# 2014

## Semester Report First Half

Banesco
Contigo

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# Economic Financial Position First Half 2014

We are pleased to present our results of the first half of 2014 to you, our shareholders, workers, suppliers, community members, friends, and related individuals.

As of June close, we ranked first among private banks with a total of Bs. 230,832 million in customers' deposits, i.e., a 14.2% market share. We ratified our leadership in the credit portfolio of the national private banking sector, by granting Bs. 123,451 million in over 272 thousand loans, which represents a Bs. 21,896 million growth (21.56%) over the previous six-month period.

We flourished in all credit portfolio areas. We lead the market in areas like consumption loans (18.5% market share), vehicle financing (28.9% market share), microloans (21.0% market share), tourism loans (15.1% market share), and agricultural loans (15.7% market share).

As part of the credit support for Venezuelan families, we are proud to inform that we granted 13.9% of the total market mortgage loans during the first half of 2014, thus making us the 'go to' bank for Venezuelans when purchasing residential property.

Transactions in the fiscal year led us to achieve a 5.79% ROA; i.e., 1.9 percentile points above average in the Venezuelan financial system for this period.

Our businesses and transactions rely upon a top technology channel infrastructure, which is the strongest among private banks: 413 service points, 1,639 ATMs, 328 Self-Service equipment units, 50 checkbook dispensers, and 80,368 POS, allowing us to stay close to over 6 million Banesco customers and bank users.

We have the top technology to offer our users the best solutions and digital services so they complete their transactions in a quick and secure manner. Over 3.5 million registered users of BanescOnline, who executed 121 million transactions in this period, can confirm this.

I should not omit our commitment to communities through our Corporate Social Responsibility Program. During these first six months of the year, the Microentrepreneurs Training Program of Banesco Community Banking

graduated 4,151 entrepreneurs, who acquired managing tools to improve their businesses.

In the period under analysis, Banesco's social investment totaled Bs. 47.92 million, 43.48% of which (Bs. 20.83 million) were channeled towards benefits for our workers and their families, and the remaining Bs. 27.08 million (56.62%) were destined to projects implemented by our social partners.

We further consolidated our presence in social networks. Between January and June 2014, we provided assistance to 25,751 cases -including enquiries and requests about products and services - through our different accounts on Twitter, Facebook, Instagram, YouTube, and Banesco Blog. Our social network community has reached nearly 700,000 followers.

Our accomplishments have resulted from the efforts and commitment of our Banesco people and from a teamwork philosophy based on our values: Responsibility, Reliability, Quality, and Innovation.

We ratify to all of you our commitment to continue working in order to reach new and higher quality standards.

**Miguel Ángel Marcano Cartea**
**Chief Executive Officer**
**Banesco Banco Universal, C.A.**

# Venezuelan Economy in The First Half of 2014

The figures issued by the National Office of Treasury (ONT) point to a total of Bs. 431 billion in Central Government spending in the first year-half, which indicates an 81.6% increase over the same period last year. The rise in public spending was influenced by minimum salary adjustments (10% in January and 30% in May) and salary reviews carried out in the public administration area throughout the year.

The expansionary tax policy had an important effect on the performance of monetary aggregates, as money supply (M2) increased by 18.3% at June 2014 close. The increase in M2 was also reinforced by the creation of secondary money because of the 27.4% credit portfolio increase.

The last price figures reported by the Central Bank of Venezuela (BCV) as to the National Consumer Price Index estimated the accumulated variation at 23.0% until May 2014, with the highest increase in the food and non-alcoholic beverage sector (29.6%). Annual inflation (May 2014/2013) reached 60.9%, 25.7 percentile points over the figure registered in the same 2013 period.

The average lending rate reached 16.1%, which accounts for a 0.4 percentile point increase over the average 2013 rate. Important sectors like business activities and services increased by 0.9 and 1.4 percentile points, thus reaching 17.8% and 18.1%, respectively.

Figures issued by the National Center for Foreign Trade (CENCOEX) point to a US$ 9,573 million allocation for

imports, as opposed to a US$ 2,885 million allocation through the Supplementary System of Foreign Currency Administration I (SICAD I) during the first year half at an average price of 10.5 Bs/US$. Additionally, SICAD II began operating on March 24 and 64 auctions were made in the first six months at an average price of 49.9 Bs/US$.

Finally, international reserves closed at US$ 21,601 million, US$ 1,880 million of which corresponded to liquid reserves. Hence, the reserves showed a slight 0.6% surge (US$ 123 million) over 2013 close, but a

## External Sector

**In the external sector, the average price of Venezuela's oil export basket reached 97.04 US$/b in the first half of year, 9.9% below the first six month average in 2013. On the other hand, figures from the National Institute of Statistics (INE) point to a 49.5% increase in non-oil exports between January and May 2014 over last year's same period, thus reaching 1,332 million. Same INE figures point to a 19.9% reduction of imports in the first five months of 2014, thus reaching US$ 15,028 million.**

16.3% decrease (US$ 4,200 million) over June 2013.

## Banking System

As of the close of the first half of 2014, the financial system shows a similar structure to that of 2013. It encompasses 35 institutions, 24 of which are private and 11 public. However, there was an increase in the number of agencies in this period, going from 3,511 agencies in 2013 to 3,718 agencies as of June 2014 close.

System employees totaled 82,333 workers, 40% of which were assigned to main offices and the remaining 60% to branch offices and agencies nationwide. There were 9,472 ATMs and 811 outside teller windows available, thus increasing the number of ATMs by 110 units in the first six months of the current year, which is consistent with the electronic transaction rise in the Venezuelan banking system.

The banking system closed this period with a Bs. 1,876 billion level of assets, which corresponds to a Bs. 349 billion (22.84%) growth over December 2013 close and a Bs. 758 billion (67.89%) growth in the last twelve months. The latter is mainly attributed to the net credit portfolio increase by Bs. 177 billion (27.39%) and 344 billion (71.85%) in said periods, to reach Bs. 823 billion at present time. The portfolio improved significantly due to the decrease in the average delinquency rate, which went from 0.89% in June 2013 to 0.59% in June 2014.

As to loan performance by allocation, it is important to emphasize this figure's significant growth in the agricultural sector (+Bs. 32 billion), thus increasing the balance to Bs. 140 billion as of the first half of 2014 close.

The relative importance of commercial loans was maintained throughout this period, as these loans make up 42.55% of the system's gross portfolio, increasing its importance by 2.7 percentile points over the same 2013 period and reaching 360 billion bolivars as of June 2014. The commercial portfolio has the highest six-month growth (+Bs. 76 billion), followed by credit cards with a Bs. 36 billion variation, thus closing the first year-half at Bs. 124 billion, i.e., 14.64% of gross loans.

Manufacturing loans showed great performance with a Bs. 25 billion (39.81%) six-month increase, for a total of Bs. 87 billion, consequently increasing their contributions to the gross banking market portfolio to 10.25%.

Loans to microentrepreneurs also showed a favorable evolution after a Bs. 7 billion increase over the previous year-half, thus reaching Bs. 43 billion or a 5.12% share in the gross portfolio of the complete financial system.

**As to the performance of loans by allocation, this figure rose significantly in the agricultural sector (+Bs. 32 billion), thus increasing the balance to Bs. 140 billion at the first half of 2014 close.**

Nonetheless, lower impulse was observed in housing and tourism financing; these portfolios reached Bs. 66 billion and Bs. 17 billion, respectively.

As of June 2014 close, 33.5% of the portfolio is aimed at consumer loans, mortgage loans and other loans (renting and leasing property, machinery, and equipment, and technical and professional services). Secondly, the portfolio is allocated to wholesale and retail trade and restaurants and hotels (22.9%), followed by the agricultural, fishery and forestry sector (15.8%).

As for liabilities, an increase of over 3 million customers' deposits was observed in the Venezuelan banking system in the last twelve months. This figure increased to 37,744,050 deposits as of June 2014 in sight-, savings-, and fixed-term modalities; for a total balance of Bs. 1,621 billion in customers' deposits, which represents a 22.43% increase (Bs. 297 billion) over December 2013 close, and a 70.36% increase (Bs. 670 billion) over the same period last year.

The capital strengthening of the banking system stands out, exceeding 137 billion bolivars at June close, equivalent to a 40.44% increase over the same 2013 month.

In profitability terms, a net result of Bs. 33,065 million was obtained, i.e., a Bs. 13,434 million increase (68.43%) over the same 2013 period. This result also leveraged a 56.06% average performance on equity for the system, exceeding the figure for the first half of 2013 by 8.6 percentile points. On the other hand, the return on assets did not register important variations and closed the period at 3.89%.

As to the performance of loans by allocation, this figure rose significantly in the agricultural sector (+Bs. 32 billion), thus increasing the balance to Bs. 140 billion at the first half of 2014 close.

# Banesco Banco Universal

Banesco Banco Universal's balance corresponding to the first half of 2014 showed total assets for Bs. 258,700 million, thus experiencing a Bs. 34,810 million rise (15.6%) over 2013 close and a Bs. 109,738 million (73.7%) rise over the same period last year.

This growth is mainly due to the contributions of earning assets, namely: credit portfolio and investment securities, which correspond to 47.7% and 28.1% of the Bank's total assets, respectively.

Banesco's leadership in granting loans in Venezuela's private banking was maintained by the favorable evolution of our intermediation efforts. We closed this period with a net portfolio balance of Bs. 123,451 million as of June close, for a total banking system share of 14.99%, after a Bs. 21,896 million growth (21.56%) over December 2013 and Bs. 47,089 million (61.67%) in the last twelve months. In this year's first six months, over 272 thousand loans were granted in all modalities; this signifies an increase of over 57 thousand granted loans (27.5%) over the first half of 2013, totaling 2,590,403 loans as of the period close, equivalent to 16.0% of the current loans in the financial system.

This has occurred because of our maintaining a top quality portfolio, closing this period with a very low default index (0.40%), lower than the market average (0.59%) and our orientation towards credit intermediation, which has always distinguished our institution. Credit intermediation reached 53.48% in June, 2.7 percentile points above the banking system average.

Banesco Banco Universal's trajectory was confirmed once again because we ranked first in financing priority sectors for the country's development during the first half of 2014. These sectors include the Bank's participation in residential property purchases, whereby 13.9% of mortgage loans were granted through the institution, i.e., 2 billion bolivars plus more than 400 loans granted with resources from the Mandatory Housing Savings Fund, benefiting over 1,200 families in total.

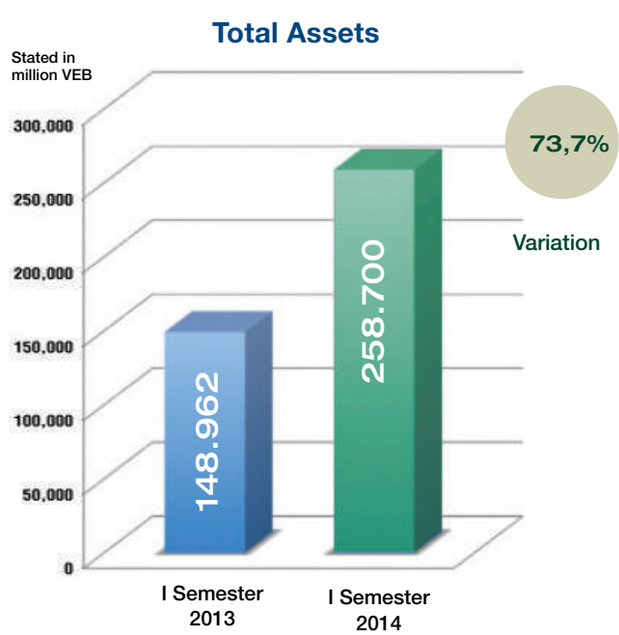
We are the leading private bank that provides support to the agricultural sector, with a 15.7% market share (Bs. 20,468 million), granting 1,602 loans throughout the first six months of the year to develop this activity.

Banesco Banco Universal's presence in financing the national manufacturing industry stands out as well. We granted over 1,250 loans for this activity in this period, closing June 2014 with a Bs. 8,516 million portfolio, equivalent to a 10% market share.

The credit card portfolio exceeded 21 billion bolivars as of June 2014 close, thus reaching a 16.9% market share.

In terms of liabilities, we had the preference of over six million depositors (16.6% of the total national figure), which ranks us first among national private banks with a balance of Bs. 230,832 million in customers' deposits as of June 2014 close, following a 16.0% variation (Bs. 31,842 million) between both six-month periods.

Transactions in this period led to achieve a Bs. 6,917 million net result, which translates into a Bs. 2,901 million increase over the same 2013 period, thus maintaining our leadership in the Venezuelan financial system with a 5.79% return on assets (ROA) and a 75.37% return on equity (ROE), exceeding the banking sector's average in both cases.



# Financial Highligths

| Stated in million VEB | First Half 2012 | Second Half 2012 | First Half 2013 | Second Half 2013 | First Half 2014 | GROWTH I Half 2014 - I Half 2013 Absolute | % | GROWTH I Half 2014 - II Half 2013 Absolute | % |
|---|---|---|---|---|---|---|---|---|---|
| **Total Assets** | **86,878** | **123,582** | **148,962** | **223,889** | **258,700** | **109,738** | **73.7%** | **34,811** | **15.5%** |
| Cash and Due from Banks | 15,427 | 28,317 | 24,894 | 54,315 | 55,716 | 30,822 | 123.8% | 1,401 | 2.6% |
| Security Investments | 16,363 | 26,237 | 43,724 | 60,276 | 72,597 | 28,873 | 66.0% | 12,321 | 20.4% |
| Credit Portfolio | 52,491 | 64,190 | 76,362 | 101,555 | 123,451 | 47,089 | 61.7% | 21,896 | 21.6% |
| **Deposits from Clients** | **76,165** | **109,055** | **131,215** | **198,990** | **230,832** | **99,617** | **75.9%** | **31,842** | **16.0%** |
| Deposits in Current Accounts | 53,131 | 77,631 | 90,434 | 158,610 | 188,948 | 98,514 | 108.9% | 30,338 | 19.1% |
| Savings Deposits | 14,729 | 21,112 | 25,462 | 36,420 | 38,235 | 12,773 | 50.2% | 1,815 | 5.0% |
| Time Deposits | 473 | 455 | 465 | 433 | 625 | 160 | 34.4% | 192 | 44.5% |
| Other Deposits | 7,831 | 9,857 | 14,854 | 3,527 | 3,024 | -11,830 | -79.6% | -503 | -14.3% |
| **Total Stockholders' Equity** | **7,907** | **10,474** | **11,998** | **17,392** | **19,044** | **7,046** | **58.7%** | **1,652** | **9.5%** |
| **Trust Assets** | **8,880** | **9,231** | **10,817** | **11,813** | **13,867** | **3,050** | **28.2%** | **2,054** | **17.4** |
| **Debtor Accounts Due to Trust Assignments (FAOV)** | **6,412** | **7,321** | **8,241** | **9,486** | **10,905** | **2,664** | **32.3%** | **1,419** | **15.0%** |
| Financial Revenues | 5,309 | 6,707 | 8,509 | 11,634 | 14,876 | 6,367 | 74.8% | 3,242 | 27.9% |
| Financial Expenses | 1,069 | 1,369 | 1,843 | 2,321 | 3,178 | 1,335 | 72.4% | 857 | 36.9% |
| Gross Financial Margin | 4,240 | 5,338 | 6,665 | 9,313 | 11,698 | 5,033 | 75.5% | 2,385 | 25.6% |
| Financial Intermediation Margin | 4,962 | 6,547 | 8,051 | 11,338 | 13,557 | 5,506 | 68.4% | 2,219 | 19.6% |
| Transformation Expenses | 2,725 | 3,052 | 3,575 | 4,024 | 6,020 | 2,445 | 68.4% | 1,996 | 49.6% |
| Income Tax | 0 | 275 | 100 | 90 | 40 | -60 | -60.0% | -50 | -55.6% |
| Net Income | 2,016 | 2,908 | 4,016 | 6,691 | 6,917 | 2,901 | 72.2% | 226 | 3.4% |
| **Accumulate Agriculture Portfolio** | **11,321** | **10,585** | **12,985** | **16,585** | **21,774** | **8,789** | **67.7%** | **5,189** | **31.3%** |
| **Official Institutions Deposits** | **4,967** | **3,572** | **5,396** | **5,360** | **8,877** | **3,481** | **64.5%** | **3,517** | **65.6%** |
| **Micro Loans** | **2,569** | **3,697** | **4,769** | **6,902** | **9,117** | **4,348** | **91.2%** | **2,215** | **32.1%** |
| **Commercial Loans** | **18,416** | **27,414** | **31,312** | **43,822** | **51,886** | **20,574** | **65.7%** | **8,064** | **18.4%** |
| **Credits to Consumer** | **12,919** | **14,405** | **18,788** | **22,185** | **26,610** | **7,822** | **41.6%** | **4,425** | **19.9%** |
| Vehicles | 3,615 | 4,746 | 5,311 | 6,303 | 5,615 | 304 | 5.7% | -688 | -10.9% |
| Credit Cards | 9,304 | 9,659 | 13,477 | 15,883 | 20,995 | 7,518 | 55.8% | 5,113 | 32.2% |
| **Mortgage Loans** | **5,453** | **5,932** | **6,394** | **7,907** | **9,209** | **2,815** | **44.0%** | **1,302** | **16.5%** |

## Ratios

| | | | | | |
|---|---|---|---|---|---|
| Loan Portfolio Provisions / Non Accrual Loans | 310.5% | 472.7% | 364.2% | 571.8% | 924.9% |
| Non Accrual Loans / Gross Loan Portfolio | 0.7% | 0.5% | 0.7% | 0.6% | **0.4%** |
| Net Results / Average Assets * | 4.9% | 5.3% | 6.0% | 6.8% | **5.8%** |
| Net Results / Average Equity * | 55.4% | 60.2% | 71.1% | 82.9% | **75.4%** |
| Liquidity | 28.1% | 34.7% | 30.7% | 36.5% | **30.8%** |

# Credit Reports Pronouncement

The credit risk management at the close of the first half of 2014 showed a performance characterized for obtaining a favorable profitability/risk level based on our indicators.

