, to declare and pay cash dividends (to holders of preferred shares) and share dividends, approved in session No. 1.396 of August 26, 2015.

Cash Dividends

The Board of Directors proposed the Shareholders' Meeting the following:

1. Declaring a cash dividend to holders of preferred shares for **Bs. 7,239,287.50**, corresponding to issues 2008-I and 2008-II. This dividend covers the quarterly period due on 2/15/2016, in conformity with the corresponding issue prospectus. The Shareholders' Meeting will be also asked to consider authorizing the Board of Directors to fulfill the formalities necessary to make the payment in a timely manner.

2. Authorizing the Board of Directors to decree cash dividends to holders of common shares for up to **Bs. 6,000,000,000.00**, **Bs. 3,500,000,000.00** of which will be with charge to surplus applicable at the end of the six-month period ended December 31, 2014, and Bs. 2,500,000,000.00 with charge to income in the second half of 2015, under the following terms and conditions: (i) the authorization will be in effect until June 30, 2016; (ii) the Board of Directors—within the term of this authorization—will evaluate whether to decree cash dividends or not up to the limit amount established in this meeting; (iii) the dividends may be decreed, if that were the case, once or several times; (iv) the decree and payment of dividends must occur after recording all required provisions, adjustments, and reserves until all dividends are decreed and paid, including payment of taxes, Social Contingency Fund, social contribution, and profit accrual for the benefit of workers; (v) compliance with the accounting capital adequacy ratios and capital adequacy at the end of the month when each dividend is paid, and in every month of the year based on the financial projections of the Bank, as well as with any ratio required in conformity with the Law and the regulations issued for this purpose by the Superintendency of Banking Institutions, always with a margin of coverage that at the Board of Directors' discretion allows for continued growth and profitability of the business and operations of the Bank; (vi) in compliance with Article 307 of the Commercial Code,

the dividends to be decreed and paid must come from liquid and collected earnings; and (vii) cash dividends that may be decreed and paid by the Board of Directors when exercising the authorization granted by the Regular Shareholders' Meeting of the Bank held on March 26, 2015, will be deducted from the total amount of the dividends that may be decreed by the Board in accordance with this authorization.

Likewise, the Shareholders' Meeting will be requested to consider authorizing the Board of Directors, under above terms and conditions, to establish the amount of cash dividends to decree, as well as the payment term, the deadline of the transaction with benefit to establish the correspondence of the dividends, and the effective recording date of the benefit, which will be timely disclosed by notice published in national newspapers and on the website of the Bank, and also comply with the procedures, notices, and further formalities necessary before the Superintendency of Banking Institutions, the Commercial Registry, and any other competent authority.

Share Dividends

Should the redemption of 50,000 preferred shares be approved in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008-II, and in order to maintain the Capital Stock of the Bank at Bs. 1,250,000,000.00, we will propose the Shareholders' Meeting to decree and pay a share dividend for Bs. 500,000.00 through the issue of 50,000 new common shares.

Should this proposal be approved, the Board of Directors will establish the payment term of share dividends prior approval by the Superintendency of Banking Institutions.

