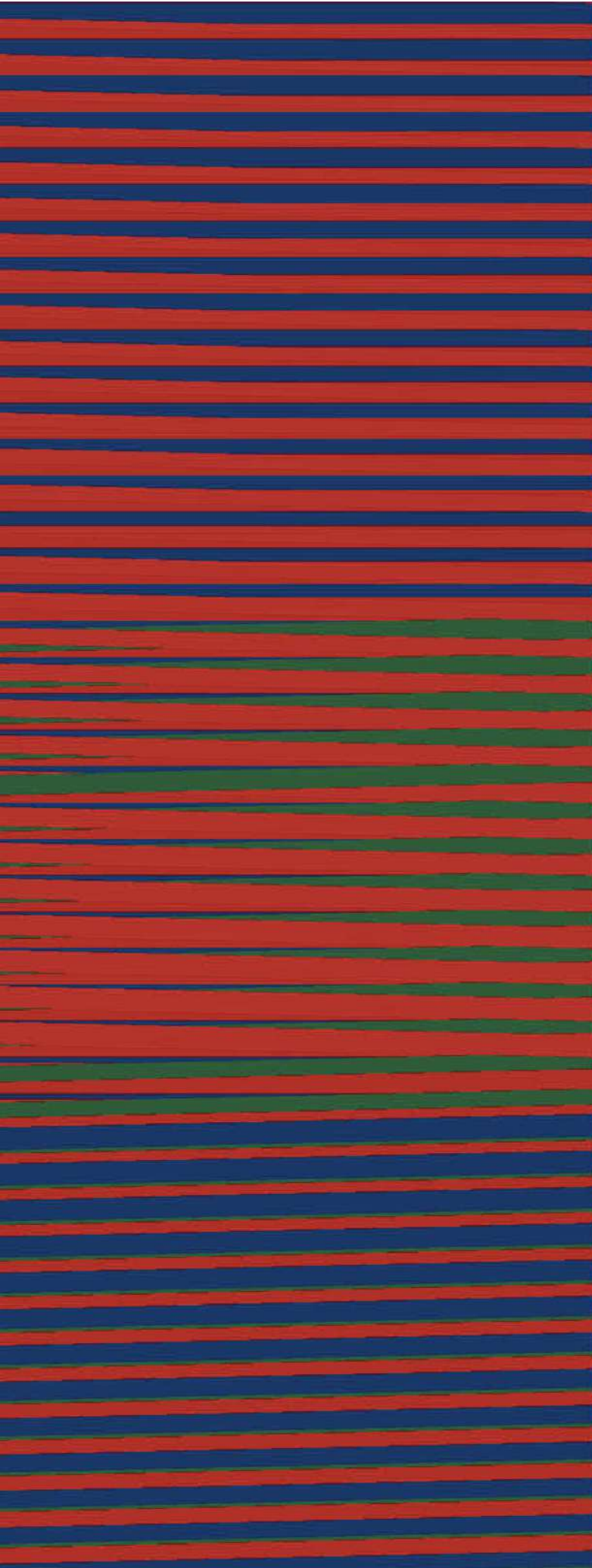




Corporate Social Responsibility Report 2008

INDEX

Letter from the Chairman of the Board

TO OUR CLIENTS, EMPLOYEES, SHAREHOLDERS AND SOCIAL PARTNERS	3
---	---

Profile of the Organization

MISSION, VISION AND VALUES	7
MAIN IMPACTS, RISKS AND OPPORTUNITIES	9
FINANCIAL SUMMARY	16
THE BANESCO BRAND	17

The Internal Dimension of Our Social Responsibility Program

CORPORATE GOVERNANCE	21
OUR SHAREHOLDERS	29
OUR HUMAN CAPITAL	31

The External Dimension of Our Social Responsibility Program

OUR SOCIAL PARTNERS	51
SOCIAL ACTION IN THE COMMUNITY	58
BANESCO'S CORPORATE VOLUNTEERS	67
OUR CLIENTS	71
BANESCO COMMUNITY BANKING	96
OUR ENVIRONMENTAL COMMITMENT	105
OUR SUPPLIERS	110
OUR COMMITMENT TO THE AUTHORITIES	116
THE MAKING PROCESS OF THE 2008 CORPORATE SOCIAL RESPONSIBILITY REPORT	121
ACCUMULATED SOCIAL BALANCE SHEET 1998-2008	127
AUDITORS REPORT	I-II-III
GRI PERFORMANCE INDICATORS	129
BANESCO'S SOCIAL ACTION BY REGIONS OF THE COUNTRY DURING 2008	134



Ciudad Banesco, our headquarters. Caracas

TO OUR CLIENTS, EMPLOYEES, SHAREHOLDERS AND SOCIAL PARTNERS

Banesco Universal Bank, C.A. presents the Venezuelan society with its fifth *Corporate Social Responsibility Report*, for the period January 1-December 31, 2008. Our purpose is to present the community with a detailed report on our performance that shows our financial results, our philosophy and the management of human capital, efforts on environmental impact and, in general, the way we relate to the community in a responsible way in social terms.

Therefore, Banesco presents the ethical challenges that face a corporation when its leadership understands –and strategically plans– as a responsible enterprise facing the community, that is, a corporation that is present in society and takes part in the generation of collective benefits consistent with the implicit values of its corporate citizenship.

The year 2008 was noted for efforts, achievements and satisfactions in the area of Corporate Social Responsibility. Banesco continued setting the standard, aware that in times of economic difficulties, companies in general and financial institutions in particular, must intensify their social commitment, because they are agents capable of generating wellbeing and its sustainability is closely linked to collective prosperity.

Corporate Social Responsibility begins at home. That is a tangible sign –also a motive of satisfaction and pride– of the suitability of our philosophy as an organization. Hence our efforts have been concentrated, among other benefits, on the satisfaction of the basic need to own a home, intimately linked to the improvement of the living conditions of our human capital and its family environment. During the year 2008, we granted 423 mortgage loans with our own resources, and 1,199 unsecured loans, both for the purchase and refurbishing of homes. Additionally, we carried out a Home Fair (Feria Habitacional) in which numerous companies offered our employees home solutions at special prices.

Aware that the right to a home is a human necessity that dignifies the life of our workers and strengthens family links, we are pleased that over the past three years we have supported more than 3,300 employees in their objective of achieving that basic goal for their wellbeing and that of their loved ones.