The Default Index in Total Portfolio was 0.40% and the hedging level of the Provision Loan Portfolio was 924.88%.

Funds were mainly placed in Service, Commercial, Manufacturing and Agricultural economic activities, as the main sectors that received loans.

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

In the first half of 2014, the close monitoring of past due balances and the ongoing management between the actors of the organization involved in achieving goals set under foreseen scenarios, allowed showing that this type of management is highly relevant to generate value in the final result of the loan business. This management approach is expected to be maintained in the second half of 2014.

# Approval of Lending And Borrowing Transactions Individually Exceeding 2% of The Bank's Equity

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

In compliance with article 31(3) of the Decree Law of Banking Institutions on lending transactions, at the six-month close, the Board of Directors approved seventy-six (76) loans that individually exceeded two percent (2%) of the Bank's equity.

## Report on Approvals of Borrowing Transactions Exceeding 2% of the Bank's Equity

During the first half of year, the report on borrowing transactions exceeding 2% of the Bank's equity was submitted to the Board of Directors for review and approval on a monthly basis in compliance with article 31(3) of the Decree Law of Banking Institutions, which provides that among other Powers and Duties, the Board of Directors is to "Decide on the approval of lending and borrowing transactions individually exceeding two percent (2%) of the Bank's equity."

Within the framework of the process approved by the Board of Directors and reported to SUDEBAN, during the first half of 2014, ten (10) clients were approved for borrowing transactions exceeding 2% of the equity and approximately fifty-eight (58) clients have been renewed per month.

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

**Banesco**
BANCO UNIVERSAL

R.I.F. J070133805

**Chairman of the Board**
Juan Carlos Escotet R.

**Main Directors**
Juan Carlos Escotet R.
Miguel Angel Marcano C.
Sergio Saggese Giammino
Flavel Castañeda de Ledanois
Oscar Doval García
Vicente Listas Salvador
Raúl Bartar Estever

**Statutory Auditors**
Gordy Palmero Luján
Igor Willams 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. | 16.142.174.437,71 |

**Independent Accountants**

**Márquez, Perdomo & Asociados**
**(Miembros de CROWE HORWATH INTERNATIONAL)**

**BALANCE SHEET**
June 30, 2014 and 2013 (Stated in VEB)

| ASSETS | Jun-14 | Jun-13 |
|---|---|---|
| **CASH AND DUE FROM BANKS** | **55.715.600.289** | **24.893.642.071** |
| Cash | 4.539.215.467 | 2.360.231.218 |
| Central Bank of Venezuela | 44.224.241.619 | 18.237.208.368 |
| Local Banks and Other Financial Institutions | 482.018.881 | 325.707.922 |
| Foreign and Correspondent Banks | 320.287.000 | 434.535.771 |
| Head Office and Branches | 0 | 0 |
| Pending Cash Items | 6.149.837.322 | 3.535.958.792 |
| (Provision for Bank Accounts) | 0 | 0 |
| **INVESTMENTS SECURITIES** | **72.597.533.911** | **43.723.588.602** |
| Investments in Central Bank | 0 | 908.422.195 |
| Investments in Trading Securities | 0 | 0 |
| Investments in Securities Available for Sale | 15.342.326.745 | 14.487.430.137 |
| Investments in Securities Held to maturity | 41.096.266.288 | 20.437.024.059 |
| Limited Availability Investments | 260.537.675 | 273.101.881 |
| Other Security Investments | 15.878.408.203 | 7.617.601.330 |
| (Provision for Security Investments) | 0 | 0 |
| **LOAN PORTFOLIO** | **123.451.268.637** | **76.982.210.557** |
| Outstanding Credits | 127.685.713.075 | 77.737.769.761 |
| Restructured Credits | 37.543.014 | 74.957.484 |
| Past Due Credits | 514.950.022 | 545.337.451 |
| Credits in Litigation | 2.942.088 | 3.611.413 |
| (Provision for Credit Portfolio) | (4.789.880.162) | (1.999.465.552) |
| **INTEREST AND COMMISSIONS RECEIVABLE** | **2.821.846.560** | **1.720.948.261** |
| Interest receivable from cash and due from banks | 0 | 0 |
| Interest receivable from security investments | 1.184.571.793 | 716.224.583 |
| Interest receivable from credit portfolio | 1.443.160.928 | 921.230.817 |
| Commissions Receivable | 266.428.106 | 149.289.446 |
| Interest Receivable on Other Accounts Receivable | 0 | 0 |
| (Provision for Interest Receivable and Other) | (72.314.266) | (65.798.585) |
| | 0 | 0 |
| **INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES** | **5.887.682** | **4.122.717** |
| Investments in subsidiaries and affiliates | 5.887.682 | 4.122.717 |
| Investments in branches | 0 | 0 |
| Provision for investments in subsidiaries, affiliates and branches | 0 | 0 |
| **PROPERTY RECEIVED IN LIEU OF PAYMENT** | **2.550.150** | **21.403.834** |
| **PROPERTY IN USE** | **2.361.604.886** | **1.222.340.627** |
| **OTHER ASSETS** | **1.742.407.904** | **1.013.776.634** |
| **TOTAL ASSETS** | **258.699.699.509** | **148.962.031.303** |

| LIABILITIES AND EQUITY | Jun-14 | Jun-13 |
|---|---|---|
| **DEPOSITS** | **230.832.120.283** | **130.750.617.825** |
| Deposits in Current Accounts | 188.948.149.508 | 90.433.995.511 |
| Non-Remunerated Checking Accounts | 82.909.595.059 | 45.006.354.852 |
| Remunerated Checking Accounts | 80.042.333.391 | 45.427.640.659 |
| Current accounts under exchange agreement n° 20 | 581.034.148 | 0 |
| Demand Deposits and Certificates | 25.413.886.910 | 14.854.397.029 |
| Other Demand Liabilities | 3.023.872.949 | 0 |
| Savings Deposits | 38.235.254.287 | 25.462.225.285 |
| Time Deposits | 624.843.639 | |
| **OBLIGATIONS WITH BCV** | **0** | **0** |
| **DEPOSITS AND OBLIGATIONS WITH BANAVIH** | **453.109** | **571.747** |
| **OTHER FINANCING OBTAINED** | **1.878.594.871** | **731.915.987** |
| Liabilities with local financial institutions up to one year | 1.443.090.659 | 580.802.894 |
| Liabilities with local financial institutions more than one year | 0 | 0 |
| Liabilities with foreign financial institutions up to one year | 430.504.212 | 151.113.093 |
| 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** | **30.644.959** | **61.212.263** |
| **INTEREST AND COMMISIONS PAYABLE** | **31.446.026** | **12.580.732** |
| Expenses payable due to deposits from clients | 30.433.015 | 12.580.447 |
| 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 | 1.013.011 | 285 |
| 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 |
| **ACCRUALS AND OTHER LIABILITIES** | **6.896.078.307** | **3.246.404.608** |
| SUBORDINATED DEBT | 0 | 0 |
| **OTHER LIABILITIES** | **0** | **0** |
| **TOTAL LIABILITIES** | **239.654.137.535** | **134.803.303.162** |
| | **0** | **0** |
| STOCKHOLDERS' EQUITY | | |
| Capital Paid-In | 1.250.000.000 | 1.250.000.000 |
| Paid-In Surplus | 1.250.000.000 | 1.250.000.000 |
| **Capital Reserves** | **1.290.304.041** | **1.275.080.821** |
| **Equity Adjustments** | **96.941.622** | **266.752.482** |
| Accumulated Income | 17.421.369.844 | 7.164.757.745 |
| **Non-Realized Gain or (Loss) on Available for Sale Security Investments** | (988.053.637) | 552.405.995 |
| Treasury Stock | (34.890.286) | (34.890.286) |
| **TOTAL EQUITY** | **19.045.871.604** | **10.474.186.757** |
| **LIABILITIES AND EQUITY** | **258.698.009.139** | **145.277.489.919** |
| **Contingent Debtor Accounts** | **35.913.758.986** | **20.302.517.295** |
| **Trust Assets** | **13.867.069.685** | **9.231.268.526** |
| **Other Trust Assignments** | **151.843.335** | **279.332.152** |
| **Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)** | **10.905.885.959** | **7.321.439.519** |
| **Other Debtor Accounts (Housing Mutual Fund)** | **16.848.281** | **14.277.364** |
| **Other Debtor Memorandum Accounts** | **505.085.249.905** | **298.738.507.713** |
| **Other Debtor Book Accounts** | **27.093.578** | **28.009.007** |

**Statements of Earnings (Stated in VEB)**

| | Jun-14 | Jun-13 |
|---|---|---|
| **Financial Revenues** | **14.875.935.106** | **8.508.755.256** |
| Revenues from Cash and Cash Equivalents | 6.218.145 | 1.802.789 |
| Revenues from Security Investments | 3.616.247.243 | 2.008.931.176 |
| Revenues from Credit Portfolio | 11.200.936.486 | 6.445.116.459 |
| Revenues from Other Accounts Receivable | 52.510.482 | 49.554.023 |
| Revenues from Investments in Subsidiaries, Affiliates and Branches | 0 | 0 |
| Revenues from Head Office and Branches | 0 | 0 |
| Other Financial Revenues | 22.750 | 3.350.809 |
| **Financial Expenses** | **3.177.770.067** | **1.843.439.357** |
| Expenses Due to Deposits from Clients | 3.123.273.049 | 1.837.277.226 |
| Expenses Due to Obligations with BCV | 0 | 0 |
| Expenses Due to Deposits and Obligations with BANAVIH | 0 | 0 |
| Expenses Due to Other Financing Obtained | 23.263.491 | 4.425.027 |
| Expenses Due to Other Financial Obligations | 22.980.556 | 0 |
| Expenses Due to Subordinated Debt | 0 | 0 |
| Expenses Due to Other Obligations | 0 | 0 |
| Expenses Due to Head Office and Branches | 0 | 0 |
| Other Financial Expenses | 7.752.971 | 1.737.104 |
| **Gross Financial Margin** | **11.698.165.039** | **6.665.315.899** |
| Income form Recovered Financial Assets | 167.599.582 | 151.651.942 |
| Expenses Due to Uncollectibility of Credits and Other Accounts Receivable | **1.290.096.411** | **502.003.915** |
| Provision for Loan Portfolio and Other Accounts Receivable, Losses | 1.290.000.000 | 502.003.915 |
| Provision for Cash and Due from Banks | 96.411 | 0 |
| **Net Financial Margin** | **10.575.668.210** | **6.314.963.926** |
| Other Operating Income | 4.087.979.708 | 2.206.039.998 |
| Other Operating Expenses | 1.106.775.339 | 470.015.931 |

| | Jun-14 | Jun-13 |
|---|---|---|
| **Financial Intermediation Margin** | **13.556.872.579** | **8.050.987.993** |
| **Transformation Expenses** | **6.019.946.357** | **3.574.582.946** |
| Personnel Expenses | 1.998.803.628 | 1.484.915.871 |
| Administrative and General Expenses | 2.479.433.036 | 1.253.767.972 |
| Contributions to Deposit Guarantee and Bank Protection Fund | 1.430.039.510 | 773.275.403 |
| Contributions to Superintendency of Banks and Other Financial Institutions | 110.670.182 | 62.623.699 |
| **Gross Operating Margin** | **7.536.926.222** | **4.476.405.047** |
| Income from Adjudicated Goods | 95.456.532 | 23.228.787 |
| Income from Special Programs | 0 | 0 |
| Income from Sundry Accounts | 123.108.694 | 36.988.018 |
| Expenses Due to Realizable Property | 5.569.421 | 9.916.917 |
| Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods | 0 | 0 |
| Expenses Due to Dundry Accounts | 770.813.451 | 406.412.857 |
| **Net Operating Margin** | **6.979.108.636** | **4.120.292.078** |
| Extraordinary Income | 0 | 0 |
| Extraordinary Expenses | 21.823.071 | 4.506.620 |
| **Gross Income Before Taxes** | **6.957.285.565** | **4.115.785.458** |
| Income Taxes | 40.000.000 | 100.000.000 |
| **Net Income** | **6.917.285.565** | **4.015.785.458** |
| **Application of Net Income** | | |
| Reserve Legal | 0 | 0 |
| Statutory Utilities | 0 | 0 |
| Other Capital Reserves | 6.250.000 | 6.250.000 |
| **Accumulated Income** | **6.911.035.565** | **4.009.535.458** |
| LOSEP Contribution | 44.445.354 | 34.458.832 |

| **Net Income Distribution** | | |
|---|---|---|
| Legal Reserve | 0 | 0 |
| Other Capital Reserves | 6.250.000 | 6.250.000 |
| Restricted Surplus | 3.456.575.462 | 2.004.899.699 |
| Surplus to apply | 3.454.910.103 | 2.004.635.759 |
| **NET INCOME** | **6.917.285.565** | **4.015.785.458** |

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

| CREDIT SITUATION | Outstanding | Restructured | Non-performing Loans | | Total (Bs.) | Percentage composition |
|---|---|---|---|---|---|---|
| | | | past due credits | In litigation | | |
| ***Activity Economic*** | **CREDITS** | **CREDITS** | **CREDITS** | **CREDITS** | **CREDITS** | **CREDITS** |
| Agriculture, Fishing and Forest | 20,358,235,509 | 24,247,553 | 85,407,434 | 0 | 20,467,890,496 | 15.96% |
| Hydrocarbons and Mining Exploitation | 95,472,233 | 0 | 56,337 | 0 | 95,528,570 | 0.07% |
| Manufacturing Industry | 8,414,751,796 | 744,371 | 100,307,322 | 0 | 8,515,803,489 | 6.64% |
| Electricity, Gas and Water | 103,941,955 | 0 | 0 | 0 | 103,941,955 | 0.08% |
| Construction | 7,899,726,320 | 171,714 | 9,237,775 | 0 | 7,909,135,809 | 6.17% |
| Trade, Restaurants and Hotels | 25,389,463,824 | 3,498,291 | 64,939,193 | 2,486,647 | 25,460,387,955 | 19.85% |
| Transport, Storage and Communications | 1,889,019,241 | 888,480 | 3,472,086 | 188,222 | 1,893,568,029 | 1.48% |
| Financial Stablishments, Real State And Services Provided to Companies | 59,956,657,456 | 6,418,847 | 237,909,103 | 268,218 | 60,201,253,624 | 46.94% |
| Community, Social and Personal Services | 3,578,445,342 | 1,573,757 | 13,620,773 | 0 | 3,593,639,872 | 2.80% |
| Non Well-specified Activities | 0 | 0 | 0 | 0 | 0 | 0.00% |
| **SUB-TOTAL (Bs.)** | **127,685,713,676** | **37,543,013** | **514,950,023** | **2,943,087** | **128,241,149,799** | **100.00%** |

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

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.

1. During the first half of 2014, 25,563 financial complaints were processed for a total amount of Bs. 206,220,933.22, 59% of which (15,169 claims) resulted to be favorable to clients; hence, Bs. 60,600,432.54 was refunded to clients.