Caracas, August 26, 2015

Balance Sheet

ASSETS					
Stated in Million VEB	Jun. 2015	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013
Cash and due from Banks	157,050	108,423	55,716	54,315	24,894
Cash	6,084	5,328	4,539	5,466	2,360
Central Bank of Venezuela	134,165	95,998	44,224	44,662	18,237
Local Banks and Other Financial Institutions	1,423	769	482	309	326
Foreign Banks	151	222	320	250	435
Head Office and Branches	0	0	0	0	0
Pending Casj Items	15,227	6,105	6,150	3,628	3,536
Provision for Bank Accounts	0	0	0	0	0
Investments Securities	104,065	88,963	72,598	60,276	43,724
Investments in Central Bank	14,350	9,435	0	2,798	908
Investments in Trading Securities	0	0	0	0	0
Investments in Securities Available for Sale	21,590	16,859	15,342	15,492	14,487
Investments in Securities Held to-maturity	39,628	40,558	41,096	30,436	20,437
Limited Availability Investments	497	271	281	281	273
Other Security Investments	28,001	21,840	15,878	11,269	7,618
Provision for Security Investments	0	0	0	0	0
Loan Portfolio	228,700	167,954	123,451	101,555	76,362
Outstanding Credits	234,246	172,451	127,686	104,704	77,738
Restructured Credits	35	36	38	43	75
Past Due Credits	773	535	515	674	545
Credits in Litigation	192	26	3	3	4
Provision for Credit Portfolio	-6,545	-5,093	-4,790	-3,869	-1,999
Interest And Commissions Receivable	4,819	3,641	2,822	2,233	1,721
Interest receivable from cash and due from banks	0	0	0	0	0
Interest receivable from security investments	1,574	1,291	1,185	1,025	716
Interest receivable from credit portfolio	2,796	2,001	1,443	1,086	921
Commissions Receivable	585	429	266	194	149
Interest Receivable on Other Accounts Receivable	0	0	0	0	0
Provision for Interest Receivable and Other	-136	-80	-72	-72	-66
Investments in Subsidiaries, Affiliates And Branches	11	7	6	5	4
Investments in subsidiaries and affiliates	11	7	6	5	4
Investments in branches	0	0	0	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0	0	0	0
Property Received in Lieu of Payment	0	1	4	12	21
Property in Use	5,468	3,571	2,362	1,816	1,222
Other Assets	9,267	8,644	1,742	3,677	1,014
TOTAL ASSETS	509,381	381,204	258,700	223,889	148,962

Balance Sheet

LIABILITIES					
Stated in Million VEB	Jun. 2015	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013
Deposits From Clients	453,842	340,029	230,832	198,990	131,215
Deposits in Current Accounts	387,279	282,530	188,948	158,610	90,434
Non-Remunerated Checking Accounts	183,396	132,868	82,910	75,392	45,006
Remunerated Checking Accounts	151,343	107,949	80,042	69,960	45,428
Current Accounts under Exchange Agreement N° 20	92	207	582	0	0
Demand Deposits and Certificates	52,448	41,505	25,414	13,258	0
Other Demand Liabilities	5,980	4,955	3,024	3,527	14,854
Obligations for Money Desk Operations	0	0	0	0	0
Savings Deposits	59,851	51,329	38,235	36,420	25,462
Time Deposits	732	1,216	625	433	465
Securities Issued by the Institution	0	0	0	0	0
Restricted Deposits from Clients	0	0	0	0	0
Right of Ownership and Participation on Security Investments	0	0	0	0	0
Obligations With BCV	0	0	0	0	0
Deposits And Obligations With Banavih	6	4	2	0	1
Other Financing Obtained	3,654	2,899	1,874	2,771	1,769
Liabilities with local financial institutions up to one year	3,581	2,363	1,443	2,039	1,610
Liabilities with local financial institutions more than one year	0	0	0	0	0
Liabilities with foreign financial institutions up to one year	73	535	431	732	158
Liabilities with foreign financial institutions more than one year	0	0	0	0	0
Other Liabilities up to one year	0	0	0	0	0
Other Liabilities more than one year	0	0	0	0	0
Other Financial Obligations	45	36	20	9	92
Interest And Commissions Payable	100	91	31	17	17
Expenses payable due to deposits from clients	98	89	30	15	16
Expenses payable due to obligations with BCV	0	0	0	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0	0	0	0
Expenses payable due to other financing obtained	2	2	1	2	0
Expenses payable due to other financial obligations	0	0	0	0	0
Expenses payable due to obligations convertible to capital	0	0	0	0	0
Expenses payable due to subordinated debt	0	0	0	0	0
Accruals And Other Liabilities	13,814	8,300	6,896	4,710	3,870
Subordinated Debt	0	0	0	0	0
Other Liabilities	0	0	0	0	0
Total Liabilities	471,461	351,360	239,656	206,497	136,964
STOCKHOLDERS' EQUITY					
Capital Stock	1,250	1,250	1,250	1,250	1,250
Capital Paid-in	1,250	1,250	1,250	1,250	1,250
Paid-in Surplus	0	0	0	0	0
Capital Reserves	1,318	1,308	1,299	1,291	1,283
Equity Adjustments	97	97	97	97	687
Accumulated Income	35,291	27,645	17,421	14,226	8,625
Non-Realized Gain or (Loss) on Available for Sale Security Investments	-1	-422	-989	563	188
Treasury Stock	-35	-35	-35	-35	-35
Total Liabilities	37,920	29,844	19,044	17,392	11,998
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	509,381	381,204	258,700	223,889	148,962
Contingent Debtor Accounts	59,520	66,491	35,914	36,352	25,439
Trust Assets	18,774	15,287	13,868	11,813	10,817
Other Trust Assignments	114	161	152	177	263
Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)	15,750	13,388	10,905	9,486	8,241
Other Debtor Accounts (Housing Mutual Fund)	18	18	17	16	15
Other Debtor Memorandum Accounts	945,122	612,494	505,085	454,448	365,238
Other Debtor Books Accounts	29	29	27	30	27