2008 also was a year of encouragement for the creativity, intelligence and imagination of our employees. A significant sign was the incentives campaign *Big Bank of Ideas*, which led to the successful tightening of the bonds of identification between the corporation and its human capital thanks to its enthusiastic response, and the strengthening of the presence of all employees in the direction of the

corporation with transparency and equality without distinction of managerial hierarchy. Growing out of the *Big Bank of Ideas* campaign were proposals fraught with novelties of genuine interest in the continued improvement of excellence in service, for example, or in cost management; some of them are being already implemented or are in the process of implementation. This dialogue between Banesco's management and its employees, which included, among other aspects, topics related to internal communications, social and recreational activities, dining room services and uniforms, clearly transmitted the message of the importance that the human capital with all its cognitive, emotional and ethical richness, has in Banesco as a factor of real influence in decision making and for the construction of a work environment that facilitates the development of the worker's full potential.

On the other hand, the number of people with disabilities who have been integrated into the working teams continues to grow. In Banesco we do not consider that action as a philanthropic measure, but rather as part of our understanding of human dignity, and therefore, in line with our values regarding equality and respect for differences. In that way, we incorporate persons with different talents and capabilities, we recognize their value and productivity in the society, supporting their self-esteem and integration, as well as sensitizing the rest of our community regarding their special worth, removing prejudices and making real our commitment with those less fortunate.

From the perspective of External Social Responsibility, our efforts do not diminish in a task that, given our characteristics as a society, is a long-term one: massive bankarization. More than 60 percent of the Venezuelan population has still not entered into the traditional financial circuits, with the grave consequences that this implies for their wellbeing and that of the economy in general. During 2008 we doubled the client portfolio of Banesco Community Banking; at the close of the year we had more than 57,000 *community accounts* and more than 28,000 *working loans*. The majority of our clients never had a banking relationship, managed an account or received a loan. The efforts of our Community Banking have allowed the advancement in the formalization of their enterprises, improving the management of their business and, as a consequence, raising their quality of life by improving the stability of their source of income and their formation as entrepreneurs. In that regard and in conjunction with the Universidad Católica Andres Bello, Invecapi and Microsoft, we offered the *First Formation Course for Microentrepreneurs in Financial Matters*, and we continue offering consultancy on topics such as investment, banking transactions, balance

sheets and applications. As a result, many of the participants not only have expanded and consolidated their small businesses, but also in many cases have launched others, and have recommended to their acquaintances to join Banesco Community Banking.

A study on the social impact of Banesco Community Banking offered very satisfactory results: an important portion of micro-entrepreneurs have seen their profits grow, have generated employment, have repaired their homes, and now they are taxpayers; just as important as the above, they have increased their level of participation in their respective communities, thereby strengthening the social fabric and cooperation. For the immediate future, Banesco is planning to increase the number of offices and, also, expand the offering of services in terms of opportunity, flexibility and innovation in general in the micro-finance sector. Therefore, the Banesco Community Banking continues to be an outstanding factor in the financial democratization of the country, and in the fight against poverty.

In 2008, a key factor that marked Banesco's history regarding the democratization of its capital was verified. In fact, the public offering of 2.5 billion preferred shares concluded with the incorporation as shareholders of 8,811 members of the Banesco family, or 65 per cent of its personnel from all levels. That is a real sample of the commitment of workers with the organization. At the close of 2008, Banesco had a total of 29,399 shareholders.

Regarding the attention to our clients, one of our fundamental objectives has been to stimulate the migration to electronic operations. That not only brings comfort to bank users, but also lowers the use of automobiles and the irrational consumption of paper, variables that Banesco includes in its campaigns favoring the environment. In 2008, our electronic channels showed an increase in transactions of almost 79 percent compared with the previous year. *BanescOnline* also enhanced its offer of services, incorporating the consultation of foreign exchange available from CADIVI, and new operations through fixed and mobile telephone systems. During the same period, that infrastructure showed an improvement in its availability, reliability and security. The Banesco.com website and the *BanescOnline* service both received the McAfee international certification.

Regarding our relations with our Social Partners and with the community, our efforts continued to concentrate on two fundamental benefits: education and health. During the referred period we made contributions of approximately BsF 16 million, which brought our accumulated social investment between 1998 and 2008 to some BsF 119

million. It is important to note the beginning of a direct dialogue with the community of Colinas de Bello Monte in Caracas, of which our headquarters, Ciudad Banesco City (Banesco City) forms part. This year we established a criterion that can be considered a model in the business-community relationship, and which will be maintained in the future: the representatives of the zone were the ones who decided how to invest the resources with which Banesco contributed to their development. Such a methodology, used in this pilot project, will dominate the dialogue with all our stakeholders, which over the short-term we will incorporate into our strategic planning in line with the AA1000 international standard.

For its part, the Banesco Corporate Volunteers focused fundamentally on providing support for our Social Partners. The year 2008 saw the enormous potential that the practice of volunteering has, and that will serve us to sustain its growth in coming years.

Another great satisfaction we recently received is that Banesco became the first Venezuelan organization whose Corporate Social Responsibility Report, which we have been publishing yearly since 2004, received international certification from the Global Reporting Initiative (GRI). The 2007 edition of the report, published in December 2008, received a B+ "Application Level" qualification.

The series of facts that we have reviewed here, along with the recognition obtained from the GRI, bring to light two key aspects of Banesco's philosophy within the framework of the social responsibility of a contemporary company that faces the ethical challenges and takes on the pending commitments for the wellbeing of the society. On the one hand, our action regarding Corporate Social Responsibility is firm, continues to grow and is consolidated; while on the other hand, linked to the above, for Banesco that is vital for the members of its organization, its social partners, its suppliers, clients and nearby communities increase their levels of participation and adherence to real solidarity practices. Our interest is that the leadership recognized to our Corporate Social Responsibility management will be shared by many other actors in the Venezuelan society.