**Financial Requirements Processed by Channel • I Half 2014**

| Channel | Numbers of Requirements | Customers | % of Req. for Capture Channel | Bs. |
|---|---|---|---|---|
| BanescOnline | 17,824 | 15,198 | 69.7% | 23,055,208.48 |
| Agency Network | 3,942 | 3,510 | 15.4% | 108,997,977.31 |
| Administrative / Specialized Segments | 3,797 | 3,264 | 14.9% | 74,167,747.43 |
| **Total** | **25,563** | **21,972** | **100.0%** | **206,220,933.22** |

2. During the same period, 690,373 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.

**Service Requirements Processed by Channel • I Half 2014**

| Capture Channel | Number of Requirements | Customers | % Req. of Capture Channel |
|---|---|---|---|
| BanescOnline | 371,660 | 275,974 | 53.8% |
| Agency Network | 237,358 | 207,117 | 34.4% |
| Administrative / Specialized Segments | 67,634 | 52,589 | 9.8% |
| Telephone Banking | 13,721 | 11,120 | 2.0% |
| **Total** | **690,373** | **546,800** | **100.0%** |

3. During the six-month period that just ended, the Compliance Level of the service supply in the Complaint and Requirement Management service was 95.5%.

# Equity Sufficiency Coefficient 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%).

Also, according to the schedule issued by the regulator, should not be less than ten percent (10%) at December 31, 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 2014 and December 2013, the percentages reached are as follows:

| DESCRIPTION | June 2014 | December 2013 |
|---|---|---|
| Accounting Equity Sufficiency Index | 10.00% | 10.07% |
| Total Equity Sufficiency Index | 18.07% | 18.00% |
| Total Equity Sufficiency Index (Level I) | 18.07% | 18.00% |

# Electronic Channels And Bank Agencies

As of june 2014 close, Banesco had a wide network of physical and electronic distribution channels whereby the Bank offers a wide range of products and services:

- 413 service points (agencies, satellites, Banesco Express) nationwide
- 80,368 Points of Sale
- 1,639 ATMs
- 328 Self-Service Equipments
- 50 Checkbook Dispensers
- 58 Pavilions

# External Auditor's Report

The financial statements of the Bank corresponding to the first half of 2014, 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. 14 | DEC. 13 | JUN. 13 | DEC. 12 | JUN. 12 |
|---|---|---|---|---|---|
| **1. Equity** | | | | | |
| (Equity + Operative Management / Total Assets | 10.00% | 10.17% | 10.85% | 10.22% | 10.36% |
| Non-Productive Assets / Equity + Operative Management | 294.12% | 328.00% | 218.37% | 294.47% | 203.61% |
| **2. Assets Quality** | | | | | |
| Loan Portfolio Provisions / Gross Loan Portfolio | 3.74% | 3.67% | 2.55% | 2.33% | 2.29% |
| Non Accrual Loans / Gross Loan Portfolio | 0.40% | 0.64% | 0.70% | 0.49% | 0.74% |
| **3. Managements *** | | | | | |
| Personnel Expenses + Operative Expenses / Average Productive Assets | 4.87% | 4.60% | 5.16% | 6.49% | 6.94% |
| Personnel Expenses + Operative Expenses / Financial Income | 30.11% | 28.57% | 32.19% | 39.08% | 41.53% |
| **4. Earnings *** | | | | | |
| Net Results / Average Assets | 5.79% | 6.80% | 5.97% | 5.32% | 4.90% |
| Net Results / Average Equity | 75.37% | 82.87% | 71.14% | 60.23% | 55.37% |
| **5. Liquidity** | | | | | |
| Availability / Customer Funds | 24.14% | 27.30% | 18.97% | 25.97% | 20.25% |
| Availability + Investment in Securities / Customer Funds | 30.78% | 36.49% | 30.70% | 34.69% | 28.12% |

** Annual Percentages*

# Internal Auditor Report on The Assessment of The Internal Control Environment

**Caracas, July 2014**

In compliance with the provisions of articles 29 and 31 of the Decree Law of the Partial Amendment to the Banking Institutions Law and the Prudential Regulations issued by the Superintendency of Banking Institutions (hereinafter "SUDEBAN"), we submitted the summary of Internal Audit management for the period closed on June 30, 2014. Additionally, we presented the opinion on the effectiveness of the internal control and risk management systems and the compliance with regulations on Prevention and Control of Money Laundering and Terrorist Financing (hereinafter "PCML/TF") of Banesco Banco Universal, C.A. (hereinafter "the Bank"), corresponding to the period between January 1 and June 30, 2014.

The Bank implemented a comprehensive methodology for internal control and risk management including a governing structure based on defense lines, with a clear definition of responsibilities, establishing guidelines, policies and procedures, and systems to identify, measure, monitor, control, inform, and mitigate risks. The internal control model considers process maps per value chain and identifies risks within every sub process, defines the corresponding risk profiles and finds the person responsible for or "owner" of the timely, efficient, and effective procedure within the Bank's internal control and risk framework. In the identification of potential risks, mitigation measures are implemented as requested by the Senior Management and regular follow up and revisions are made in order to monitor the effectiveness of the implemented controls in a continuous manner. In compliance with the Bank's strategy and the international best practices set forth in the Bylaws and approved by the Audit Committee of the Board of Directors, Internal Audit developed its Operating Plan activities in the first half of 2014 exercising its independent role and emphasizing higher exposure risks and the Bank's regulatory compliance processes required by current regulations. In order to systematically review transactions made through the Bank's different service channels, Internal Audit implemented the following methodology:

- Internal Audit's Operating Plan was designed and implemented based on risk management processes, with the approval of the Audit Committee of the Board of Directors and the ratification of the Board of Directors. Continuous advance reports about said Operating Plan have been issued and presented to the Audit Committee, the Comprehensive Risk Committee, and the Interested Parties, including the results of the revisions.
- In this respect, the Audit Committee furnished the results to the Bank's Board of Directors. In all presented cases, the Board of Directors took note of the observations and recommendations, and the action plans implemented to duly correct and handle them.
- The Audit Plan considered the regulations set forth by SUDEBAN, the current regulations of the financial activities, and the guidelines of the Committee on Banking Regulations and Supervisory Practices (Basel Committee).
- Audit practices were mainly aimed at reviewing the effectiveness and efficiency of every phase included in the Value Chains set forth by the Bank in its Architecture of Strategic, Tactical, Operating, Support, and PCML/TF Procedures.
- Implementation of audit tests to assess significant risk exposures in the control environment; as well as verification of the effectiveness of operating-, technological-, and financial procedures, and timely follow-up of corrective/preventive actions set forth by the Bank to solve the reported incidents and improvement opportunities notified during inspections, revisions, and audits.

Samplings consisted in random approaches, applying professional criteria in the design and execution of the revision plan, and the evaluation of results. For the first half of 2014, reviews were made including the hedges set forth by the Internal Audit Plan, emphasizing the following aspects:

- Effectiveness of the Internal Control Environment
- Assessment of the Model set forth by the Bank to service the control, risk management, information and communication, and supervision environments.

The Bank's structure is set forth in the Bylaws and adheres to the good practices of a Corporate Governance model, which entails a functional organization including policies and procedures to regulate the formal interaction of its employees through the following areas:

1. A hierarchical or functional management area, which defines the policies, principles, and values promoting the effectiveness of the control environment, encourages a culture that abides by ethical, regulatory and policy foundations, and makes sure that risks are managed.

2. A comprehensive risk management area that identifies, classifies, controls and consolidates risk exposures in the Bank's businesses; implements risk management policies; timely alerts about unwanted risks; and provides support in determining reserves and equity levels and defining "owners" of risk management operations.

3. Areas to review, adapt, optimize, and standardize the Bank's operating and technological processes, as well as document, update, and formalize rules and procedures manuals.

4. Areas to share sufficient, necessary, and adequate information in order to identify and respond to risks and comply with duties and responsibilities.

5. Areas to verify, monitor, and supervise any fraudulent events, technological incidents, and failures in control, business, and information security processes, including specific physical security and information technology controls, as well as an independent structure for Internal Audit, and assurance and consult areas that evaluate the efficiency of the implemented control system based on continuous evaluation.

The abovementioned implies that the Bank has established an Internal Control model that adapts to healthy Corporate Governance practices, supported by an efficient structure with adequate control and management levels.

## Financial Statements

Internal Audit used programs to review the application of the provisions of SUDEBAN's Accounting Manual for Banks pursuant to the criteria and range of the balance figures presented in the Bank's financial statements. The items reviewed were Cash (national and foreign currency); Customized Investment Portfolio; Credit Portfolio (loans granted to tourism, short- and long term mortgage loans, mortgage loans granted with the Bank's own funding and through the housing savings system [BANAVIH], vehicle loans, microloans, and agricultural loans); Foreign Currency services (SICAD I); and fairness of the figures shown in monthly Balances and their adequate presentation pursuant to current regulations.

Based on the reviews made, we consider that the figures presented in the financial statements are fair and reflect the whole operation carried out by each business area and segment of the Bank, as well as the manual adjustments made in the assessed fiscal period.

## Efficiency and Effectiveness of Transactions

We assessed the effectiveness of value chain processes in the following areas: cash (request, distribution, analysis, settlement, maintenance, custody, and recovery of cash flows); Loans (request, analysis, documentation, and payment); Credit and Debit Cards (application, issue, distribution, and destruction); Support to physical infrastructure; and follow up of assessments to Bank's documents.

In this respect, we consider that the processes are fair as to the effectiveness of transactions about which Audit made some recommendations and obtained the corresponding responses and mitigation action plans from the audited areas in order to improve process efficiency and strengthen control environments.

The Bank's structure is set forth in the Bylaws and adheres to the good practices of a Corporate Governance model, which entails a functional organization including policies and procedures to regulate the formal interaction of its employees.

## General Compliance with Current Legal Provisions

We assessed the compliance with laws and regulations applied to banking activities and, especially, with the provisions of the Banking Institutions Law and other regulations established by SUDEBAN.

The work programs that resulted from Internal Audit assessments in the first year-half included the provisions set forth by the current legal standards applicable to the assessed processes and the policies and procedures established by the Bank. In the compliance assessment, we observed that the procedures to attend aspects included in the standards are fair.

In this regard, the areas responsible for the processes established action plans to include audits' observations and recommendations in order to guarantee compliance.

**Summary of main Normative Acts revised**

| PROCESS OR ITEM THAT AFFECTS | STATUTE OR OTHERWISE STANDARD | TYPE RULES | TRANSMITTER | REGULATOR |
|---|---|---|---|---|
| Financial Operations | Banking Institutions Law | Law | Presidency of the Republic | National Assembly |
| Periodic reports AT04 | Transmission electronic files loan portfolio | Circulars | SUDEBAN | SUDEBAN |
| Active Regulatory Fees | Credit lending rates shot fee, credit cards, agricultural sectors, tourism, microcredit and mortgage | Official notices | BCV | BCV |
| Monthly Reports Mandatory Credit Portfolio (mortgage, agricultural, tourism and microcredit) | Required to report monthly to the BCV related information to credit regulated by special laws | Circulars | BCV | BCV |
| Mortgage Loan Portfolio | Measurement Table Enforcement Directed Mortgage Portfolio | Resolution | Ministry of Housing and Habitat | BANAVIH |
| | Rules governing settlements | Circulars | SUDEBAN | SUDEBAN |
| | Information Transmission FAOV (Mandatory Housing Savings Fund) | Instructional | SUDEBAN | SUDEBAN |
| Agricultural Credit Portfolio | Exceptions bond weighting agricultural and specifications of the agricultural portfolio | Circulars | SUDEBAN | SUDEBAN |
| General Loan Portfolio | Risk classification, calculation of provisions, credit records, collateral valuation | Resolution | SUDEBAN | SUDEBAN |
| Operations Loan Portfolio, microcredit, tourism, mortgage and agricultural | Credit Portfolios regulated and Income Tax Payments | Special Laws and Decrees | Presidency of the Republic | National Assembly |
| Credit Card | Operations credit cards, debit and prepaid cards and chip operations | Circulars | SUDEBAN | SUDEBAN |
| | Law Credit Card, Debit, Prepaid and other Financing card or electronic payment | Law | Presidency of the Republic | National Assembly |
| SICAD I and II (Alternative Foreign Currency Exchange Systems) | National Exchange System | Exchange Agreements | Ministry of Planning and Finance | SUDEBAN |
| Bank Securities Market | Exchange rate SITME | Official notices | BCV | BCV |
| | Obligation of banks in the process of buying and selling securities in foreign currency | Circulars | BCV | BCV |
| Lace Foreign Currency Cash | Operations from the exchange agreements | Circulars | BCV | BANAHIV |
| | Mandatory Procedures Manuals | Circulars | SUDEBAN | SUDEBAN |
| | Regulatory monetary cone | Resolution, Circulars and Regulations | BCV | SUDEBAN |

**Summary of main Normative Acts revised**

| PROCESS OR ITEM THAT AFFECTS | STATUTE OR OTHERWISE STANDARD | TYPE RULES | TRANSMITTER | REGULATOR |
|---|---|---|---|---|
| Virtual Electronic Banking | Rules governing electronic banking services | Official Letters | SUDEBAN | SUDEBAN |
| Information Technology | Dematerialized Financial Services, Electronic Banking, Virtual and Online | Circulars | SUDEBAN | SUDEBAN |
| | Regulatory information technology | Resolution | SUDEBAN | SUDEBAN |
| | Electronic Signatures | Law | Presidency of the Republic | SUDEBAN |
| | Special Law Against Cybercrime. | Law | Presidency of the Republic | National Assembly |
| Tax | Rulings on Income Tax and Withholding | Rulings | SENIAT | SENIAT |
| Risk Management | Standards for appropriate Risk Management | Resolution | SUDEBAN | SUDEBAN |
| Levels schemes attention to bank customers | Ombudsman | Regulation | SUDEBAN | SUDEBAN |
| Prevention and Control of Money Laundering and Terrorist Financing (PCLC / FT) | Organic Law against Organized Crime | Laws | Presidency of the Republic | National Assembly |
| | Update lists | Circulars | SUDEBAN | ONDO • UNIF • SUDEBAN |
| | 119-10 -Administration and Control Risks related offenses Laundering and Terrorist Financing | Resolution | SUDEBAN | SUDEBAN |
| | UN Resolution - Lock goods | Resolutions | SUDEBAN | ONDO • UNIF SUDEBAN |

## Correction and Follow-Up of Actions to Close Risk Gaps

Audit continuously followed up and reviewed all the corrective actions taken by the Bank to verify the implementation of strategies and actions to close the gaps defined in the reports of the Operational Risk unit, Internal and External Audit, SUDEBAN, and other regulatory authorities. The Bank's Senior Management defined performance indicators about said reports. Additionally, the Internal Audit Unit and the Operational Risk Unit hold meetings on a regular basis to inform the status of the Action Plans for management and control purposes.

## Methodology for Internal Audit Practices

As to the application of professional practices, the Bank's Internal Audit Unit was adapted to legal and regulatory factors, policies, and expectations of the interested parties. The latter was made pursuant to National and International Regulations of Auditing in assurance and consultancy areas and in compliance with the Statements on Rules and Procedures of Internal Audit Nr. 1 and Nr. 2 (DNAI1 and DNAI2) recommended by SUDEBAN.

To that end, Internal Audit continuously reviews the effectiveness of its practices and the compliance with the Rules and Procedures statements in order to guarantee adequate fulfillment of regulatory requirements in the activities performed.

In the training plan for Internal Audit, we continued the scheduled training by attending the Latin-American Congress of Internal Audit, obtaining education in regulatory matters, and developing competences.

## Special Cases

We addressed seven (7) special cases, documented with reports, on irregular facts reported by the Units affected and by Security Units, as well as those detected by Internal Audit at their general or special audits or at the Management's request.

It is worth mentioning that the areas affected have established the action plans that will minimize the risks identified in such audits.

In addition, the audit review of four hundred and twelve (412) customer service points (agencies, teller windows, satellites, Express Center, Auto Bank and Banesco Express) was conducted in all their processes (risk management, services and business, regulatory compliance, PCML/TF, and user protection regulation). The audit emphasized aspects related to service operating efficiency, regulations, internal control, internal policies, standards and procedures, and contractual commitments, which will be completed in the second half of 2014.