Balance Sheet

STATEMENTS OF EARNING					
Stated in Million VEB					
	Jun. 2015	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013
Financial Revenues	26,821	20,118	14,876	11,634	8,509
Revenues from Cash and Cash Equivalents	5	3	6	2	2
Revenues from Security Investments	4,959	4,161	3,616	2,879	2,009
Revenues from Credit Portfolio	21,816	15,905	11,201	8,686	6,445
Revenues from Other Accounts Receivable	37	44	53	65	50
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	0	0	0
Revenues from Head Office and Branches	0	0	0	0	0
Other Financial Revenues	3	5	0	2	3
Financial Expenses	6,299	5,200	3,178	2,321	1,843
Expenses Due to Deposits from Clients	6,282	4,792	3,123	2,300	1,837
Expenses Due to Obligations with BCV	0	0	0	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0	0	0	0
Expenses Due to Other Financing Obtained	17	136	24	17	4
Expenses Due to Other Financial Obligations	0	258	23	0	0
Expenses Due to Subordinated Debt	0	0	0	0	0
Expenses Due to Head Office and Branches	0	0	0	0	0
Other Financial Expenses	0	14	8	4	2
Gross Financial Margin	20,521	14,918	11,698	9,313	6,665
Income from Recovered Financial Assets	208	178	168	199	152
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	1,823	528	1,290	1,375	502
Provision for Loan Portfolio and Other Accounts Receivable, Losses	1,823	528	1,290	1,375	502
Net Financial Margin	18,906	14,568	10,576	8,137	6,315
Other Operating Income	4,948	4,474	4,088	4,024	2,206
Other Operating Expenses	2,148	1,611	1,107	823	470
Financial Intermediation Margin	21,706	17,431	13,557	11,338	8,051
Transformation Expenses	9,835	6,447	6,020	4,024	3,575
Personnel Expenses	3,310	2,281	2,000	1,450	1,485
Administrative and General Expenses	3,839	2,392	2,479	1,567	1,254
Contributions to Deposit Guarantee and Bank Protection Fund	2,437	1,629	1,430	926	773
Contributions to Superintendency of Banks and Other Financial Institutions	249	145	111	82	63
Gross Operating Margin	11,871	10,983	7,537	7,314	4,476
Income from Adjudicated Goods	16	98	95	81	23
Income from Special Programs	0	0	0	0	0
Income from Sundry Accounts	111	77	123	60	37
Expenses Due to Realizable Property	1	3	6	9	10
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0	0	0	0
Expenses Due to Sundry Accounts	1,344	904	771	645	406
Net Operating Margin	10,653	10,251	6,979	6,801	4,120
Extraordinary Income	0	0	0	0	0
Extraordinary Expenses	45	6	22	20	5
Gross Income Before Taxes	10,608	10,245	6,957	6,781	4,116
Income Taxes	1,244	0	40	90	100
NET INCOME	9,364	10,245	6,917	6,691	4,016
Application of Net Income					
Legal Reserve	0	0	0	0	0
Statutory Utilities	0	0	0	0	0
Other Capital Reserves	6	6	6	6	6
ACCUMULATED INCOME	9,364	10,239	6,911	6,685	4,010
LOSEP Contribution	115	110	76	73	44
Other Accounts					
Third-Party Investments	0	0	0	0	0
Monthly Agriculture Credit Portfolio	3,971	1,342	1,317	2,150	992
Accumulated Agriculture Credit Portfolio	36,042	27,564	21,774	16,585	12,985
Public Sector Deposits	21,008	9,963	8,877	5,360	5,396
Micro-Credits	11,919	9,779	9,117	6,902	4,769
Credits to the Segment of Tourism in accordance to law in force	4,302	4,341	2,752	2,406	1,581
Mortgages according to the Special Law for the Protection of the Housing Loan Debtor	5,473	5,352	4,529	4,354	3,856
Financial Soundness Ratio	1018.00%	9.76%	10.00%	10.17%	10.85%
Manufacturing Loans	16,042	11,285	8,516	7,382	4,225