JUAN CARLOS ESCOTET RODRIGUEZ

Chairman of the Board of Directors

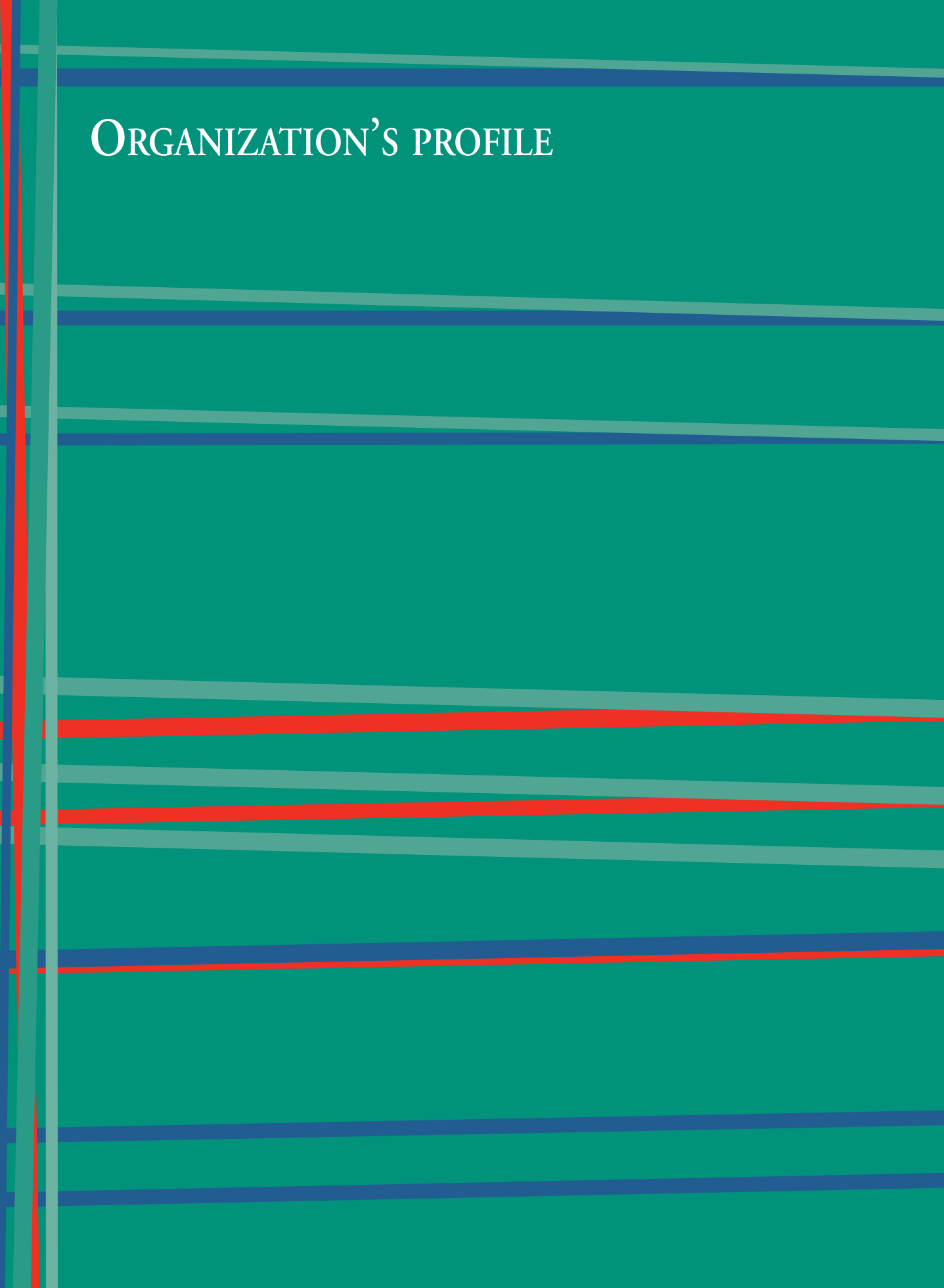


**Chairman
of the Board of Directors**

Juan Carlos Escotet Rodríguez

Principal Directors

Luis Xavier Luján Puigbó
María Josefina Fernández Maroño
Miguel Ángel Marcano Cartea
Nelson Becerra Méndez
Gonzalo Clemente Rincón
Fernando Crespo Suárez
Salvador Cores González
Carlos Acosta López



ORGANIZATION'S PROFILE

MISSION, VISION AND VALUES

Banesco Banco Universal C.A. is a Venezuelan financial institution, authorized to carry out all operations allowed under the General Law for Banks and other Financial Institutions to Universal Banks. It is subject to the corresponding norms for Banking Institutions as well as those norms related to capital markets, since it is a company whose shares are traded on the Venezuelan stock market.

It is domiciled in Caracas, and its headquarters, Banesco City (Ciudad Banesco), are located in Colinas de Bello Monte. It is the bank that holds the largest subscribed and paid capital in the Venezuelan financial system, which totals BsF 1,050,000,000 and represents 8,000,000,000 nominative and common shares of the same class, not convertible to bearer, with a nominal value of BsF 0.10 each, and 2,500,000,000 preferred nominative shares, not convertible to bearer, with a nominal value of Bs.F. 0.10 each, all conforming with Article 5 of the Social Statutes of the Bank through December 31, 2008. As a result of that democratization of capital, Banesco has 29,399 shareholders, of which 4,902 are common shareholders and 24,497 preferred shareholders¹. In the year 2008 BsF 349,005,028.44 in dividends were declared.

BANESCO MISSION

We are an organization of integral financial services, dedicated to knowing the financial needs of our clients and meeting those needs through relationships based on mutual trust, ease of access and excellence in the quality of service.

We are leaders in the personal and commercial sectors, and we combine tradition and innovation with the best human talent and advanced technology.

We are committed to generating the highest return to the shareholders and the wellbeing of our community.

BANESCO VISION

Doubling the economic value of the corporation by 2010 (base year 2003) through the development of international operations, leadership of the means of payment in Venezuela, and massive bankarization, supported by technologically innovative products and business models.

Bases for our business strategy

- Cutting-edge technology
- Innovative products
- Direct marketing
- Market segmentation
- Product "packing"
- High quality of service at our branches
- Continuous and innovative communication

BANESCO VALUES

Integrity and trustworthiness

We protect the confidentiality of our customers and manage our business with honesty. We act consistently with what we are, what we say, and what we do.

Individual and Social Responsibility

The success of the organization is based on the fact that each and all Banesco's citizens are responsible for the impact of their actions at their homes, the company and within society.

Innovation and Quality of Service

We are willing to break paradigms to permanently exceed our customers' expectations.

Enterprising

We foster the worker's thought and action as the owner of the business, to ensure his success as well as the corporate success.

Interdependence and Leadership

We promote a fair and inspiring leadership, able to forge alliances, empower talents and build successful teams to favor the Organization.

Renovation and Personal Excellence

We promote the integral growth of each and all of the members of the Organization, so as we could be always at the forefront of knowledge and look after its application to the business.

Diversity and Adaptability

We promote the ability to adapt to new realities, markets, and cultures in the development of our business.