# Communications of The Superintendency of Banking Institutions Regarding Provisions, Observations, Recommendations, or Initiatives About The Operation of The Bank

## GENERAL REGULATIONS

| DATE | REGULATION LETTERS |
|---|---|
| 01/20/14 | **SIB-II-GGR-GNP-01530.** Guidelines to fill in form N° 13-006 "Calculation of Contributions by Banking Institutions to the Social Protection Fund of Bank Deposits for the first half of 2014." |
| 03/17/14 | **SIB-II-GGR-GIDE-07887.** "Repeal of Forms Relating to Foreign Currency Position." |
| 03/17/14 | **SIB-II-GGR-GIDE-07886.** Technical Specifications Manuals: AT31 - "Credit and Debit Flows of Lending and Borrowing Transactions;" AT32 - "Fondo de Ahorros Obligatorio de Vivienda (FAOV) (Mandatory Housing Savings Fund);" and AT27 - "Asset-Liability Composition of Official Bodies and Legal Entities - Version 2.0." |
| 03/18/14 | **SIB-II-GGR-GNP-07998.** Modifications to the Accounting Manual for Banks, Other Financial Institutions, and Savings and Loan Entities pertaining the recording of placements, shares, and loans granted to the Tourism Sector. |
| 03/18/14 | **SIB-DSB-CJ-OD-08050.** Aspects to consider in transactions carried out through the Alternative Foreign Currency Exchange System (SICAD II). |
| 03/18/14 | **SIB-DSB-CJ-OD-08051.** Aspects to consider in transactions carried out through the Alternative Foreign Currency Exchange System (SICAD II). |
| 03/20/14 | **SIB-DSB-CJ-OD-08098.** Aspects to consider in transactions carried out through the Alternative Foreign Currency Exchange System (SICAD II). |
| 03/21/14 | **SIB-II-GGR-GNP-08298.** "Reference to Regulation Letter No. SIB-II-GGR-GNP-32891 of October 14, 2011, with regard to the operation to replace dematerialized share certificates issued by the Economic and Social Development Bank of Venezuela (BANDES)." |
| 03/31/14 | **SIB-II-GGR-GIDE-09680.** Technical Specifications Manual: AT33 "SICAD II Transactions." |
| 04/01/14 | **SIB-II-GGR-GNP-10026.** Modifications to the Accounting Manual for Banks, Other Financial Institutions, and Savings and Loan Entities pertaining the recording of transactions carried out through the Alternative Foreign Currency Exchange System (SICAD II). |
| 04/01/14 | **SIB-II-GGR-GNP-10025.** "Regulatory Exception on the disposal of foreign currency-denominated securities owned by banking institutions, recorded in account 123.00 "Held-to-maturity Investment Securities" when negotiated through the Alternative Foreign Currency Exchange System (SICAD II)." |
| 04/02/14 | **SIB-II-GGR-GNP-10151.** "Reference to resolutions pertaining the recording of provisions for hedging of the agricultural portfolio." |
| 04/23/14 | **SIB-II-GGIR-GRT-13091.** "Standards ruling the use of e-banking services." |
| 05/06/14 | **SIB-GGR-GNP-14833.** "Calculation of interest on savings deposits." |
| 05/12/14 | **SIB-II-GGIR-GRT-15555.** "Project to Install an Alternative Data Processing Center." |
| 05/13/14 | **SIB-II-GGR-GNP-15682.** "Regulation Letter issued by the Central Bank of Venezuela, concerning the applications to purchase foreign currency through the Alternative Foreign Currency Exchange System (SICAD II)." |
| 05/23/14 | **SIB-II-GGR-GNP-17401.** "2014 Bolivarian Housing Securities issued by the rebuilding fund Fondo Simón Bolívar para la Reconstrucción, S.A." |
| 05/29/14 | **SIB-GGR-GNP-CCD-18392.** "Reference to Regulation Letter No. SIB-II-GGR-GNP-CCD-11406 of April 10, 2014, containing the Recording and Payment of Resources corresponding to Nonfinancial Services aimed to give comprehensive support to persons granted agricultural financing." |
| 06/09/14 | **SIB-II-GGR-GNP-19416.** "Reference to Regulation Letter No. SIB-II-GGR-GNP-17401 of May 23, 2014, concerning the Bolivarian Housing Securities issued by the rebuilding fund Fondo Simón Bolívar para la Reconstrucción, S.A." |
| 06/11/14 | **SIB-II-GGR-GNP-19800.** "Aspects to consider in transactions carried out through the Alternative Foreign Currency Exchange System (SICAD II)." |
| 06/11/14 | **SIB-DSB-CJ-OD-19810.** "Compliance with Bank Security Standards." |
| 06/16/14 | **SIB-II-GGR-GNP-20298**. "Collection of National Treasury Funds." |
| 06/16/14 | **SIB-II-GGR-GIDE-20149**. "Technical Specifications Manual: AT34 - Board of Directors of the Supervised Entity and Other Appointed Positions." |

## SPECIFIC REGULATIONS

| DATE | REGULATION LETTERS |
|---|---|
| 01/07/14 | **SIB-II-GGIBPV-GIBPV3-00185.** Observations on the supporting documents submitted for the Regular Shareholders' Meeting held on September 23, 2013. |
| 02/26/14 | **SIB-II-CCSB-05564.** Findings from the Special Inspection conducted as to Bank Service Quality on February 11-12, 2014. |
| 03/06/14 | **SIB-II-GGIBPV-GIBPV3-05977.** Follow-up of the observations made to the supporting documents submitted for the Regular Shareholders' Meeting held on September 24, 2012. |
| 03/07/14 | **SIB-II-CCSB-06203.** Observations to the Management Report corresponding to the second half of 2013, issued by the Bank Client and User Defender. |
| 03/10/14 | **SIB-II-GGIBPV-GIBPV3-06405**. Follow-up of the observations made on risk matters to the supporting documents submitted for the Regular Shareholders' Meeting held on September 26, 2011 and March 26, 2012. |
| 03/12/14 | **SIB-II-GGIBPV-GIBPV3-06843.** Comments on the yield curves used by the Bank as of March 31 and April 30, 2013. |
| 03/17/14 | **SIB-II-CCD-07899.** Observations made on Lending Portfolios to the supporting documents submitted for the Regular Shareholders' Meeting held on March 24, 2014. |
| 03/21/14 | **SIB-II-GGIBPV-GIBPV3-08521.** Observations made to the supporting documents submitted for the Regular Shareholders' Meeting held on March 24, 2014. |
| 03/25/14 | **SIB-II-CCSB-09025.** Observations arising out of the Special Report of the financial statements as of December 31, 2013, inherent to the Regular Shareholders' Meeting held on March 24, 2014. |
| 03/27/14 | **SIB-DSB-UNIF-09386.** Observations made to the supporting documents submitted for the Regular Shareholders' Meeting held on March 24, 2014, including the "Semi-annual Report on Prevention and Control of Money Laundering and Terrorist Financing" as of December 31, 2013, and the "Internal Auditor's Report." |
| 04/03/14 | **SIB-II-GGIBPV-GIBPV3-10395.** Follow-up of the findings from the General Inspections as of November 30, 2011 and December 31, 2012, the latter made to the Trust Department. |
| 04/21/14 | **SIB-II-GGIR-GSRB-12688.** Observations arising out of the Special Report of the audited financial statements as of December 31, 2013, which includes the level of compliance with the "Standards for Proper Comprehensive Risk Management." |
| 05/07/14 | **SIB-DSB-CJ-PA-15164.** A fine is imposed to the Bank for the alleged cancellation of a savings account and the transfer of the balance of a checking account without the customer's authorization. |
| 05/09/14 | **SIB-II-GGIR-GRT-15389.** Technological Risk Special Assessment, containing the results from the inspection made from January 21 to April 7, 2014. |
| 05/12/14 | **SIB-II-GGIR-GSRB-15551.** Findings from the Special Inspection conducted as of January 31, 2014, the main purpose of which was assessing compliance with the "Standards for Proper Comprehensive Risk Management." |
| 05/12/14 | **SIB-II-CCSB-15535.** Observations made to the findings from the Special Inspection conducted as to Bank Service Quality on February 11-12, 2014. |
| 05/21/14 | **SIB-II-GGIBPV-GIBPV3-16920.** Follow-up of the observations made to the supporting documents submitted for the Regular Shareholders' Meeting held on September 23, 2013. |
| 05/30/14 | **SIB-II-GGIBPV-GIBPV3-18527.** Findings from the General Inspections as of December 31, 2013, where the main assets of the Bank were assessed. |
| 06/05/14 | **SIB-II-GGIBPV-GIBPV3-19142.** Partial approval of agreements reached in the Regular Shareholders' Meeting held on March 24, 2014. |
| 06/05/14 | **SIB-II-GGIR-GSRB-19148.** Observations arising out of the Special Report of the audited financial statements as of December 31, 2013, which includes the level of compliance with the "Standards for Proper Comprehensive Risk Management." |
| 06/12/14 | **SIB-II-GGR-GA-19918.** Approval of ratifications and appointments of the Members of the Board, approved in Regular Shareholders' Meeting held on March 24, 2014. |
| 06/26/14 | **SIB-II-GGIBPV-GIBPV3-21502.** Follow-up of the findings from the General Inspection as of December 31, 2012. |

# 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 19, 2014, at 8:00 AM, in Auditorium Fernando Crespo Suñer, 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, 2014.

**SECOND:** Decree, allocation and payout of cash dividends to the holders of preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008–II.

**THIRD:** Reduction of the Bank's capital stock by Bs. 1,500,000, as a result of the buyback of 150,000 preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008–II.

**FOURTH:** Increase the capital stock by Bs. 1,500,000 through the decree, allocation, and payout of dividends in common shares.

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

On behalf of the Board of Directors

**JUAN CARLOS ESCOTET RODRIGUEZ**

*Chairman of the Board of Directors*

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

Caracas, August 23th 2014.

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 company and 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) Issue and amend the Bylaws; vii) 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; viii) 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 organization. Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years with the results of each year. 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 (2%) of the Bank's equity; iv) Give an opinion, under its responsibility, 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.

## 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 adherence to all regulations in force ruling this matter; design the Annual Prevention and Control of ML/TF Operating Plan jointly with the Committee and the Unit of Prevention and Control of Money Laundering and Terrorist Financing.

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

## 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 Bylaws and the best practices at an international level. 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.

### 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 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; chair the executive office committees of the Bank; as well as represent 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 Comptroller

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

## 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. Thus, the Central Credit Committee, the Executive Credit Committee, the Delegate Credit Committee, the Regional Credit Committees, and the individual autonomies were created.

## Technology Committee

Its main duty is to verify that the technological implementations are in line with the strategies and objectives of the company, with a big picture and a horizontal vision of the business, using the resources in a responsible manner, and identifying and managing the 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 the facts affecting the integrity and image of the Bank.

**QUALITY AS ETHIC'S VALUE BANESCO**

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

## 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 ethic 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 follow the values below:

**RESPONSIBILITY:** ser responsable en el desempeño de sus actividades, lo que implica asumir plenamente las competencias, funciones y tareas encomendadas, e incluso tener iniciativa y ser diligentes en el cumplimiento de todos los requisitos y exigencias inherentes a su cargo, hacer el mejor uso del tiempo, y dar lo mejor ante toda persona.

**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, 2014**

**Shareholders of**
**BANESCO BANCO UNIVERSAL, C.A.**

**1** In conformity with the appointment of the Comptrollers in Regular Shareholders' Meeting of the Bank held on March 24, 2014, and pursuant to the provisions of Articles 304, 305 and 309 of the Commercial Code, in conformity with the Bank's Bylaws and Inter-professional Standards for the exercise of the Comptroller's duty, we have reviewed the balance sheet of Banesco Banco Universal, C.A. as of June 30, 2014, and the related income statements and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended. During the period subject to review, one (1) Regular Shareholders' Meeting was held on March 24, 2014.

**2** Our review was based on the audit conducted by the Independent Auditors Márquez, Perdomo & Asociados (Crowe Horwath International), which issued the audited financial statements on August 15, 2014, corresponding to the six-month period ended June 30, 2014. Additionally, we conducted an analysis on the financial statements, selective tests on the accounting records, and any other procedures we deemed necessary in view of the circumstances.

**3** As a result of our review of the administrative management performed by the Bank's Board of Directors, we inform the following:

**3.1** Through our review based on the external auditors' audit on the loan portfolio, we determined that the provisions maintained by the Bank for Loan Portfolio and Returns Receivable on Loan portfolio are reasonable.

**3.2** Based on the results of our review, we determined that the Bank's Investment Portfolio is valued and presented in compliance with the standards established by the Superintendency of Banking Institutions, hereinafter Sudeban.

**3.3** As of June 30, 2014, the Bank maintains for Other Assets, a provision of Bs. 3,084,028, and during the six-month period under review write offs for Bs. 91,892,147, were made, corresponding to items that were fully provisioned. According to our analysis, and based on the results obtained by the Independent Auditors, we consider that the provision maintained by the Bank for Other Assets is reasonable and meets the parameters established by Sudeban.

**4** During the period under review, we did not observe any violation to the Bylaws or Law by the Directors. During the review of the Board of Directors' Minutes, we did not observe any dissenting votes.

**5** In connection with the provisions in article 310 of the Commercial Code, the Bank's shareholders did not file any claim during the period under review.

**6** In the Regular Shareholders' Meeting held on March 24, 2014, it was agreed to: (i) reduce the capital stock of the Bank by Bs. 2,000,000, as a result of the buyback of 200,000 preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008–II; and (ii) Increase the capital stock by Bs. 2,000,000 through the decree, allocation, and payment of dividends in common shares. At June 30, 2014, such agreements are awaiting approval by the Superintendency of Banking Institutions (SUDEBAN), prior binding opinion of the Supreme Body of the National Financial System (OSFIN). Likewise, on Regular Shareholders" Meeting, the Bank decreed cash dividends for Bs. 3,700,000.000 payable to common shareholders, with charge to surplus applicable as of December 31, 2013. In addition, in the six-month period ended June 30, 2014, interest payout in preferred shares for Bs. 13,485,671 were applied against Surplus to Apply, approved in regular shareholders' meetings, Bs. 2,177,366 of which correspond to interest payout in preferred shares of its main shareholder.

**7** During the six-month period ended June 30, 2014, we attended the sole Regular Shareholders' Meeting held on March 24, 2014 as comptrollers.

**8** Consequently, and based on the Report of the Independent Auditors Márquez, Perdomo & Asociados (Crowe Horwath International), issued on August 15, 2014, on the balance sheet as of June 30, 2014, and on the related income statements and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended, in our opinion, the accompanying financial statements subject to our review present fairly, in all material respects, the financial position of Banesco Banco Universal, C.A. as of June 30, 2014, and the results of its operations and appropriation of net income, changes in shareholders' equity and cash flows for the six-month period then ended, in conformity with the accounting standards established by Sudeban.

**9** Based on the foregoing, we recommend the shareholders to approve the financial statements of Banesco Banco Universal, C.A., corresponding to the six-month period ended June 30, 2014, submitted by the Board of Directors, as well as its administrative management.

**GORDY PALMERO**
*Statutory Auditor*
*C.P.C. 7.202*

**IGOR WILLIAMS**
*Statutory Auditor*
*C.P.C. 20.427*

August 18, 2014

# Human Capital

## Quality of Life

During the first half of year, we continued enhancing the comprehensive well-being of our workers by fostering sport, recreational, cultural, and voluntary service-oriented activities, thus 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:

### Voluntary Service Activities

The most relevant activities carried out in the first half of 2014 include:

- Banesco joined the program *Give & Gain Day 2014*, implemented by the organization Business in the Community, based in the UK, which promotes the best practices for voluntary service worldwide. It is worth mentioning that Banesco Banco Universal was the representative before this organization, as this is the first time Venezuela participates. Activities were carried out in *Taller de Educación Laboral Dora Burgueño* (Labor Education Workshop), Fundana (organization that helps children in need), and Hospital Ortopédico Infantil (Orthopedic Children's Hospital).
- We have trained 172 volunteers nationwide in different topics, like *Charla sobre Manejo de Crisis e Incertidumbre* (Talk on How to Manage Crisis and Uncertainty), *Resiliencia y Manejo de Cambio* (Resilience and Change Management), *Hablemos de Valores* (Let's Talk Values), *Productividad y Liderazgo Personal* (Productivity and Personal Leadership).

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

**Toning-up Activities:** Developed in Caracas with 1,181 participants in dance therapy, yoga, step, fit combat, among others.

**Ongoing Training in Different Disciplines:** Given in Valencia and Caracas, with the participation of 629 employees in softball, volleyball, indoor soccer, basketball, female soccer, and kicking ball.

**Banesco Runners Club:** With the participation of around 120 employees, the Club counted on 1,635 participations.

**Preventive Bowling:** Activity carried out in Maturin, Maracay, Porlamar, and the Metropolitan Area, with the participation of 362 employees.

**Ciudad Banesco Recreational-Preventive Activity:** Different types of question-answer activities were carried out in matters relating to organizational values, prevention against the use of alcohol, tobacco, and other drugs, prevention against money laundering, and general knowledge, in addition to different activities within 2014 World Cup in Brazil, with 2,740 participants.

### Cultural Activities

**Cultural Activities – Theater/Play Presentation:** Activity performed in Caracas, including theater workshops to make up Banesco Theater Company, with 97 participations. Three plays were presented: two performances of *"Con los tacones bien puestos"* and one performance of *"Segundas oportunidades,"* and 669 participants.

**Choral Singing Workshops:** Activity performed in Caracas, with 226 participants.

**Book Swap:** Activity performed on the third Wednesday of each month for avid readers to exchange books in a practical and simple manner.