Trust

Stated in Million VEB	Jun. 2015	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013
TRUST	18,086	14,470	13,297	11,176	10,222
HERITAGE TRUST	5,019	2,657	3,352	2,213	2,151
Individuals	286	242	264	521	258
Corporative Entities	2,374	1,835	1,512	1,270	826
Central Administration	240	16	26	25	41
Public, State, Municipal and Central Administrations	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	2,119	564	1,550	397	1,026
GUARANTEE TRUSTS	2,463	2,462	2,463	2,463	2,459
Individuals	0	0	0	0	0
Corporative Entities	11	10	11	11	2,446
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	2,452	2,452	2,452	2,452	12
MANAGEMENT TRUSTS	10,604	9,350	7,482	6,500	5,612
Individuals	4,253	3,440	2,860	2,414	1,965
Corporative Entities	506	476	463	445	430
Central Administration	249	192	154	124	102
Public, State, Municipal and Central Administrations	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	5,597	5,241	4,005	3,518	3,115
FEATURES MIXED TRUSTS	0	0	0	0	0
Individuals	0	0	0	0	0
Corporative Entities	0	0	0	0	0
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	0	0	0	0	0
OTHER TRUST	0	0	0	0	0
Individuals	0	0	0	0	0
Corporative Entities	0	0	0	0	0
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Decentralized Entities and Other Entities with Special Regime	0	0	0	0	0

Social Balance Accumulated 1998 • June 2015

DESCRIPTION SOCIAL INVESTMENT (STATED IN VEB)	YEAR 2015	ACCUMULATED 1998 JUNE 2015
APPLICATION BANESCO RESOURCES	116,100,923	605,614,786
Fe y Alegría	24,447,178	47,986,729
Microentrepreneurs Training Program	9,987,242	33,641,959
Simón Bolívar Music Foundation	648,401	14,526,706
Association of Venezuelan Catholic Education (AVEC)	2,000,000	13,542,081
Social Undertaking Project with the IESA	—	7,050,000
Universities and Other Institutions	3,043,123	39,277,718
BanESCO Life-Long Scholarships	89,500	2,420,128
Other Education Institutes and Organizations	25,000	3,036,661
Venezuelan Foundation against Child Paralysis	3,000,000	7,073,934
Other Health and Medical Care Organizations	4,807,500	9,203,878
FUNDANA	6,125	2,461,379
Civil Association Don Bosco Houses Network	4,010,888	9,280,821
Salesian Ladies Civil Association	—	2,454,441
Attendance to the childhood and people with special neccessities	(66,933)	2,868,908
Toys donation to the communities	—	3,396,673
Editorial Projects	(282,400)	14,780,716
Other contributions	3,225,121	13,838,591
Solidarity (Capital and Regional)	—	5,138,558
Events for the Community	(1,462,657)	21,046,580
Investment in works in Colinas de Bello Monte	(2,734,553)	2,186,376
Mayoralties, regional governments and other State Organizations	—	7,703,911
Community Participative Budget	3,383,308	3,383,308
Non-Contractual Social Benefits for BanESCO Employees	61,270,065	335,598,867
Dining Subvention	50,430,884	210,647,540
Medical Service	1,600,572	16,030,284
Parking Subsidy	1,611,774	19,372,006
Medical Assistance for Extreme Diseases	(48,170)	2,159,514
Unsecured Loans for Housing	4,317,625	84,032,142
Transportation between offices	3,357,380	3,357,380
Corporate Volunteering Contribution	704,014	3,715,863
Volunteer training	80,689	1,478,308
Special Projects	—	30,479
Additional training workshops	—	6,006
Cost Volunteer Hours / Man	190,257	1,035,531
Budget Amount executed Logistics Volunteer	433,068	1,165,539
Aplication of Article 96 (LOCTICSEP)	—	33,612,457
Total Social Investment	116,100,923	639,227,243
General Total Social Investment Bs.	116,100,923	639,227,243