¹ Includes unsecured loans of the Banesco Banco Universal employees.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Banesco integrates voluntarily the principles of corporate social responsibility in its business strategy, with the objective of generating sustainable value in its economic, social and environmental dimensions. That is why it in all aspects of its activities it advances a series of policies based on the following principles:

- Strengthening corporate values and the principles of our Code of Ethics as integral elements of our culture.
- Encouraging personal and professional development of our staff, ensuring their health and security, respecting their rights and compensating their efforts through fair remuneration.
- Building a permanent dialogue with all our stakeholders: employees, shareholders, clients, suppliers, authorities and the society in general.
- A value proposal shaped with quality products and services geared to the needs of our clients.
- Integrating into our corporate culture the concerns and demands of society, promoting actions and activities that contribute to improving the quality of life.
- Protecting the environment by reducing the environmental impact of our activities, and promoting its care through all our interest groups.
- Avoiding practices of discrimination or violation of any human right, and promoting the compliance of them among all our stakeholders.
- Clarity and transparency in all our internal and external communications.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) appears on Banesco Universal Bank's Strategic Map, showing the importance placed on that aspect in the organization. We have at our disposal a specific Committee for CSR that defines and coordinates our strategies regarding that topic, regulates alliances with organizations such as social partners,

and meets the information requirements received in that regard. Among its functions is also the definition of which disincorporated fixed assets will be sold or donated.

The CSR Committee is made up by the Vice-Presidency for Communications and Corporate Social Responsibility, the Executive Vice-Presidency for Logistics and Administration, the Executive Vice-Presidency for Human Capital, the Vice-Presidency for the Conservation of Physical and Operational Infrastructure, the Vice-Presidency for Economic Studies and the Vice-Presidency for Finance.

CODE OF ETHICS

Banesco Universal Bank assigns a very high value to the ethical behavior of the organization and its personnel, which also is part of its social responsibility. We have at our disposal a Code of Ethics that took effect in 1997 and defines the values that guide our behavior: Honesty, Loyalty, Impartiality, Efficiency, Responsibility, Trueness, Tidiness, Decorum, Transparency and Attitude of Service.

In line with these values, the personal treatment that must prevail among our personnel and the public is established, as well as the behavior considered reprehensible. It is also stipulated that impartiality and objectivity must prevail in the activities of all our personnel. The topic of prevention and control of the legitimization of capitals is specially developed, and sanctions are established for the non-compliance of ethical norms. This Code is available to the public through our Internet website www.banesco.com.

During the second semester of 2008 began the process of elaboration of a new "Code of Ethics and Conduct of the Banesco Citizen", which will develop our principles and values in a more detailed and explicit fashion, following the national and international best practices. Special emphasis will be placed on aspects such as confidentiality of information, respect for diversity, the treatment of fellow coworkers, conflicts of interest and the acceptance of gifts. Additionally, a Committee of Ethics will be created. That committee will establish direct lines of communication from inside and outside the Bank in order to formulate suggestions or denounce any lack of ethics.

The new Code of Ethics and Conduct will come into effect in 2009.

MAIN IMPACTS, RISKS AND OPPORTUNITIES

Strategic thinking is a success factor always involved in all high-growth and performance contemporary banking systems, a factor that should also guide the decision making process in order to develop financial services at the pyramid base.

Banesco has focused part of its strategy on the development of financial services at the pyramid base. To do so it has implemented integral programs particularly addressed to Community Banking, Payment Means, e-channels, as well as the SMEs and MC segments. Additionally, the Bank has created special programs directly related to the development of the Medullar Capacity of Human Capital and Corporate Social Responsibility in order to guarantee an ideal alignment of the business with the CSR vision.

Once developed, these programs were submitted to a quarterly monitoring and this could be the source of the Community Banking success. Banesco, however, is aware that to be able to see a positive impact on the population it will be necessary to address the bancarization task as a sustainable process from an economic and financial perspective. This is the challenge facing Banesco.

The prices of financial services and operations efficiency are key elements for Banesco to maintain its profitability levels and sustain this initiative over the time, so as the efforts devoted to increase the social inclusion of the neediest sectors would not depend solely on public subsidies or direct transfers from the private sector which have a training character and could be interrupted at any moment.

Among the actions taken by Banesco to be on a par with this challenge we can mention the implantation of services through mobile phones (last movements and balance consultations), considering that one of the first benefits of the mobile technology use to deliver financial services lays on the low costs associated. International evidence available seems to suggest that the bank transactions made through mobile phones could be six time cheaper than those made at a traditional agency.

Considering that 90% of Venezuela's population owns a mobile phone, but a much lower percentage uses a financial product, Banesco identified a window of opportunity, as among other things it is possible to deliver financial services to people without any experience on the matter. In 2008 new functionalities were added to the SMS text messages service through mobile phones, such as balance consultation and foreign currency availability at CADIVI. We are working on a project to add new functionalities, such as transfers between accounts and payments through mobile

phones. Banesco is also designing a micro-payments system which will be operational in 2009 or 2010.

Other actions have been focused on risk management, information security and the business continuity with an integral vision and to do this Banesco counts on an Executive VP for Integral Risk Management. This body is composed of areas devoted to the management of Operational Risk, Market Risk and Credit Risk, which tasks of research and adjustment of prevention guidelines, education and control over organizational risks are the best expression of the way how Banesco has adopted a precaution principle.

OPERATIONAL RISK

With the purpose of continuing to strengthen the Culture of Integral Risk in Banesco, during the second half of 2008, the bank involved 2,303 new employees in a series of training sessions specialized in some business areas. These workshops are aimed at a preventive management of risk.

Risk Training

We increased the technical knowledge of our Executive VP for Integral Risk Management's staff with the international certification "ALARYS International Risk Manager" (AIRM) granted by the Latin American Association of Risk Managers and Insurance (ALARYS by its Spanish acronym), in Risk Management. 14 people were certified with this professional reference in risk management.

We strengthened the monitoring of Operational Risks Management through the implementation of a new follow-up schema and the incorporation of technological tools that allow a more dynamic control of the management at the corporate level. This was made taking also into consideration our continuous participation in the organizational projects, as well as in the business critical procedures. All this ratifies us as the leaders in risk management within the financial sector.

CREDIT RISK

Regarding credit risk management, in 2008 we intensified the efforts towards monitoring actions and continuous follow-up of the credit portfolio, through the evaluation of those quantitative and qualitative aspects related to the customers' payment patterns, the review of the documentation in the files and the expected flows of

payment for its operations in order to qualify the existent risks and keep them at the levels established by Banesco's strategy.