## Talent Development

Bearing in mind our objectives of systematic, planned, and continuous education and development, and in the search for new methodological strategies to promote learning in our Human Talent, we implemented actions aimed at the technical improvement of Banesco Citizens in the first half of 2014, so they can efficiently perform their duties by yielding 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, Operational Excellency, Project Management, Financial Logistics, and Communication and Effective Negotiation Techniques.

We also focused on strengthening the leadership and managing skills of work teams with *Programa Líder Banesco* (Banesco Leadership Program). Additionally, and in compliance with legal standards, we provided training in Psychosocial Risks and Prevention and Control of Money Laundering and Terrorist Financing.

- Continuing our Virtual Learning initiatives, we increased the number of our programs by including two key modules for Banesco Citizens in compliance with the Organization's strategic goals: Risk Culture and Efficiency Culture, investing 37,464 man/hours on training during this first year half. We also participated constantly and actively in the Skills Development Program and in the previously established Service Experience Program. In 2014, we incorporated Module V to this program: Personal Excellency, with the purpose of developing a service-oriented culture, which provides key tools to render a top quality, friendly, dedicated, and excellent service to internal and/or external clients.

- We actively participated in the compliance with the Law by teaching 444 Trainees of INCES (National Institution for Socialist Training and Education). 176 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 268 apprentices in the Hands-on Stage in different Organization units.

## Benefits

**Among the most outstanding contractual and legal benefits granted to our workers in the first half of 2014 are the HSM policy, which represents an investment of over Bs. 86,600,000, whereby we have addressed over 19,500 cases of our workers and their families; the Unsecured Loans, whereby we supported the acquisition of homestead for an amount of Bs. 2,503,585; the Food Benefit for 12,989 workers, for over Bs. 141,000,000, and the Nursery School Benefit that benefits 1,683 workers for over Bs. 12,700,000.**

- With the purpose of optimizing our internal processes and increasing the quality of service provided by Banesco as a Financial Institution, we promoted the Operational Excellency Program by training 37 experts in different business areas, whereby 888 man/hours in training were invested. In addition, we supported the Project Office by training 17 specialists in Project Management methodologies with experts on this area in order to ensure best practices.

- We successfully began the Fourth Continuous Education and Integration Conferences, aimed at the Supervisory Level of the Mass Segments and Channels Management (Agency Employees), thus generating a space that allows to develop the key skills for People Management and unify criteria in supervision procedures. In the subject of onsite training for Community Banking (BCB), the events were aimed at strengthening People Management skills through training activities for Senior Consultant personnel and employees in Supervising and Managing positions. For this purpose, three off site training events were made in order to reinforce the technical competences of these roles, with the participation of 120 employees.

- Other training areas covered were Productivity and Collections. Likewise and in compliance with legal regulations, we continued to reinforce and update the Prevention and Control of Money Laundering and Terrorist Financing ("PCML/TF"). In cooperation with the Strategic Alliance Management, we launched the Second Community Service Agreement with Jose Maria Vargas University, with the purpose of offering senior students the possibility to develop activities in favor of the communities and allow them to put their knowledge into practice. The administrative and legal departments were selected to service our micro entrepreneurial customers' needs in this area. Todas estas actividades de formación presencial nos permitieron lograr en este primer semestre de 2014, los siguientes resultados:

- 200,599 man/hours invested in training and development activities.

- 11,264 workers have attended at least one in-person training activity.

- 13,715 workers have developed their virtual training.

- 27,746 participations in in-person training activities.

# Corporate Social Responsibility

As part of our commitment to the community and our workers, in the first half of 2014, Banesco Banco Universal reported a social investment of Bs. 47.92 million. Of that total, 43.48% (Bs. 20.83 million) was allocated to benefits for our workers and their families; the remaining Bs. 27.08 million (56.52%), was allocated to projects developed by our social partners, including, among others:

### Universidad Católica Andrés Bello

During the first half of year, we allocated the last part of the resources planned –Bs.17,199,570.53– to finance the expansion and development of Centro *Cultural Padre Guillermo Plaza s.j.*, a cultural center at Universidad Católica Andrés Bello (UCAB). This work is expected to be completed by the end of 2014, and will be the home of the Central Library and UCAB's research centers and institutes.

The library lends 82,404 books per year and it is the study site of over 21,900 people. The enhancement of the area aims to cover an important service demand of students at Universidad Católica Andrés Bello.

### Microentrepreneurs Training Program

Thanks to the partnerships with Instituto Universitario de Gerencia y Tecnología, Fe y Alegría, Universidad Corporativa de Sigo, Venezuelan Association of Catholic Education, Universidad de los Andes, and Negocio Pyme, among others, we graduated more than 3,700 microentrepreneurs, who were offered management and administrative tools to run their business.

To complement the training program, we established alliance with MercadoLibre.com for microentrepreneurs to take the first module of the program, learn how to create and enable a website for their business, and make the most of social media to promote and sell a product or service.

In this period, the investment for this project amounted to Bs. 5.18 million.

### Asociación Civil Red de Casas Don Bosco

We allocated Bs. 1,054,240.65 for the ARIS (Social Services and Rehabilitation) project that assists homeless children and adolescents from 4-17 years of age. The program includes the BoscoBus (a mobile unit that brings multidisciplinary service to the streets of Caracas), and the Support Center located in Sarría [a poor neighborhood], where kids can have shelter, food, or supervision from different specialists. They are also offered training workshops in different trades.

## Publishing Projects

In the first half of 2014, we presented and launched two books for our publishing collection.

The books were called Gente que hace escuela: *Distrito Capital. Gente que hace Escuela* (Pioneer People: Capital District) and *El Lenguaje de los Diablos* (The Language of the Dancing Devils).

The book *Gente que hace escuela: Distrito Capital* is the second edition in this editorial collection. It was launched in the facilities of Ciudad Banesco. In this opportunity, the publication includes 20 stories of institutions founded in the capital region, which legacy has achieved national and international recognition. This wide range of institutions includes the baseball little league Criollitos de Venezuela, Banco del Libro (Bank of Books), Centro Académico de Lutheria (Academic Luthiery Center), AVESA (Venezuelan Association for an Alternate Sexual Education) and the international education institution Fe y Alegría. This publication was coordinated by Antonio Lopez Ortega.

Edited by Grupo Editorial Cyngular (Editorial Group) and sponsored by Banesco, the book *El Lenguaje de los Diablos* was launched in June as a heartfelt homage to those who participate in the diabladas or 'dance of the devils' on a yearly basis. Even though the San Francisco the Yare population in the state of Miranda is the most renowned, this book highlights the various localities where these devils appear with the arrival of the feast of Corpus Christi in June. Some of these places are San Francisco de Yare (state of Miranda); Naiguatá (state of Vargas); Chuao, Ocumare de la Costa, Cuyagua, Cata, and Turiamo (state of Aragua); San Millán and Patanemo (state of Carabobo); Tinaquillo (state of Cojedes) and San Rafael de Orituco (state of Guárico).

This book retrieves texts of the renowned Venezuelan writers Juan Liscano and Alfredo Armas Alfonzo, who wrote chronicles about these festivities.

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

We contributed Bs. 817,000 for Fundación Venezolana Contra la Parálisis Infantil to acquire ultrasound equipment that will benefit low-income patients treated in the surgical area of *Hospital Ortopédico Infantil* (Children Orthopedic Hospital), where around 4,700 interventions are performed every year. Since 2003, we have allocated Bs. 3.95 million to various projects of the foundation.

### Universidad Simón Bolívar

This year, the *Papiros* collection by Editorial Equinoccio of Universidad Simón Bolívar expects to issue ten titles, including fiction, poetry, and essays. These publications will be possible thanks to the sponsorship of Banesco, which will contribute Bs. 600,000.

The *Papiros* Collection features fiction, poetry, essay, and anthologies. Together with a group of established authors, the Bank honors its commitment to publish young writers, among which the winners of university literary competitions stand out.

Since 2008, Banesco has allocated Bs. 2,706,000 to sponsor the *Papiros* Collection.

## Corporate Development

In April 2014, the institution of the Executive Direction for Corporate Development was formalized with the purpose of improving customer experience, with a vision that is segmented, digital, and present in all channels.

One of the main responsibilities of this new Executive Direction is to coordinate the Bank's distribution model. This model is shaped based on our customers' needs, then going through the conception and management of products and services, and ending with the delivery of said products and services through the numerous physical, electronic, and digital channels. The offer is later adapted to the different customer profiles, thus granting added value to the Bank experience.

With this structure based on a customer-centered strategy, we seek to align the Bank's business processes. Consequently, we aim to provide our customers the best financial offer in the Venezuelan market, with the highest quality service standards and carrying on Banesco's traditional position as the naturally innovative Bank, selected by customers out of conviction and successful due to its results.

## Marketing and Innovation

In order to maintain our branding, in this first half of year, we have developed a set of advertising campaigns in line with this goal.

### Advertising Campaigns

#### Income Tax

For the second year in a row, Banesco launched the income tax payment campaign under the concept *"El impuesto no asusta y con Banesco menos"* (Taxes are not scary, not with Banesco at your side), whereby the Bank gave options for their customers to be able to finance the Income Tax payment.

#### World Cup Brazil 2014 Promotion

Banesco cardholders had the opportunity to participate in one of the fourteen packages with a companion for the World Cup Brazil 2014, courtesy of Visa. The promotion ran from February to April, and for each Bs. 700 accumulated purchases with their Banesco Visa credit cards or Banesco Visa Copa Mundial de la FIFA™, cardholders participated in a drawing for tickets to see a live World Cup match in Rounds, Quarters and the Grand Finale. The prize enjoyed by each winner included air tickets, hotel, meals, tickets to matches, and more. This promotion was the first action of 2014 for the big event in world football; however, it was part of a comprehensive strategy that Banesco was developing, which began in September 2013 with the launch of the Credit Card Banesco Visa Copa Mundial de la FIFA (FIFA World Cup).

### Multiplatform Campaign

Banesco held its first multiplatform campaign with the launch of Banesco Mundial (World Cup) Competition. Continuing with the strategy defined during the Football World Cup, a competition took place, which not only awarded over 2,000 prizes to participants, but was also the first multiplatform campaign of the institution, whereby it integrated the different platforms for contestants to interact. By performing the different actions proposed in social networks, traditional media, and the microsite specially designed for the contest, the Institution achieved the enrollment of 57,000 participants, who completed over 2,700,000 challenges; an increase of more than 24,000 followers on Twitter and more than 2,000 additional followers on Instagram; as well as an increase of over 14,000 likes on Facebook.

### Launch of *BanescoAmigos* (Friends of Banesco)

This is the first application to perform transactions from Facebook. Banesco is the first bank in Venezuela and the second in Latin America to launch an application whereby customers can make transfers through Facebook. To boost the download and use of the application, a mass campaign was launched in May, mainly based on the core benefit offered by this groundbreaking application, which gives clients the possibility of having "whip-rounds" or collect money among several users

### *ExtraCrédito* (Extra Loan)

In the first half of 2014, in order to offer its clients the best financial product options, Banesco launched the ExtraCrédito campaigns in the two modalities: Purchases and Cash through BanescOnline during Mother's Day and Father's Day.

### *Ticket Premiado* (Winning Ticket)

As every year, Banesco implemented the campaign *"Este es el Punto"* (This is the Point) of *Ticket Premiado* (Winning Ticket) during Mother's Day and Father's Day, whereby 1,400 cardholders were awarded free purchases in each of these seasons. This campaign was carried out through mass media, such as cable television, special purchases in newspapers and magazines, and internet.

## Marketing Actions

### We Innovate with the Doodle Banesco.com

In the ongoing quest for innovation, Banesco Banco Universal launched for the first time in the bank category a doodle-like game hosted on its corporate website. The game, integrated into the main website banner, focused on the competition strategy of Banesco Mundial (World Cup). In this sense, users could choose their world cup team and score against the opponent. In addition, we included a space for surveys in order to hear what clients have to say regarding their experience with our website, as well as their opinion about the Organization's campaigns and product offers.

### Computer Graphics to support our clients

In order to give continuity to the goal of enhancing Banesco.com channel, we continue incorporating computer graphics as key parts that facilitate the understanding of the channel processes. They are mainly aimed to help clients understand and use the service channels.

### We Boost Innovation with Collaborative Approach

In continuing the strategy to boost the *"Innovación Abierta"* (Open Innovation) aimed at students, in order to generate ideas valuable for the business, Banesco Banco Universal participated in the event JOINCIC XII held at Universidad Central de Venezuela with an innovative stand focused on the concept of "Thinking Outside the Box". Over 200 students from UCV, UCAB, USM, USB, Unefa, IUTE, Alejandro Humboldt, Nuevas Profesiones, Unimet, and Iutirla participated.

# Business Management

## Personal Banking

At the first half of 2014 close, the efficiency, profitability, default, and contribution margin indices of the Executive Vice-Presidency for Natural Persons continued a favorable evolution, with a steady increase in the loan portfolio for commercial (30%) and purchase (14%) loans.

Our commitment to deepen the specialized service model led our actions during the period under review. We focused our management on service quality, customized service, expert advisory—driven by the innovative and leading-edge development of Internet Banking—the wide range of alternative electronic channels to give service to over 58,000 clients nationwide, in over 200 personal service points to perform multiple financial operations with the comfort, speed and security that have become the Bank's signature.

The quantitative results for this segment at period close show a 23% increase in loan portfolio over the close of the second half of 2013, as a result of focused loan management aimed at specific niche markets and product diversification.

## Legal Entities Bank

### Corporate Banking

In the first half of 2014, Corporate Banking continued promoting the transactional business of the Bank, thus contributing to the growth of liabilities. These achievements are the result of the value offer aimed at the segments in which it operates. The Bank's liabilities grew by 24.54% during the first half of the year over the close of 2013.

Corporate Banking maintains its approach of providing service to different sectors of the Venezuelan economy, with the support of specialized, organized, and dedicated employees in order to give comprehensive financial assessment to our clients.

The above results contribute to maintain Banesco's ranking as the first corporate private bank in Venezuela's banking system.

### Agricultural Banking

In the first half of 2014, the Bank maintained its leadership in providing service to clients in the agricultural sector. In this period, our activity was focused on the granting of 1,600 loans. Our lending transactions have been aimed at primary producers, service, and agro-industrial companies, thus allowing us to comply with the Law, in addition to mandatory subloans. We feel optimistic because we are directly contributing to the country's agricultural and farming development.

Customers' deposits have experienced a 31.30% increase in this sector over December 2013 close.

The Agricultural Banking has outstanding human resources, maintains its strategy of providing comprehensive service to clients, offering transactional products to support their financial needs.

We are increasingly pleased, as our clients' preference places us as the leading private bank in providing service to such an important sector for the development of the country.

### Business Banking

In the first half of 2014, this segment's credit portfolio increased by 9.83% over December 2013 close. This growth was mostly encouraged in the construction and trade segments. Likewise, we are still supporting the manufacture and tourism sectors on a national scale.

In this period, Business Banking has been placing business products that allow the Bank to approach customers to facilitate their transactions. Additionally, we supported customers with Foreign Trade products that allow us to fulfill the needs in the area of imports.

We are still relying on a qualified work team that allows us to offer customer service throughout the country.

### Energy Banking

Energy Banking managed to capture businesses in the main offshore hydrocarbon and gas projects. These projects were already at the work execution stage in the implementation process. We reached win-win agreements with the main upstream contractors and downstream value chain, as well as the transnational companies involved in important projects within the *Plan Siembra Petrolera* (Oil Sowing Plan), which was aimed at increasing production.

The active balance increased by 120% over 2013 close. Liabilities increased by 132%. The work team focused its efforts in achieving an adequate balance in the relationship between intermediation and profitability through improvements in financial and non financial income.

### Public Sector Banking

In the public sector banking, we presented a valuable proposal to our customers based on operating experience, networking level, and the correct assessment for customers in the Centralized and Decentralized Sectors.

We have obtained sustainable results in increasing liabilities based on the use of the Payment Media and Services platform, thus achieving to speed up our customers' transactions in an efficient manner. Therefore, we reached a 36% increase in customers' deposits over the previous six-month period.

These achievements are supported by our expert team with national presence and the willingness to solve our customers' needs in due time.