Board of Directors

Juan Carlos Escotet R.
Miguel Ángel Marcano C.
Sergio Saggese Ciammino
Flavel Castañeda de Ledanois

Oscar Doval García
Vicente Llatas Salvador
José Grasso Vecchio



Main Correspondent Bank

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

AUSTRALIA ANZ Bank.

AUSTRIA Unicredit, Commerzbank Ag. Deutsche Bank.

BELGIUM Commerzbank Ag., Deutsche Bank.

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 Unión de Bolivia.

BRAZIL Banco Bradesco, Banco Do Brasil, Banco Itau, Banco Safra, Banco Santander, Deutsche Bank.

CANADA Royal Bank of Canada.

CHILE Banco Estado, Banco Santander, Banco BBVA, Banco de Chile, Banco Do Brasil.

CHINA Standard Chartered Bank, Commerzbank Ag, Deutsche Bank, N.A., Bank of China, The Industrial and Commercial Bank of China.

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

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

CURAZAO Maduro & Curiel's Bank.

CZECH REPUBLIC Deutsche Bank, Commerzbank Ag.

DENMARK Nordea Bank.

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

ECUADOR Banco del Pacífico, Produbanco, Banco Internacional, Banco del Austro, Financiera de la República FIRESA.

EL SALVADOR Banco Agrícola.

ENGLAND Standard Chartered Bank, Deutsche Bank.

FILIPINAS Deutsche Bank.

FINLAND Nordea Bank.

FRANCE Crédit Industriel et Commercial (CIC), Société Générale, Banco BBVA, Deutsche Bank.

GERMANY Commerzbank Ag., Unicredit, Deutsche Bank.

GUATEMALA Banco Industrial, Banco GT Continental, Banco Agromercantil.

HOLLAND Commerzbank A.G., Deutsche Bank

HONDURAS Banco Atlántida, Grupo Financiero Ficohsa.

HONG KONG Standard Chartered Bank, Deutsche Bank, Commerzbank Ag.

HUNGARY Deutsche Bank.

INDIA Standard Chartered Bank, Deutsche Bank.

INDONESIA Deutsche Bank.

ITALY Unicredit Group, Deutsche Bank.

JAPAN The Bank of Tokyo and Mitsubishi Bank, Standard Chartered Bank, Commerzbank Ag., Deutsche Bank.

KOREA Deutsche Bank.

MALAYSIA Standard Chartered Bank, Deutsche Bank.

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

NEW ZEALAND ANZ Bank.

NICARAGUA Banpro, Bancentro.

NORWAY Nordea Bank.

PAKISTAN Deutsche Bank.

PANAMA Banco Banistmo, Multibank, Credicorp Bank

PARAGUAY Banco Do Brasil, Banco de la Nación Argentina, Banco Sudameris, Banco Continental, Banco Regional.

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

POLAND Deutsche Bank

PORTUGAL Banco Banif, Millennium BCP, Caixa Geral de Depósitos.

PUERTO RICO Banco Popular de Puerto Rico.

RUSIA Deutsche Bank

SAUDI ARABIA Deutsche Bank

SINGAPORE Standard Chartered Bank, Deutsche Bank, Commerzbank Ag.

SPAIN Commerzbank Ag., CaixaBank, Banco BBVA, Deutsche Bank.

SWEDEN Nordea Bank.

SWITZERLAND Commerzbank Ag., Deutsche Bank.

THAILAND Deutsche Bank, Standard Chartered Bank.

TAIWAN Deutsche Bank, Standard Chartered Bank.

TURKEY Deutsche Bank.

UKRAINE Deutsche Bank, Commerzbank Ag.

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

USA Standard Chartered Bank, Citibank N.A, Deutsche Bank A.G., Commerzbank Ag.

VIETNAM Deutsche Bank, Vietinbank.

MAIN OFFICES

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