Additionally, all this was consolidated with the joint work of control and follow-up of credit operations between the specialized area of Credit Risk and business units pointing to an early detection of deterioration and non-fulfillment within the credit portfolio.

Likewise, the review and periodic evaluation of the tools to grant credits is still a part of the regular actions in the dynamic management of credit risk. It helps to keep a systematized report line and fluent institutional information towards the Risk Committee and the organizational units in charge of developing the actions, according to the decision taken in the framework of the continuous process of risk management.

MARKET RISK AND LIQUIDITY

Over the present year we kept the continuity of the identification, measurement and monitoring processes of the risks associated to the investments portfolio and balance structure, keeping our methodologies updated and according the information needs arising from those business units and corporate bodies involved in the management of these risks, all this based on the best international and national practices.

LOSSES PREVENTION AND BUSINESS CONTINUITY

We are aimed to optimize the Management of Losses Prevention and Business Continuity and to do so we continue with our commitment to sustain the actions and projects aimed to strengthen the safety at all channels, payments means and critical processes of our Bank, as well as guarantee the operational continuity of our business through a preventive approach and a vision focused on quality customers service.

During the second half of 2008, a series of optimizations were implemented over management and preventive monitoring. This has strengthened the effectiveness of the

controls applied, as well as the improvement in terms of phone attention times and customer's requirement resolution. As a complementary factor to this strengthening process we also achieved the development and implantation of the Operations Notification to the Customers by Text Messages as an early alert means which allows the optimization of the management prevention for e-channels and payments means.

Regarding the regulatory aspect, the Bank has continued with the actions and projects to align our processes and systems to the regulations established by Sudeban, Franchises (MasterCard/Visa), National Banking Council and the Suiche7B inter-banking network.

Likewise, we have developed awareness campaigns both, inwards (V Campaign of Prevention and Continuity, Awareness Program of Business Continuity Discipline) and inwards (development and production of different campaigns through the media in order to raise awareness about topics related to Losses Prevention, particularly the safe use of the different electronic channels and payment means).

In relation to Business Continuity, the strategies and design of operational models were reinforced. These factors guarantee the availability of the business critical processes before any event and the development of the Cycle of Integral Proofs for these procedures, which points to the validation and verification of recovery procedures before established scenarios.

CONSULTATION WITH CUSTOMERS, EMPLOYEES AND THE GENERAL PUBLIC THROUGH SATISFACTION SURVEYS AND FOCUS GROUPS

In all of Banesco's projects, it is important to know and understand the opinion of its stakeholders¹. Thus, Banesco has embarked on a series of actions in order to develop its strategy based on the topics which are relevant for its stakeholders, such as for example:

¹ Banesco considers as Stakeholders all those individuals and organizations which have a significant impact on the activities and/or decision making processes carried out by the organization and, at the same time, anyone who could be impacted by the performance of its business units. Banesco's stakeholders are currently composed of its stockholders, employees, customers, social partners, suppliers, authorities and the community.

■ Opinion studies conducted in 2008

Studies	Objectives	Target / audience
Satisfaction in Branches ADS 2008		Natural / Legal Customers who use branches. Sample: 13,000
Commercial Customers	Determinar:	Banesco Commercial Customers. Sample: 1,151
Phone Banking	<ul style="list-style-type: none"> • Satisfaction levels in relation to the main variables of service according to the channel/business evaluated. 	Natural Customers who use the CAT. Sample: 3,600
Community Banking-Satisfaction	<ul style="list-style-type: none"> • Importance of each one of the aspects involved in the service evaluated. 	General Public and Natural Customers. Sample: 1,560
Private Banking	<ul style="list-style-type: none"> • Quality and satisfaction with the offer. 	Natural Customers. Sample: 382
Trust	<ul style="list-style-type: none"> • Identify expectations among current customers. 	Natural Customers. Sample: 300
Natural Segments Share	Determine, based on social and demographical variables as well as financial relation, the elements that describe and discriminate the characteristics of the banking users.	General public-customers / non customers. Sample: 1,200
Use and Penetration of the Media	Determine the general population habits about the use of the media: printed press, radio and television.	General Public-customers / non customers. Sample: 3,300
Advertisement Tracking T1/T4	In relation to Banesco massive publicity: determine performance and effectiveness levels. Information about recall quality, message understanding and interest of the offer.	General public-customers / non customers. Sample: 3,960
Brand Equity Study	Get information about the evolution of the variables related to the main banking brands which impact on the customers' decision making process and the valuation of these brands.	General public-customers / non customers. Natural/ SMEs / Business / Companies / Corporate. Sample: 1,530
Events Measurement	Measure the impact of the presence and performance of Banesco at commercial events where it participates.	General public-customers / non customers. Sample: 600
Evaluation of Natural Liabilities Offer	Evaluate the incentives program in relation to the increase the liabilities of natural customers.	General public-customers / non customers. Sample: 606
Internal Communications Evaluation	Measure the satisfaction levels of Banesco staff in relation to the internal communications.	Banesco employees users of internal communication channels. Sample: 423
Purchase Reasons / Offer Evaluation ("Ticket Premiado" other banks)	Determine: <ul style="list-style-type: none"> • Purchase reasons and attributes / promotion benefits. • If it meets the public expectations. • Communication channels effectiveness. 	Customers / non customers / SMEs / Business / Companies / Corporate. Sample: 519

The Executive Vice-Presidency of Marketing and Innovation conducted 14 studies in 2008. Together, they represent around 32,500 interviews (25 studies with 37,500 interviews in 2007) among different stakeholders of the bank, both internal (employees) and external (customers).

As far as the Executive VP of Human Capital is concerned, it conducts a quarterly survey via Internet among the employees of its headquarters, Ciudad Banesco, in order to measure their satisfaction in relation to aspects such as gifts (toys), sports tournaments, uniforms, vacation plans and awards (according to the activities developed each year). Additionally, with the purpose of knowing their satisfaction with the cafeteria service at Ciudad Banesco, twice a year a satisfaction survey is conducted among the users of this service.

These surveys are conducted with samples randomly selected, statistically significant and representative of the universe of actors within the stakeholders group. The results are displayed on this report in the chapter untitled *Our Human Capital*.

On the other hand, the follow-up and monitoring process of the service is one of the main points of interest when we consult our customers about satisfaction and fulfillment of expectations. A series of evaluations were also carried out to design and improve the offer of products appropriate to the needs of the different sectors.

Likewise, we assess the opinion of customers and the general public in order to value and measure our brand's performance and its characteristic attributes.