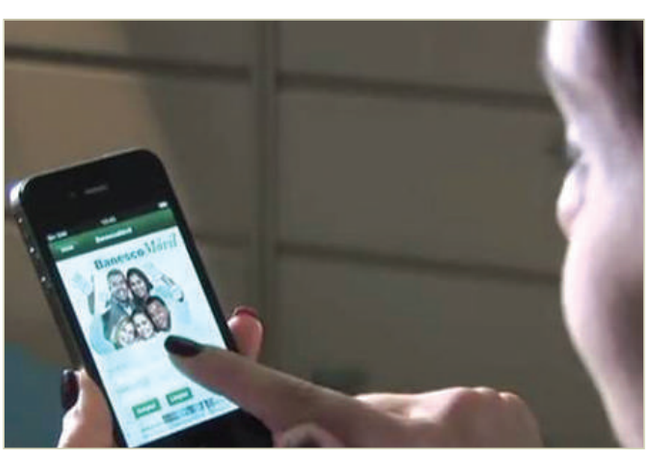
## Mass and SME Segments

We provided services to more than 5 million individual and corporate clients, aiming to improve our awareness and fulfillment of their financial needs.

We continued improving all our processes, products, and services through the optimization of the sales management model at the offices by relaunching the Commercial System.

To continue with our individual client sub-segmentation strategies, we took targeted actions to improve the cross selling management of a major cardholders group by opening checking accounts and granting ExtraCrédito (extra loans) in cash.

As a result of the ongoing effort of our sales staff, our loan portfolio increased by 19.6% with the liquidation of 30,958 transactions, being the commercial loan the line of business with the highest growth (41%) during the first half of 2014. In addition, customers' deposit increased by 7.2%.



# Distribution Channel

As of June 2014 close, Banesco counts on a wide network of physical and electronic distribution channels, whereby it offers a wide range of products and services nationwide, namely:

- 413 Service Points (agencies, satellites, Banesco Express)
- 80,368 Points of Sale
- 1,639 ATMs
- 328 Self-Service Equipments
- 50 Checkbook Dispensers
- 58 Stands

## Agency Network Channel

The agency remodeling program continued during the first half of year. To date, we have 111 lobbies built and enhanced to offer more security and convenience to our clients and users. That allowed us to deviate transactions to the electronic channels throughout the Metropolitan Area and in the Central-Los Llanos (the plains), the Western Andean, the Zulia-Falcón, and the South Eastern regions, thus, increasing the operational capacity with 333 multifunctional equipment and 425 monofunctional equipment for a total of 758 ATMs.

## Electronic, Telephone, Virtual, and Mobile Channels

In the first half of 2014, transactions made through Banesco electronic channels increased by 42.97% over the first half of 2013. The share of transactions made through electronic channels closed at 95.85%.

## Internet Banking Channel

At June 2014 close, BanescOnline had over 3,600,000 affiliated clients, over 225 thousand new clients incorporated to the channel during the first half of year—a 12.60% increase over June 2013. Likewise, the financial transactions increased by 55% over last year's same period, which translates into 18 million additional transactions.

To boost our omnichannel strategy, which aims to transform the client's experience with the real possibility of bringing the bank anywhere, anytime, through any device and channel, we made available a new digital functionality in April to query receipts of transfers and withdrawals made at ATMs through BanescOnline.

# 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 financial personalized 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.

During the first half of 2014, we granted 21,449 Working Loans, with a total paid amount of Bs. 1,811.4 million. We opened 33,731 Community Accounts, with an increase in account balance of 46.45%, and 36,363 clients affiliated to *Ahorro Paso a Paso* (Step-by-Step Savings). At the close of the first half of 2014, we had granted a total of 207,023 Working Loans, with a total paid amount that increased by 38.32% and a low delinquency rate of just 0.17%. We also benefited 317,798 clients by providing indirect service to 1,588,990 users.

As to our service network, in February, we reinforced our presence in Anzoátegui State with the opening of a new agency in Barcelona.

Hence, in the first half of 2014, 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 78 businesses with Personal Service modality *(Barras de Atención)* and 172 non-banking correspondents (NBC). Thus, we have 250 business allies in 8,346 neighborhoods on 16 states of the country.

At the close of the first half of 2014, 4,151 entrepreneurs graduated from our Microentrepreneur Training Program nationwide. Thus, the Bank has given these clients the opportunity to enhance their managerial, technological, and administrative skills to grow their businesses.

In addition, in order to strengthen the security of the digital channels, we restricted concurrent sessions and apply session timeout auto logoff in the portals.

### Working Loans

Loans with fixed rate quotas and often monthly payment, designed **to meet production needs of microentrepreneurs.**

**207.023**
Working Loans

### Step-by-steps Savings

Plan allows **you to program savings,** indicating the amount and frequency that will Be set aside funds from the Community account to be transferred.

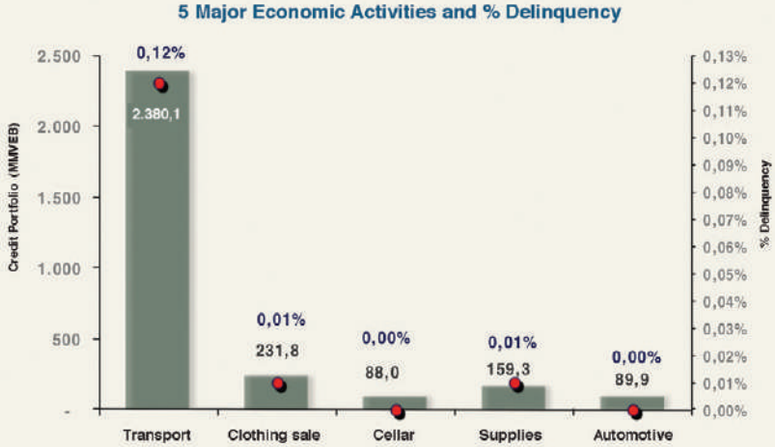
**317.865**
Clients Affiliated

### Community Accounts

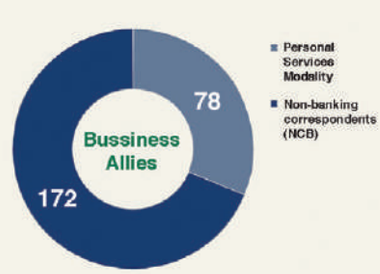
Is an electronic account you open with zero bolivars (Bs. 0). When open, we give you a Maestro debit card with which you can make your inquiries, deposits or withdrawals, and purchase through retail outlets shops and allies.

**325.584**
Accounts

**5 Major Economic Activities and % Delinquency**




**As of june 2014 close**



## Mobile Banking Channel

In the first half of 2014, over 8.7 million transactions were made through the Mobile Banking —a 63.18% increase over last year's same period, equal to 3.4 million additional transactions.

The new image of BanescoMóvil Smartphone application for BlackBerry, Windows Phone®, Android®, BlackBerry® 10 was launched, as well as for Tablets with Android® operating system. Likewise, *Buzón Banesco* (Banesco Inbox) and *Calculadora Banesco* (Banesco Calculator) Smartphone applications for BlackBerry®, IOS®, and Android® operating systems were upgraded.

With this new image, we incorporate improvements to functionality that translates into a better experience for the customer in terms of navigability and usability.

## Telephone Banking

During the first half of 2014, Banesco Telephone Banking answered over 18 million phone calls—80% were answered by the automated system (IVR – Interactive Voice Response) and 20% by our telephone agents.

Our clients made over 4.9 million transactions, 86% of which through the automated system (IVR).

## Electronic Banking Channel

We closed the six-month period with 1,639 ATMs installed nationwide, through which nearly 90 million transactions were processed—a 16.74% increase over the first half of 2013.

We put new multifunctional ATMs available to our customers, with more capacity to make cash deposits, up to a maximum of 200 bills per transaction (Bs. 20,000).

## Non-Banking Correspondents (NBC)

We closed with 279 NBC service points, 172 NBC of the Community Banking, and 107 Banesco NBC, which provide service to clients of the Community Banking and other Banesco segments.

## POS Channel

At June 2014 close, we had 80,368 Points of Sale installed in businesses nationwide, whereby over 105 million transactions were made—a 38.7% increase over the same period in 2013.

# Continuity With the Agency Renovation Program "Remodelamos Para Ti" (Renovating For You)

To give continuity to the Agency Renovation Program, due to a change in the customer service model, Banesco continues renovating spaces to restructure its entire service points nationwide.

Focused on redirecting transactions to our electronic banking, a redistribution of spaces in our agencies was proposed, giving priority to ATMs areas equipped with multifunctional, monofunctional and self-inquiry devices.

As to the renovation of the inside areas, the areas of promotion have more space with glass-walled offices, which creates a full vision environment that favors the lighting and security of the area. The visual intends to give our clients the sense of spaciousness and comfort through new materials,

based on a cool concept that reflects the image and innovative concept of our brand Banesco.

# Debit and Credit Cards

## Debit Card Issuing Business

In the first half of 2014, Banesco Debit Cards recorded a 111.4% increase over last year's same period, the Point of Sale being the channel preferred by clients, with a share of 76%—a 9% increase over 2013.

In order to offer more benefits and better services to our clients, we increased the daily limits to make purchases through the points of sale, in order to boost the use of the electronic channels, emphasizing on their convenience, speed, and security.

We have provided over 223 thousand cards to pensioners, who have the benefit of enjoying their pension through the different electronic channels, as they could use their Pensioner DC to conveniently withdraw from ATMs the total amount of the pension on the same day where paid, or to pay at any commercial establishment.

## Credit Card Issuing Business

The credit card portfolio grew by 56% at the close of the first half of 2014 over the same period in 2013. Sales with Banesco Credit Cards increased by 62%, thus, maintaining their leading position in the market. The delinquency rate percentage of the CC portfolio decreased to 0.5% over 2013.

The growth in the CC placement and in the CC portfolio was mainly boosted by the natural person sector. In addition, we offer the products ExtraCrédito Compras (Extra Loan Purchases), through the points of sale and affiliated businesses, and ExtraCrédito Efectivo (Extra Loan Cash), whereby our clients may request a loan as a parallel line of the card quota without affecting their credit limit.

In the first half of year, in order to encourage our clients' loyalty through Business Alliances and Promotions with the most renowned brands of the country, Banesco implemented the following benefits:

- **Business Alliance with Hertz:** Effective from February 17 to May 17, 2014, to offer cardholders a 10% (1-4 day rental) and a 15% (5 + day rental) Discount.
- **Business Alliance with Multiphone:** Campaign effective from May 1 to July 31, 2014, to offer a 25% discount on the regular fee.

Additionally, Banesco offered the following promotions together with Visa, MasterCard, and American Express franchises to promote sales paid with CC and award our clients:

- ***"La Pasión Vinotinto va Camino al Mundial"* (The Vinotinto Passion on the Way to the World Cup),** effective from 02/01 to 04/30. Awards: 14 packages of the FIFA World Cup Brazil 2014
- ***"Usando Tus Tarjetas de Crédito Banesco, Ahorras en Viaje.com"* (Save by Using Your Banesco Credit Cards at Viaje.com).** Effective from 06/01 to 08/31. Purchase your air tickets at Viaje Bien (Travel Smoothly) with Banesco credit card and save the administrative fees charged at travel agencies.
- ***"Con tu Tarjeta Banesco Visa Ponte una Camiseta Adidas"* (Have an Adidas T-shirt with your Banesco Visa Card).** Effective from 01/15. Prize: 400 Adidas t-shirts.

### Corporate Credit Card Issuing Business

In order to extend the benefits to our clients of Banesco Community Banking, we have created a credit card for transporters, which will allow them to cover part of the costs of their transport units, which are their source of income, or any other needs.

# Management of Payment Products, Means, and Services

## Gestión de Productos y Segmentos

In order to develop a segmented offer and a customer-oriented culture, by boosting the development of virtual channels, in this six-month period the following actions were taken:

- Promotions aimed to increase the use of electronic media and reduce the use of checks.
- Check Fraud Reduction Campaign, aimed to support our clients in the defense against fraud through networks and Banesco.com.
- Implementation of Checkbook Issue and Distribution Process: Application and activation through BOL (Banesco on line).
- Addressing SICAD bids with the optimization of processes and related forms.

## Payment Means and Services

The Vice Presidency of Payment Means and Services has directed its efforts towards the consolidation of the sales strategy to the clients that are more likely to acquire collection and payment products, thus, aiming to increase the capturing of funds and greater linking of the products with the bank.

In the first half of 2014, the Payment to Suppliers Service experienced a 68.2% increase in the amount processed through the Electronic Data Interchange platform over last year's same period.

The joint management of the specialized banking, the consultants of Consultancy Management, and the specialists of the Implementation Management of Payment Means and Services achieved the incorporation of new clients to the portfolio during the first half of year, thus deepening the relationship with Collection Services and Electronic Deposit.

## Trust Fund

During the first half of 2014, we experienced a Bs. 2,054.91 million (17.40%) growth in Trust Fund Assets because of Banesco's long and important trajectory as a trustee in Venezuela, thus reaching a total of Bs. 13,867.57 million by June 2014 close. Of this total, 49.92% corresponded to Collective Funds (Bs. 6,922.07 million), 24.73% to Investment Funds (Bs. 3,429.96 million), 17.93% to Warranty Funds (Bs. 2,486.96 million), and 7.42% to Management Funds (Bs. 1,028.58 million).

In this period, 83 new trust funds were established for a total of 5,437 plans, of which 2,523 are Administration Funds, 1,905 Collective Funds, 995 Investment Funds, and 14 Warranty Funds.

## Foreign Trade

Our International Products and Foreign Trade business maintained its ranking among the top three banks in the financial system as of June 2014 close, leading the market in the request of foreign currency through the Reciprocal Payments Agreement of the Latin American Integration Association (ALADI) with a 25.66% share.

We implemented the new model for international products' service and management, as well as the coordination with the banking (natural persons and legal persons), thus improving the customized service quality to customers per segments and increasing the number of requests processed by 116% over the same 2013 period.

# Quality Management

## Listening to Our Clients

In an increasingly challenging economic environment and competitive market as a result of technological breakthroughs, the clients' new habits, and their increasing financial culture, it is essential for companies to develop strategies aimed not only to meet the needs and expectations of their clients, but to exceed them.

Banesco incorporates clients into the core of business models, with the aim of generating positive experiences that can exceed their expectations. Therefore, Banesco has developed a managing model named *Voz del Cliente* (Client's Voice), on the basis of knowing clients in depth and assessing their experience whenever they contact the Bank, according to the best practices and main international trends.

As a starting point, in this period the survey was incorporated in Banesco.com, thus generating real-time results on the web experience, together with our permanent audit service monitoring program in the agency network (ADS).

Likewise, apart from the quantification of the level of satisfaction, essential variables were included related to loyalty, repurchase intention and rate of net recommendation.

Finally, to consolidate Banesco's role in Corporate Social Responsibility (CSR) and the economic development of the country, the *"Préstamo Solidario"* (Solidarity Loan) concept of Banesco Community Banking was tested. This product aims at the insertion and promotion of credit among people from less advantaged sectors, where the concept of the guarantor is a difficult obstacle to overcome for this segment. In this regard, a CSR study was conducted, which aimed to explore Banesco's level of visibility in CSR actions and Community Banking.

# Information Technology, Business Processes, and Transactions

In line with our strategy of transforming our actions into business opportunities for the Organization, with high levels of innovation, competitiveness, transparency, commitment, and enthusiasm for service; focusing our efforts on the optimization of processes with the ability to actively respond according to the Business activity patterns; effective risk management; and maintaining a comprehensive approach to our clients, we continued applying the best international practices in the management of our chain of value.

## Innovation

As to IT innovation, we continue promoting initiatives aimed to add value to the business, improve and optimize the internal processes, and encourage a culture of innovation.

We managed to be the first bank in Venezuela to develop and offer products that will allow us to create new business forms and continue being recognized as an Innovative Bank with the launch of the following products: *BanescoAmigos* (Banesco Friends), the first bank transaction application on Facebook in Venezuela; *Juego Banesco Aventura* (Banesco Adventure Game), the first bank in Venezuela that uses the Gamming trend; *ATM Verde* (Green ATM), which prevents printing receipts at ATMs to have them available online instead, thus expecting to increase productivity and reduce costs as well.

We continue focusing on assessing, testing, and implementing prototypes of innovative business services, thus promoting the Culture of Innovation through *Los Embajadores de Innovación* (the Innovation Ambassadors) Program.

## Architecture

In Technology Architecture, given the update of reference architecture maps and together with the strategy for generating business agility, there have been a series of disclosure workshops with all the persons responsible for Banesco technology to replicate the learning and knowledge to continue simplifying the architecture.

In the first half of year, we performed work to ensure the implementation of the Strategic Technology Plan, with a consultant role toward the business areas for an execution in line with the Project Portfolio to guarantee the technological capabilities required to leverage the business' goals.

In Capacity Management, we conducted plans for the technological infrastructure that supports the business services of the Organization, thus guaranteeing its

growth expectations and the natural increase in the demands on the technological resources to measure the required capacity proactively.

## Project Office

In Project Office, we continued implementing the ongoing improvements proposed in our planning as to Project Management, by continuing reinforcing the role of Project Managers and work team.