The strategy of keeping a permanent contact with the interest target varies according to the type of public and understanding of a given topic. In order to be able to measure the satisfaction level in relation to the service we provide, in 2008 we conducted a series of surveys about the launch of a new current account, as well as about the promotional campaigns "Navidad Estrellas", prize-winning ticket with debit and credit card from other banks, among others.

Besides, we conducted the following measurements in order to get the required information to manage service quality:

- For Community Banking: strengthening of the relationship BCB Commercial Allies, Improvement of the offer Attention Desks and POS-web.
- Mysterious Customer for Credit products; attention and offer fulfillment for the sales staff.

- Project "measurement of satisfaction with attention and closure requirements".

- Program of Follow-up and Satisfaction of Commercial Customers.

- Audit of Banesco Phone Banking.

The creation of quality indicators, along with those prepared by other organizational areas allowed the construction of an instrument panel for service management that would reflect the availability and effectiveness of the attention channels and public assessment in relation to the use of these services. Likewise, the input produced by the various permanent programs and ad hoc studies which were delivered during the second half of the year are a strong complement for the decision making process at the different organizational units.

To understand the public's needs and expectations we carried out a series of activities with focus groups or in-depth interviews. Accounts opening, design of promotions or purchase motivators are some of the references included in the studies conducted so far.

The results obtained were the base to make a follow-up and management of Banesco's internal and external service in order to adjust the offer to the customers' and the market's needs, as well as to evaluate the brand's performance, both at the commercial drivers and the field of Corporate Social Responsibility.

In the same token, Banesco emphasis as a socially responsible company is translated into a constant follow-up of its brand, evaluating in the public the performance of all its actions. Customers and non-customers of the bank, as well as the lowest income sectors participated in the Brand Equity study, a survey conducted by layers in order to guarantee that all segments would be represented.

Previous studies have shown how complex is to understand the concept of Corporate Social Responsibility for most of the population surveyed. The simplification of this concept in the Brand Equity study with the incorporation of simple sentences to describing the benefits of these initiatives was the ideal way to measure and understand the public's perception: "It is a bank that works for the well-being of the nation with programs that support education, sports, environmental preservation, for example" (see chapter *The Banesco Brand*).

TANGIBLE DIRECT VALUE

The Generated Economic Value (GEV) at the end of 2008 was at BsF 3,684.79 million, accounting for a 29.74% increase against BsF 2,840.09 million recorded the previous year. In 2007 the EVG had recorded an increase of 42.27% against 2006.

Among the staples that make up the GEV, around 99% (BsF 3,639.26 million) consist of the Intermediation Margin and Net Commissions. According to the figures of the last three years, the Intermediation Margin share tends to rise, while the relative share of Net Commissions shows a downward trend.

In relation to the economic activity level in the country along the period, the Economic Value Generated for Banesco in 2008 accounted for 0.54% of Venezuela's Gross Domestic Product (GDP), which accounts for a reduction against 2007, when it recorded 0.58%. Over the previous years we can observe a sustained increase of this figure with 0.48% in 2007 and 0.50% in 2006.

Regarding the distribution of that Economic Value Generated, as a consequence of its activities developed during the period (Distributed Economic Value), a global rise equivalent to 36.83% was recorded. In this sense, the share of its components was as follows: suppliers expenses accounted for 34.52% of the Economic Value Distributed; staff expenditures accounted for 33.87%, while taxes



accounted for 19.03%. The complement corresponding to dividends was 12.58%.

The Retained Economic Value (REV) reached to BsF 1,170.98 million, accounting for a 16.97% increase against the previous year. By 2007 the REV had rose by 33.10% against 2006.

■ Creation of the tangible direct value: detail by stakeholders

(Thousand BsF)		2007	2008
Stakeholders	Value indicator		
Stockholders	Dividends ¹	236,524	316,294
Employees	Staff expenses ²	722,520	851,478
Customers	Interests and assimilated charges ³	724,018	1,976,765
Suppliers	Other administration's general charges ⁴	599,998	867,758
Society	Taxes ⁵	419,839	478,282
	Resources assigned to support communities ⁶	9,373	14,320

(1) Source: Management of Stockholders Unit.

(2) Sources: Sudeban - Publication: Earning Report: Transformation expenses.

(3) Source: Sudeban - Publication: Earning Report: Deposits Taking Expenses.

(4) Source: Banesco Administration.

(5) Source: Banesco VP of Administration. Includes: Income Tax, municipal taxes, Value-Added Tax, contribution to FOGADE, SUDEBAN, INCES, Mandatory Social Security, Unemployment Insurance, Housing Policy Law and LOCTICSEP.

(6) Source: Sudeban - Publication: Earning Report: Special Expenses.

■ Percentual share of the generated economic value

Generated Economic Value (GEV)			
	Intermediation margin	Net commissions	Others
2007	77.10%	22.30%	0.60%
2008	76.43%	22.33%	1.24%

Sources: Sudeban, Banesco and Caracas Stock Exchange

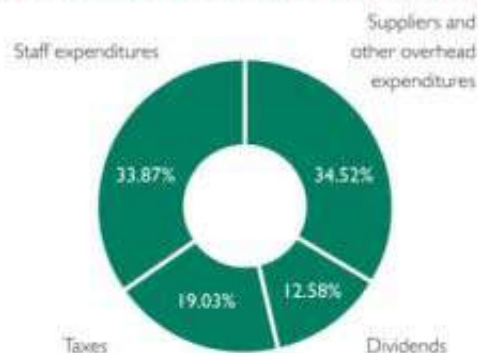
■ Generated and distributed economic value

(Thousand BsF)

	2007	2008
Generated Economic Value (GEV)	2,840,091	3,684,787
Intermediation margin	2,190,118	2,816,277
Net commissions	632,971	822,978
Other regular revenues	6,474	34,980
Other net earnings and losses	10,528	10,552
Distributed Economic Value (DEV)	1,978,881	2,513,812
Dividends	236,524	316,294
Suppliers and overhead expenditures	599,998	867,758
Taxes	419,839	478,282
Staff expenditures	722,520	851,478
Retained Economic Value (REV = GEV - DEV)	861,210	1,170,975

Sources: Sudeban, Banesco and Caracas Stock Exchange

■ Distributed economic value (DEV)



BANESCO SHARE IN EMPLOYMENT AND GDP OF THE BANKING SYSTEM

At year-end 2008, the total amount of Banesco's employees was 13,555 people: 8,265 (60.97%) women and 5,290 (39.03%) men.

Our economic compensation plan is based on a performance evaluation policy. For the third year in a row our wages policy consists of quarterly adjustments.

Having in mind the importance of wages to cover basic needs of our employees and their families, our economic compensation policy established an initial wage which is 20% over the minimum wage annually fixed by the national government. In 2008 the average annual wage perceived by employee was BsF 40,369.75, well above the average minimum wage in Venezuela for the period (BsF 9,590.76).

In 2008, Banesco's payroll increased with 1,007 new jobs, accounting for 8.03% against the previous year. According to the figures published by the Superintendency of Banks (Sudeban for its Spanish acronym), By 2008 year-end Banesco's workers accounted for 18.37 of the total employment within the Venezuelan banking System (73,783 people), against 17.89 the previous year.

INDIRECT AND INDUCED GENERATED VALUE

The Indirect Value represents the specific group of rents and other actions derived from the indirect employment encouraged by the bank's activities. Together these effects operate through different channels, such as: the activities encouraged by the bank's customers because of the products and services provided by the bank and, the dynamics created by suppliers through the operation they carry out in order to materialize the activities requested by their customers. The identified effects are also extensible to more indirect impulses generated over the environment as a consequence of the institution actions. Some of the indirect effects of the second group are the following:

- Contribution to the configuration of sound, stable and safe financial systems.
- Contribution to reduce the exclusion and to increase the access of the low and medium income population to the financial system.
- Encouragement to the innovation and technological development, as well as the use of new payment means.
- Encouragement to macro-economic stability and the development of activities.

Some of these effects are non-sensitive to quantification, contrary to the volume of direct suppliers and the amount paid to them. Between 2007 and 2008 the number of suppliers hired rose by 70.63%, as well as the amounts paid to them which rose by 60.10%.

TALKING TO OUR STAKEHOLDERS

In 2008, Banesco opened a new stage in its relationship with the stakeholders through a conversation with the Community of Colinas de Bello Monte, in Caracas, where is located our headquarters. Through this process, the representatives of the main organizations in the community

presented the most important projects and then they decided which ones would be the first to receive the funds allocated by Banesco to this area (see chapter Social Action in the Community).

The lessons learned from this successful process will be applied to other fields, as they serve as the base to formalize our dialogue process with the remaining stakeholders. In fact, our strategy for 2009 includes the development of a guide to manage the relationship with the stakeholders.

Based on this accumulated experience, this process will make easier the achievement of the goals and fulfillment of commitments that will contribute to consolidate a long-term satisfactory relationship. For all this, this design is a short-term goal which has got richer thanks to:

- Communication with suppliers and customers through several ways: lectures, press releases, events, regional tours, etc.

In this case, the selection criterion to choose the participants has been defined by the experts on sales and administration and they have decided who are the key customers to be invited.
- Permanent information to stockholders and employees through our internal channels *TiempoBanesco* and *CableBanesco*.
- Design of the Procurement Committee, which establishes the hiring policy and provides transparent and equal rules for the selection of suppliers, being at the same time a communication forum aimed to improve commercial relations and the identification of business opportunities, as well as new alliances.
- Drawing of a new Code of Ethics and Behavior, which will enter into force as of 2009 and will provide a clear definition of the ethical behavior that shall be followed in relation to suppliers.
- Comparison between the aspect of importance and significance for the stakeholders in relation to the organization's values and strategies.
- Creation of the tangible indirect value for our stakeholders nationwide.

FINANCIAL SUMMARY

Financial summary

In million BsF

	2007		2008		Growth			
	I Sem.	II Sem.	I Sem.	II Sem.	II-I Sem. 2008		II Sem. 2008 / 2007	
					Absolute	%	Absolute	%
Total assets	20,347	27,700	30,873	37,115	6,242	20.2%	9,415	34.0%
Money stock	4,775	6,638	7,188	9,285	2,097	29.2%	2,647	39.9%
Securities Investments	2,882	3,338	4,699	6,432	1,733	36.9%	3,094	92.7%
Credit Portfolio	11,432	16,207	17,213	18,581	1,368	7.9%	2,374	14.6%
Deposit taking	17,855	24,297	26,155	32,690	6,535	25.0%	8,393	34.5%
Check accounts deposits	9,401	12,858	11,163	16,369	5,206	46.6%	3,512	27.3%
Savings accounts deposits	3,859	5,047	4,226	6,258	2,032	48.1%	1,211	24.0%
Time deposits	1,746	1,819	2,675	1,596	-1,078	-40.3%	-223	-12.2%
Others	2,849	4,573	8,092	8,466	375	4.6%	3,893	85.1%
Stockholders equity	1,736	2,150	2,556	2,930	374	14.6%	780	36.3%
Trusts assets	6,680	7,003	5,835	5,744	-90	-1.5%	-1,258	-18.0%
Housing mutual fund	1,516	1,851	2,162	2,451	289	13.4%	600	32.4%
Financial income	1,052	1,365	1,912	2,438	525	27.5%	1,073	78.6%
Financial expenses	316	455	788	1,291	502	63.7%	836	183.8%
Gross financial margin	736	910	1,124	1,147	23	2.0%	237	26.0%
Financial intermediation margin	993	1,196	1,333	1,483	149	11.2%	287	24.0%
Transformation expenses	607	693	896	964	68	7.6%	271	39.0%
Income tax	30	47	43	29	-14	-32.2%	-18	-37.8%
Net result	296	398	338	429	91	27.1%	31	7.8%
Investments handed over	5,803	2,494	1,737	980	-757	-43.6%	-1,514	-60.7%
Accumun. Agricult portfolio	1,227	1,582	2,342	2,701	359	15.3%	1,119	70.8%
Official entities deposits taking	1,787	2,766	3,090	2,138	-952	-30.8%	-628	-22.7%
Micro-credits	504	766	788	882	94	11.9%	117	15.2%
Commercial credits	6,202	8,730	7,392	7,618	226	3.1%	-1,112	-12.7%
Consumers credits	2,549	3,780	5,261	5,632	371	7.0%	1,852	49.0%
Vehicles	220	448	517	605	89	17.2%	157	35.0%
Credit cards	2,329	3,332	4,745	5,027	282	5.9%	1,695	50.9%
Mortgage loans	1,046	1,380	1,501	1,973	472	31.4%	593	43.0%
Number of depositors	4,308,826	4,633,089	4,512,266	4,898,891	386,625	8.6%	265,802	5.7%
Depositors on check acc.	1,618,736	1,792,978	1,952,075	2,255,646	303,571	15.6%	462,668	25.8%
Depositors on sav acc.	2,689,201	2,839,414	2,559,384	2,642,696	83,314	3.3%	-196,716	-6.9%
Depositors on time acc.	889	697	807	547	-260	-32.2%	-150	-21.5%
Ratios								
Credit portfolio provision/gross fixed portfolio	226.8%	173.3%	133.8%	110.1%				
Fixed portf/gross credit portf	0.7%	0.7%	1.2%	1.8%				
Net result/ average assets	3.1%	3.3%	2.4%	2.5%				
Net result/ average equity	36.1%	39.1%	28.4%	30.4%				
Expanded liquidity	33.9%	32.0%	33.7%	41.4%				

THE BANESCO BRAND

BANESCO, YOU HAVE IT WITH YOU

Banesco is a customized brand that has been able to consistently project over the time its richness and achieve stability in terms of presence in the financial market, as well as in the general community. It shows a strong identification between the values distinguishing the brand and its action.