On the other hand, the management processes of the portfolio and the life cycle of projects were reviewed, by developing mechanisms that allow managing the proposal of initiatives, as well as the changes and their impact in a timely manner. The mechanisms to control and follow up projects have been reinforced to guarantee achievement of the goals set.

## Business Processes

With the purpose of promoting sales, processing transactions in an effective manner, and transforming the units into cost-effective models, we designed a remodeling process for the agencies that could adapt to our current needs and lead the Agency Network to a top quality service model, promoting service and sales to our customers. We are currently implementing the new model, characterized by the distinction of business activities from operating activities, thus allowing our human capital to focus on these two significant interest areas with respect to our customers.

In line with the Organization's cost-efficiency needs and strategies, we endorsed the analysis and optimization of the Bank's processes this six-month period. In this sense, we achieved significant results in the review and adjustment of the units' activities and roles, allowing the implementation of an outstanding operational management, achieving synergy, improving service quality, and increasing productivity, efficiency, reducing processing times, and mitigating risks.

We moved forward in the implementation of a culture of operational excellence in Banesco, a key element in achieving the improvement cycle throughout our entire Organization. We increased our actions by training employees of any Bank areas in Caracas during this period. We will continue this training in the next six months and include the remaining areas in the country. Additionally, we introduced the Operational Efficiency Model via our Intranet for all Banesco employees.

## Engineering and Development

Con el objetivo de entregar soluciones de forma oportuna, hemos optimizado el proceso de desarrollo de software para la atención de solicitudes que deben ser entregadas en un corto plazo.

En el área de **Ingeniería y Desarrollo**, siempre comprometidos con el mantenimiento e innovación de las aplicaciones que garantizan la operatividad y el negocio del Banco, desarrollamos soluciones en tiempos extraordinarios lo que nos permitió reducir los tiempos de respuesta y costos operativos.

## IT Operations

Because of the continuous improvements on the technological platform and the maturity of its processes, IT Operations managed to provide customers (both natural and legal persons) with high service levels in platforms such as ATMs, Points of Sale, Internet Banking, Credit Cards, Service Payments, and Agency Services in the first half of 2014.

In May, Banesco won the 2013 VISA Service Quality Performance Award, both as issuer and acquirer because of our high efficiency levels in chargeback of fraudulent reason codes through our automatic systems.

Additionally, we have been working continuously and successfully in the update of our technological infrastructure for equipment and systems, thus allowing us to improve the reliability and security of our customer services and reinforce plans for business growth and strategies for migration towards electronic channels.

We began implementing the Unique Center of Transaction Services (CSO), which encompasses all the support functions to IT Operations in one single team, so that everything works smoothly every day, "24/always."

## Back Office Transactions

In Back Office Transactions, we continued achieving efficiency by applying strategies based on operational excellence concepts, supported by efficient cash management with deployment of the Intelligent Cash Projection Module SAP CMO (Currency Management and Optimization) potentials and process optimization. That has placed Banesco as the leader in technology in the national financial system for being the first bank that counts on such platform.

# Comprehensive Risk Management

In the first half of 2014, 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 by the shareholders, 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 first half of 2014 close, the team of the Executive Vice-Presidency of Comprehensive Risk Management coordinated and completed four (4) specialized training sessions in Comprehensive Risk Management and Risk Management Methodology, for a total of 136 trainees. In addition, the team of risk-certified facilitators of the Human Capital Directorate gave twenty-two (22) comprehensive risk talks to new employees and reinforced the requesting areas (641 trainees)

## Credit Risk

Credit Risk—as the Organization's possibility to incur in financial losses caused by total or partial failure by customers or counterparts to comply with their obligations—is managed in the Organization considering the nature of the loans based on their modality and the clients' profile. Hence, during the first half of 2014, the Credit Risk Management was aimed to reinforce and follow up both the approval and performance of the loan portfolio through actions within the comprehensive risk management policies approved by the Board of Directors.

In this sense, the sessions of the Portfolio Quality Committee in all its modalities were reinforced in the first half of 2014. In these sessions, process owners committed to clean the evaluated portfolios, in order to find signs of alert in customers, both individually and as a group, and in the granting processes. A total of six (6) sessions of the Mass Committee and thirty-nine (39) sessions of the Corporate Committee were held. These actions were complemented by the completion and submission of balance sheet reports for taking actions, and the close follow-up of due balances in the loan portfolio.

With respect to granting, our ongoing improvement was accompanied by the necessary methodology to manage the loan portfolio based on strategic goals for estimating and following up expected loss levels, managing credit services by client segment, analyzing risk exposure levels, and submitting the results of the different business requirements (surveys, analysis and evaluations) for the Risk Committee's consideration.

## Market and Liquidity Risk

In Banesco Banco Universal, the Market and Liquidity Risk is managed through common methodologies and practices at an international level.

In the case of Market Risk, as the possible financial impact of market condition changes on the Organization, risks are managed through the Value-at-Risk methodology to determine expected losses that might occur due to risk factors variations that affect the market value of the positions maintained in the investment portfolio.

At the close of the first half of 2014, the Value at Risk of the sales investment portfolio was 241 million bolivars, which represented a 23% decrease over the result at the close of the same period in 2013. This is mainly due to the decrease of the position of the securities comprising the Institution's investment portfolio.

The Institution's management of Liquidity Risk—as the potential financial impact on the Organization due to failure to obtain funds to comply with its financial obligations—is completed by following up short- and medium- term liquidity indicators, liquidity gaps between assets and liabilities, in addition to the coverage indicator. That allows knowing the Bank's capacity to endure a volatility level in liabilities in a 20-day period with its current coverage reserves. The coverage indicator showed good yield in the first half of 2014, with liquid assets levels exceeding the volatility in liabilities, both in normal and in stress conditions, with average results in the first half of year for both scenarios of 265% and 191%, 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.

In the first half of 2014, we continued promoting the risk self-management approach in the Organization by appointing the "Process Owner" and the "Comprehensive Risk Master Deputy (MDRI)" in key processes of the Bank. That allows us to continue strengthening the end-to-end vision of the process, the identification and evaluation of its risks, and the definition of actions to close gaps, mitigate losses, and/or minimize the impact on the Bank's reputation. The evaluations, analyses, and ongoing follow-up made under this approach have constituted a key component in keeping risk levels within the established limits, thus guaranteeing business continuity.

In the first half of year, we completed the implementation of the Operational Risk Management Tool in compliance with the best international practices. This tool promotes a 360-degree vision of the business through the overall understanding of related risks and detection of early warnings. That contributes to the operational excellence of the processes and supports optimization and self-management of the Risk Management process, thus promoting our Comprehensive Risk Culture and the institutional use of Key Risk Indicators (KRI).

# Loss Prevention Management and Business Continuity

Our efforts are aimed at achieving quality and reliability of Organization services, focusing our efforts on minimizing frauds, service interruption periods, and occupational injuries and diseases, maximizing the availability of our services and maintaining the effectiveness of our activities.

The main achievements of our value chain for the first half of 2014 are presented as follows:

## Prevention and Protection

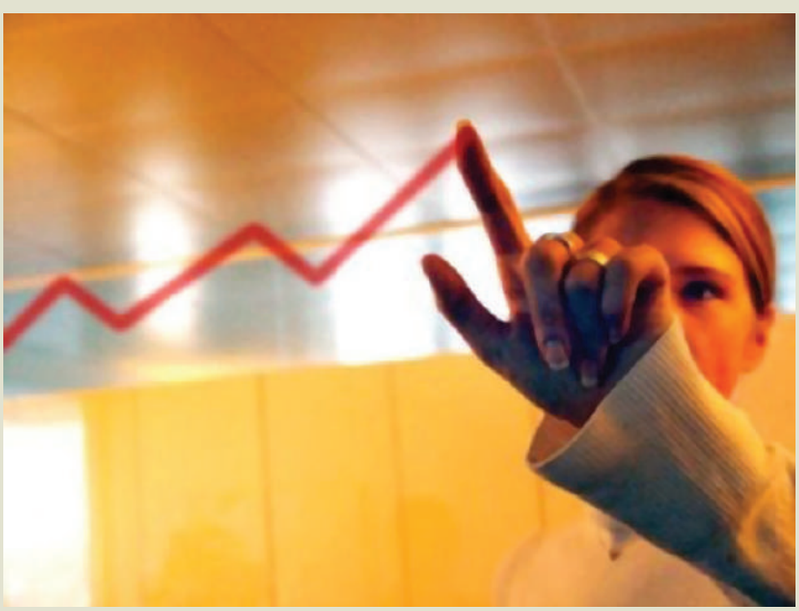
By focusing on anticipation of fraud, we maintained optimal procedures for initiatives of mitigation and containment in 2014, with the purpose of further reinforcing our channels, products, payment methods, and services, in addition to our control procedures. Because of our effective operations, we achieved a 57% reduction of credit card frauds and a 71% reduction of check frauds over the first half of 2013.

In this sense, we created new alerts and internal procedures in order to strengthen security and, in consequence, our users' trust.

## Risk Ratings

**Based on our financial performance and the consistency of our results, the risk rating agency Fitch Ratings increased Banesco Banco Universal's national ratings in the long- and short term. In the long-term, Banesco went from 'A+ (ven)' to 'AA- (ven)', whereas the national short-term rating reached 'F1+ (ven)', from 'F1 (ven)'.**

**Since 2010, the firm Faraco y Asociados has ranked Banesco at the top AAA risk rating.**



We continued our awareness program on security matters and loss prevention for external and internal clients through tips in social networks and portals, as to achieve our customers' commitment and awareness about their own role in the mitigation of risks.

We continued updating security systems to access critical areas in agencies and safekeeping of cash.

We continuously monitored videos and alarms triggered in different bank agencies to avoid robbery- or theft-related losses in coordination with the authorities.

### In the Occupational Safety and Health Area

- We gave occupational safety and health talks to new employees on a monthly basis, in compliance with the law. We gave 18 talks to 489 new employees. In addition, we gave 18 training workshops on psychosocial risk factors (6 in the Metropolitan Area and 10 at a regional level), with the participation of 458 workers.
- We gave 24 workshops on the use of fire extinguishers to 332 workers nationwide. In addition, we gave 16 workshops on postural hygiene to 186 workers nationwide, and we made 22 environment assessments in order to supervise, analyze, and control the environmental conditions in the main workplaces (temperature, noise, light, etc.) to prevent appearance of diseases resulting from work and accidents at work. We developed two information campaigns on the Intranet, for approximately 11,000 workers, aimed at prevention of accidents, occupational diseases, and awareness of workplace laws, safety, and health.
- We carried out four full evacuations of the headquarters of Banesco Banco Universal (Ciudad Banesco) and Torres Rosal I and II; three full evacuations of Torre La Primera, Torre América, and Torre El Recreo, and one full evacuation of the regional administrative offices of Banesco Banco Universal.
- Regarding the health area, and as part of the CSR of Banesco, in the first half of 2014, the medical service has taken 2,893 individual actions aimed at preventing diseases in workers, in addition to vaccination campaigns to prevent H1N1 for 150 workers.

## Loss Control

In the first half of 2014, we continued implementing the failures and vulnerabilities control detection strategies of the technological platform and the processes, thus generating the investigations on aspects or relevant facts around a situation of loss or incidents that may affect the operational or administrative activity of the business. Likewise, we supported the Human Capital in the recruitment of staff by conducting 2,962 pre-employment checks. We also complied with the judicial bodies by fully addressing 7,257 files.

## Business Continuity

In the first half of 2014, new continuity strategies were developed to mitigate risks that could affect business and technology, as well as update continuity procedures implemented to this date.

In this period, we successfully conducted 30 contingency or high availability drills aimed at guaranteeing the correct functioning of services in the event of major failure, which could affect the technological production platform and the critical business services. In May, we successfully activated the comprehensive contingency plan, mainly aimed at preparing the Organization for simultaneous events occurring in different critical services. We simultaneously activated the contingency environment in 13 platforms corresponding to critical Bank services in this period. These platforms coexisted for 24 hours in the alternate data center without affecting operability. A total of 160 employees in the technology and business areas participated in this activity.

In awareness matters, we taught courses about risk culture and business continuity through the virtual learning tool for all levels of the Organization in the first year quarter.

# Proposal Submitted by The Board of Directors For Consideration And Decision of The Regular Shareholders' Meeting Called For September 19, 2014, to Declare And Pay Cash (to Holders of Preferred Shares) And Share Dividends, Approved in Session No. 1.372, of August 11, 2014.

## Cash Dividends

A proposal to declare a cash dividend is submitted to the shareholders for Bs. 6,554,137.50, to be charged to the surplus applicable as of June 30, 2014, to holders of preferred shares corresponding to Issues 2008-I and 2008-II. This dividend covers the payment due on February 15, 2015, in conformity with the corresponding issue prospectus.

Should this proposal be approved, the Board of Directors will establish the payment term of cash dividends prior compliance with the formalities and terms provided for in article 49 of the Banking Institutions Law.

## Share Dividends

Should the redemption of 150,000 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 in Bs. 1,250,000,000, we will propose the meeting to decree and pay a share dividend for Bs. 1,500,000 through the issue of 150,000 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, 2014**

# Balance Sheet

## ASSETS

| Stated in Million VEB | Jun. 2014 | Dec. 2013 | Jun. 2013 | Dec. 2012 | Jun. 2012 |
|---|---|---|---|---|---|
| **Cash and due from Banks** | **55,716** | **54,315** | **24,894** | **28,317** | **15,427** |
| Cash | 4,539 | 5,466 | 2,360 | 3,714 | 1,920 |
| Central Bank of Venezuela | 44,224 | 44,662 | 18,237 | 21,465 | 10,790 |
| Local Banks and Other Financial Institutions | 482 | 309 | 326 | 159 | 141 |
| Foreign Banks | 320 | 250 | 435 | 121 | 246 |
| Head Office and Branches | 0 | 0 | 0 | 0 | 0 |
| Pending Cash Items | 6,150 | 3,628 | 3,536 | 2,859 | 2,329 |
| (Provision for Bank Accounts) | 0 | 0 | 0 | 0 | 0 |
| **Investments Securities** | **72,598** | **60,276** | **43,724** | **26,237** | **16,363** |
| Investments in Central Bank | 0 | 2,798 | 908 | 1,313 | 16 |
| Investments in Central Bank | 0 | 0 | 0 | 0 | 0 |
| Investments in Securities Available for Sale | 15,342 | 15,492 | 14,487 | 8,197 | 5,979 |
| Investments in Securities Held to-maturity | 41,096 | 30,436 | 20,437 | 11,745 | 5,752 |
| Limited Availability Investments | 281 | 281 | 273 | 184 | 197 |
| Limited Availability Investments | 15,878 | 11,269 | 7,618 | 4,798 | 4,420 |
| (Provision for Security Investments) | **0** | 0 | 0 | 0 | 0 |
| **Loan Portfolio** | **123,451** | **101,555** | **76,362** | **64,190** | **52,491** |
| Outstanding Credits | 127,686 | 104,704 | 77,738 | 65,343 | 53,218 |
| Restructured Credits | 38 | 43 | 75 | 56 | 109 |
| Restructured Credits | 515 | 674 | 545 | 321 | 380 |
| Past Due Credits | 3 | 3 | 4 | 3 | 17 |
| Provision for Credit Portfolio | -4,790 | -3,869 | -1,999 | -1,533 | -1,232 |
| **Interest And Commissions Receivable** | **2,822** | **2,233** | **1,721** | **1,292** | **838** |
| Interest receivable from cash and due from banks | 0 | 0 | 0 | 0 | 0 |
| Interest receivable from cash and due from banks | 1,185 | 1,025 | 716 | 445 | 250 |
| Interest receivable from credit portfolio | 1,443 | 1,086 | 921 | 828 | 616 |
| Commissions Receivable | 266 | 194 | 149 | 96 | 74 |
| Interest Receivable on Other Accounts Receivable | 0 | 0 | 0 | 0 | 0 |
| Provision for Interest Receivable and Other | -72 | -72 | -66 | -77 | -101 |
| **Investments in Subsidiaries, Affiliates And Branches** | **6** | **5** | **4** | **4** | **4** |
| Investments in subsidiaries and affiliates | 6 | 5 | 4 | 4 | 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** | **4** | **12** | **21** | **25** | **17** |
| **Property in Use** | **2,362** | **1,816** | **1,222** | **1,098** | **1,085** |
| **Other Assets** | **1,742** | **3,677** | **1,014** | **2,419** | **653** |
| **TOTAL ASSETS** | **258,700** | **223,889** | **148,962** | **123,582** | **86,878** |

# Balance Sheet

## LIABILITIES

| Stated in Million VEB | Jun. 2014 | Dec. 2013 | Jun. 2013 | Dec. 2012 | Jun. 2012 |
|---|---|---|---|---|---|
| **Deposits From Clients** | **230,832** | **198,990** | **131,215** | **109,055** | **76,165** |
| Deposits in Current Accounts | 188,948 | 158,610 | 90,434 | 77,631 | 53,131 |
| Non-Remunerated Checking Accounts | 82,910 | 75,392 | 45,006 | 38,128 | 25,945 |
| Remunerated Checking Accounts | 80,042 | 69,960 | 45,428 | 39,502 | 27,187 |
| Current Accounts under Exchange Agreement N° 20 | 582 | 0 | 0 | 0 | 0 |
| Demand Deposits and Certificates | 25,414 | 13,258 | 0 | 0 | 0 |
| Other Demand Liabilities | 3,024 | 3,527 | 14,854 | 9,857 | 7,831 |
| Obligations for Money Desk Operations | 0 | 0 | 0 | 0 | 0 |
| Savings Deposits | 38,235 | 36,420 | 25,462 | 21,112 | 14,729 |
| Time Deposits | 625 | 433 | 465 | 455 | 473 |
| 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** | **2** | **0** | **1** | **1** | **1** |
| **Other Financing Obtained** | **1,874** | **2,771** | **1,769** | **732** | **336** |
| Liabilities with local financial institutions up to one year | 1,443 | 2,039 | 1,610 | 581 | 324 |
| Liabilities with local financial institutions more than one year | 0 | 0 | 0 | 0 | 0 |
| Liabilities with foreign financial institutions up to one year | 431 | 732 | 158 | 151 | 12 |
| 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** | **20** | **9** | **92** | **61** | **70** |
| **Interest And Commisions Payable** | **31** | **17** | **17** | **13** | **12** |
| Expenses payable due to deposits from clients | 30 | 15 | 16 | 13 | 12 |
| 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 | 1 | 2 | 0 | 0 | 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** | **6,896** | **4,710** | **3,870** | **3,246** | **2,388** |
| **Subordinated Debt** | **0** | **0** | **0** | **0** | **0** |
| **Other Liabilities** | **0** | **0** | **0** | **0** | **0** |
| **Total Liabilities** | **239,656** | **206,497** | **136,964** | **113,107** | **78,971** |
| **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** | **1,299** | **1,291** | **1,283** | **1,275** | **1,105** |
| **Equity Adjustments** | **97** | **97** | **687** | **267** | **317** |
| **Accumulated Income** | **17,421** | **14,226** | **8,625** | **7,165** | **5,099** |
| **Non-Realized Gain or (Loss) on Available for Sale Security Investments** | **-989** | **563** | **188** | **552** | **171** |
| **Treasury Stock** | **-35** | **-35** | **-35** | **-35** | **-35** |
| **Total Liabilities** | **19,044** | **17,392** | **11,998** | **10,474** | **7,907** |
| **TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY** | **258,700** | **223,889** | **148,962** | **123,582** | **86,878** |
| **Contingent Debtor Accounts** | **35,914** | **36,352** | **25,439** | **20,303** | **13,633** |
| **Trust Assets** | **13,868** | **11,813** | **10,817** | **9,231** | **8,880** |
| **Other Trust Assignments** | **152** | **177** | **263** | **279** | **265** |
| **Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)** | **10,905** | **9,486** | **8,241** | **7,321** | **6,412** |
| **Other Debtor Accounts (Housing Mutual Fund)** | **17** | **16** | **15** | **14** | **13** |
| **Other Debtor Memorandum Accounts** | **505,085** | **454,448** | **365,238** | **298,739** | **269,120** |
| **Other Debtor Books Accounts** | **27** | **30** | **27** | **28** | **27** |

# Balance Sheet

## Statements of Earning

| Stated in Million VEB | Jun. 2014 | Dec. 2013 | Jun. 2013 | Dec. 2012 | Jun. 2012 |
|---|---|---|---|---|---|
| **Financial Revenues** | **14,876** | **11,634** | **8,509** | **6,707** | **5,309** |
| Revenues from Cash and Cash Equivalents | 6 | 2 | 2 | 2 | 2 |
| Revenues from Security Investments | 3,616 | 2,879 | 2,009 | 1,207 | 889 |
| Revenues from Credit Portfolio | 11,201 | 8,686 | 6,445 | 5,449 | 4,361 |
| Revenues from Other Accounts Receivable | 53 | 65 | 50 | 45 | 45 |
| 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 | 0 | 2 | 3 | 4 | 12 |
| **Financial Expenses** | **3,178** | **2,321** | **1,843** | **1,369** | **1,069** |
| Expenses Due to Deposits from Clients | 3,123 | 2,300 | 1,837 | 1,343 | 1,055 |
| 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 | 24 | 17 | 4 | 3 | 0 |
| Expenses Due to Other Financial Obligations | 23 | 0 | 0 | 23 | 14 |
| 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 | 8 | 4 | 2 | 0 | 0 |
| **Gross Financial Margin** | **11,698** | **9,313** | **6,665** | **5,338** | **4,240** |
| Income from Recovered Financial Assets | 168 | 199 | 152 | 133 | 106 |
| Expenses Due to Uncollectibility of Credits and Other Accounts Receivable | 1,290 | 1,375 | 502 | 597 | 579 |
| Provision for Loan Portfolio and Other Accounts Receivable, Losses | 1,290 | 1,375 | 502 | 597 | 578 |
| Provision for Cash and Due from Banks | 0 | 0 | 0 | 0 | 1 |
| **Net Financial Margin** | **10,576** | **8,137** | **6,315** | **4,874** | **3,767** |
| Other Operating Income | 4,088 | 4,024 | 2,206 | 2,058 | 1,471 |
| Other Operating Expenses | 1,107 | 823 | 470 | 385 | 276 |
| **Financial Intermediation Margin** | **13,557** | **11,338** | **8,051** | **6,547** | **4,962** |
| **Transformation Expenses** | **6,020** | **4,024** | **3,575** | **3,052** | **2,725** |
| Personnel Expenses | 2,000 | 1,450 | 1,485 | 1,295 | 1,047 |
| Administrative and General Expenses | 2,479 | 1,567 | 1,254 | 1,195 | 1,158 |
| Contributions to Deposit Guarantee and Bank Protection Fund | 1,430 | 926 | 773 | 512 | 481 |
| Contributions to Superintendency of Banks and Other Financial Institutions | 111 | 82 | 63 | 50 | 40 |
| **Gross Operating Margin** | **7,537** | **7,314** | **4,476** | **3,495** | **2,236** |
| Income from Adjudicated Goods | 95 | 81 | 23 | 11 | 9 |
| Income from Special Programs | 0 | 0 | 0 | 0 | 0 |
| Income from Sundry Accounts | 123 | 60 | 37 | 49 | 30 |
| Expenses Due to Realizable Property | 6 | 9 | 10 | 7 | 11 |
| Expenses for Depreciation, Amortization and Devaluation of Micellaneous Goods | 0 | 0 | 0 | 0 | 0 |
| Expenses Due to Sundry Accounts | 771 | 645 | 406 | 358 | 244 |
| **Net Operating Margin** | **6,979** | **6,801** | **4,120** | **3,191** | **2,019** |
| Extraordinary Income | 0 | 0 | 0 | 0 | 0 |
| Extraordinary Expenses | 22 | 20 | 5 | 7 | 3 |
| **Gross Income Before Taxes** | **6,957** | **6,781** | **4,116** | **3,183** | **2,016** |
| Income Taxes | 40 | 90 | 100 | 275 | 0 |
| **Net Income** | **6,917** | **6,691** | **4,016** | **2,908** | **2,016** |
| **Application of Net Income** | | | | | |
| Legal Reserve | 0 | 0 | 0 | 145 | 202 |
| Statutory Utilities | 0 | 0 | 0 | 0 | 0 |
| Other Capital Reserves | 6 | 6 | 6 | 6 | 0 |
| **Accumulated Income** | **6,911** | **6,685** | **4,010** | **2,756** | **1,815** |
| LOSEP Contribution | 76 | 73 | 44 | 34 | 22 |
| **Other Accounts** | | | | | |
| Third-Party Investments | 0 | 0 | 0 | 0 | 0 |
| Monthly Agriculture Credit Portfolio | 1,317 | 2,150 | 992 | 213 | 1,784 |
| Accumulated Agriculture Credit Portfolio | 21,774 | 16,585 | 12,985 | 10,585 | 11,321 |
| Public Sector Deposits | 8,877 | 5,360 | 5,396 | 3,572 | 4,967 |
| Micro-Credits | 9,117 | 6,902 | 4,769 | 3,697 | 2,569 |
| Credits to the Segment of Tourism in accordance to law in force | 2,752 | 2,406 | 1,581 | 1,419 | 1,235 |
| Mortgages according to the Special Law for the Protection of the Housing Loan Debtor | 4,529 | 4,354 | 3,856 | 3,693 | 3,349 |
| Financial Soundness Ratio | 10.00% | 10.17% | 10.85% | 10.22% | 10.36% |
| Manufacturing Loans | 8,516 | 7,382 | 4,225 | 4,306 | 3,968 |

# Trust

| Stated in Million VEB | Jun. 2014 | Dec. 2013 | Jun. 2013 | Dec. 2012 | Jun. 2012 |
|---|---|---|---|---|---|
| **Heritage Trust** | **3,352** | **2,213** | **2,151** | **1,367** | **1,922** |
| Individuals | 264 | 521 | 258 | 297 | 114 |
| Corporative Entities | 1,512 | 1,270 | 826 | 795 | 683 |
| Central Administration | 26 | 25 | 41 | 5 | 6 |
| Public, State, Municipal and Central Administrations | 0 | 0 | 0 | 0 | 0 |
| Descentralized Entities and Other Entities with Special Regime | 1,550 | 397 | 1,026 | 270 | 1,120 |
| **Guarantee Trust** | **2,463** | **2,463** | **2,459** | **1,764** | **1,765** |
| Individuals | 0 | 0 | 0 | 0 | 1 |
| Corporative Entities | 11 | 11 | 2,446 | 1,752 | 1,752 |
| Central Administration | 0 | 0 | 0 | 0 | 0 |
| Public, State, Municipal and Central Administrations | 0 | 0 | 0 | 0 | 0 |
| Descentralized Entities and Other Entities with Special Regime | 2,452 | 2,452 | 12 | 12 | 12 |
| **Management Trusts** | **7,482** | **6,500** | **5,612** | **5,159** | **4,395** |
| Individuals | 2,860 | 2,414 | 1,965 | 1,634 | 1,227 |
| Corporative Entities | 463 | 445 | 430 | 406 | 410 |
| Central Administration | 154 | 124 | 102 | 94 | 78 |
| Public, State, Municipal and Central Administrations | 0 | 0 | 0 | 0 | 0 |
| Descentralized Entities and Other Entities with Special Regime | 4,005 | 3,518 | 3,115 | 3,027 | 2,680 |
| **Features Mixed Trusts** | **0** | **0** | **0** | **344** | **259** |
| 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 |
| Descentralized Entities and Other Entities with Special Regime | 0 | 0 | 0 | 344 | 259 |
| **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 |
| Descentralized Entities and Other Entities with Special Regime | 0 | 0 | 0 | 0 | 0 |

# Social Balance • June 2014

| DESCRIPTION SOCIAL INVESTMENT (STATED IN VEB) | YEAR 2014 | ACCUMULATED 1998 - JUNIO 2014 |
|---|---|---|
| **APPLICATION BANESCO RESOURCES** | **47,922,001** | **417,670,504** |
| Fe y Alegría | 0 | 23,239,550 |
| Microentrepreneurs Training Program | 5,182,097 | 11,626,260 |
| Simón Bolívar Music Foundation | — | 12,878,305 |
| Association of Venezuelan Catholic Education (AVEC) | 0 | 10,542,081 |
| Social Undertaking Project with the IESA | — | 7,050,000 |
| Universities and Other Institutions | 17,230,571 | 36,059,976 |
| Banesco Life-Long Scholarships | 42,500 | 2,300,628 |
| Other Education Institutes and Organizations | 1,010,000 | 3,741,761 |
| Venezuelan Foundation against Child Paralysis | 817,600 | 4,073,934 |
| Other Health and Medical Care Organizations | 150,000 | 3,466,378 |
| FUNDANA | 0 | 2,255,254 |
| Civil Association Don Bosco Houses Network | 1,054,240 | 4,969,933 |
| Salesian Ladies Civil Association | 350,000 | 2,454,441 |
| Attendance to the childhood and people with special neccessities | 128,400 | 2,635,840 |
| Toys donation to the communities | 0 | 3,386,673 |
| Editorial Projects | 600,000 | 10,366,040 |
| Other contributions | 315,770 | 9,812,123 |
| Solidarity (Capital and Regional) | 0 | 5,138,558 |
| Events for the Community | 205,950 | 18,408,157 |
| Investment in works in Colinas de Bello Monte | 0 | 4,320,987 |
| Mayoralties, regional governments and other State Organizations | — | 6,918,231 |
| **Non-Contractual Social Benefits for Banesco Employees** | **20,372,772** | **229,945,066** |
| Dining Subvention | 15,404,912 | 130,094,341 |
| Medical Service | 1,244,629 | 11,973,842 |
| Parking Subsidy | 2,251,899 | 11,361,358 |
| Medical Assistance for Extreme Diseases | 75,502 | 1,906,767 |
| Unsecured Loans for Housing | 1,395,830 | 74,608,758 |
| **Corporate Volunteering Contribution** | **462,098** | **2,080,325** |
| Volunteer training | 291,754 | 874,712 |
| Special Projects | — | 30,479 |
| Additional training workshops | — | 6,006 |
| Cost Volunteer Hours / Man | 43,946 | 670,241 |
| Budget Amount executed Logistics Volunteer | 126,399 | 498,888 |
| **APLICATION OF ARTICLE 96 (LOCTISEP)** | **—** | **33,612,457** |
| Association of Venezuelan Catholic Education (AVEC) | — | 4,434,352 |
| Children Museum | — | 300,000 |
| FUNDANA | — | 110,000 |
| Alliance for Venezuela Free of Drugs | — | 100,000 |
| ABC PRODEIN (School Santa María City, Petare, CISAMA) | — | 276,000 |
| Educational Foundation Canaima Schools | — | 571,950 |
| Civil Association Don Bosco Houses Network | — | 2,853,406 |
| Education (Campaign against drugs and sports events) | — | 24,966,749 |
| **Social Investment** | **47,922,001** | **451,282,961** |
| **Contracted Commitments** | **1,220,000** | **1,220,000** |
| Microentrepreneurs Training Program | 1,220,000 | 1,220,000 |
| IESA | - | - |
| **Total Contracted Commitments** | **1,220,000** | **1,220,000** |
| **General Total Social Investment Plus Commitments Made** | **49,142,001** | **452,502,961** |

## Board of Directors

Juan Carlos Escotet R.
Miguel Ángel Marcano C.
Sergio Saggese Ciammino
Flavel Castañeda de Ledanois
Oscar Doval García
Vicente Llatas Salvador
Raúl Baltar Estévez

Banesco Contigo

# 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, Citibank, 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.

**DENMARK** Nordea Bank.

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

**ECUADOR** Banco del Pacífico, Produbanco, Banco Amazonas, Banco de Guayaquil, Banco Internacional.

**EL SALVADOR** Citibank, Banco Agrícola.

**ENGLAND** Standard Chartered Bank. 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, Banpais, Banco Continental.

**HONG KONG** Standard Chartered Bank, Deutsche Bank, Citibank N.A., Unicredit, 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, Citibank N.A., Unicredit, Commerzbank Ag., Deutsche Bank.

**KOREA** Citibank N.A., Deutsche Bank.

**MALAYSIA** Standard Chartered Bank, Deutsche Bank.

**MÉXICO** Banamex, S.A. (Citibank), HSBC Bank, 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, Citibank.

**PHILIPPINES** Deutsche Bank.

**POLAND** Deutsche Bank

**PORTUGAL** Banco Espirito Santo S.A., 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, Unicredit Group., Deutsche Bank, Commerzbank Ag.

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

**SWEDEN** Nordea Bank.

**SWITZERLAND** Commerzbank Ag., Deutsche Bank.

**TAIWAN** Deutsche Bank, Standard Chartered Bank.

**THAILAND** 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.

## BANESCO INTERNATIONAL PRESENCE GROUP

Banesco S.A., Panamá (before Banesco International Bank Inc.)

Banesco USA (Miami, Puerto Rico)

Banesco Banco Múltiple, S.A. (Dominican Republic)

Banco Etcheverría Grupo Banesco (Spain)

Abanca (Spain)

## REPRESENTATIVE OFFICE

Banesco Banco Universal C.A. (Bogotá, Colombia)

**International Mailing Adress**
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**www.banesco.com**

# 2014

## Semester Report First Half

Banesco
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