As a live brand, Banesco has demonstrated that it embraces a philosophy with its own values and a determined coherence between what it says and what it does. The brand is associated to the permanent will of knowing, understanding and satisfying the preferences, expectations and individualities of all its customers and the community, adjusting its products and services to their needs, demands, life style and the fast pace of contemporary life when the customer has to make transactions and business. Banesco brand also shares the public sensibility before environmental problems and social responsibility that should distinguish any contemporary company.

Banesco has been expanding its attention channels for the public in order to foster the use of remote technologies that allow the customer to save time, money and a better quality of life. This, in turn, allows the development of new ways of doing business under an environmentally friendly approach, saving paper, making a more rational use of the natural resources and pointing to the reduction of polluting emissions, as remote technologies reduce the need of transportation to our point of attention. Our new positioning is based on our slogan *Banesco, you have it with you*, which reflects the commitment of our brand to a higher quality service through Banesco e-banking.

In a globalized world which demands fast responses and dynamism, the slogan *You Have it with You* contains a brief and precise description of our commitment to accompany our customers every minute, 24 hours a day, 365 days a year, through the adoption of a safe and efficient technology, via Internet, mobile phones, points of sale, automated tellers... *The Banesco Signal* represents that image of total satisfaction of the public's needs, the real willingness of the bank to be contacted by its customers when they demand so.

You Have it with You also makes the difference between knowing a brand and feeling a brand. *You Have it with You* highlights the personal and affective attribute that binds the bank to its customers: a deep feeling of satisfaction that links us in a close identification when the public carries out its personal and corporate projects thanks to Banesco's support.

Three-dimensional Banesco

The brand evolution includes a conceptual level as well as a graphic level. Therefore, the figurative brand of Banesco gets deeper, transcending the two-dimensional level to reach a three-dimensional level. This corporeality of the figurative brand allows a higher versatility and a wider display of our corporate colors. Thus, through a sensation of illumination and physical presence the perception of soundness, aesthetic and plastic modernity gains the strength which defines the brand from its very beginning.

Adjusting the image of the figurative brand to the new trends of design -clearly guided to the three-dimensional level- involves a turning point in the message: the bank offers a higher complexity in terms of organization, products and services without losing its proximity with the customer and its image is in accordance with the technological advances characterizing the current financial markets.

This three-dimensional level creates a sensation of depth which, along with the mobility and flexibility -in a word, activity-, more light, roundness and access gives real life to the brand. The Banesco brand now is more human, it reaches emotions developing a friendly attraction which fosters a stronger empathy, affinity and identification. It is a brand that reaches the mind, creates behavior; a brand that touches emotions and makes commitments, and for all this it becomes more powerful and lasting. And behind this brand there is efficiency, savoir faire and attributes that justify the leadership of Banesco in the market.

"Baneskín, the pal of savings"

Baneskín is a character inspired on Banesco's figurative brand at the end of 2008. Its mission is to inform the customers and the general public about how to maintain an optimal banking relationship with Banesco. Baneskín, characterized with the nickname of "pal" or friend, provides pieces of advice to the audience about how to save time and money, with a simple and didactic language.

Through the motto "I go saving" and as a part of a banking education program, Baneskín recommends the best options of financing, how to use in a safe way the electronic banking and how to get the best benefits provided by the financial accounts.

In this way, this charismatic and friendly character reinforces the emotional bond among Banesco's audiences and exposes topics of their interest in order to improve our customers' quality of life and achieve a higher affinity with them.

Brand Equity Study

The purpose of Brand Equity¹ is to get information about the evolution of variables related to the main banking brands. These variables impact the customers' decision making process and the brands' assessment.

For most of the public, the concept of Corporate Social Responsibility is an abstract notion and not easy to understand. Therefore, we have tried to simplify the concept through assertions such as "It is a bank that works for the wellbeing of the nation with the development of programs to support education, sports, environmental protection, for example". Or "It is a bank that works together with the community in order to improve the quality of life".

The research was conducted by an independent advisor among the customers of Venezuela's five most important banks (our peer group) from May and July 2008 through 1,530 interviews among people classified as belonging to the levels BC+, C, D and E+, residents of the main cities of our country.

It's worth of mention the fact that among the non-bancarized public the Banesco Brand ranks first for all the questions. This could be a result of Banesco Community Banking success. For the bancarized public, the difference between Banesco and the organization that ranked first is below the statistic error.

This is a confirmation that Banesco is not only one of the best positioned brands in the banking market, but it is also perceived as the leader on the matter of Corporate Social Responsibility.

AWARDS AND ACKNOWLEDGEMENTS RECEIVED IN 2008

ANDA Award 2008

The ANDA Award is granted on an annual basis by the National Advertisers Association (ANDA by its Spanish acronym) and it is one of the most renowned awards in the field of advertising.

Banesco Banco Universal was awarded with the Bronze Medal for Financial Services granted by the ANDA Award

Brand equity study result 2008

Perception of Corporate Social Responsibility attributes among the bancarized and non-bancarized public

Bancarized

	Banesco	Second bank of the group	Third bank of the group	Fourth bank of the group	Fifth bank of the group
It works for the wellbeing of the nation developing programs that support education, sports, and environmental protection, for example.	29.6%	29.8%	27.8%	23.6%	24.7%
It makes Corporate Social Responsibility	27.0%	23.1%	25.6%	24.4%	20.8%
It's a bank that works together with the community to improve the quality of life	30.0%	30.1%	28.1%	29.4%	24.2%

Non-bancarized

	Banesco	Second bank of the group	Third bank of the group	Fourth bank of the group	Fifth bank of the group
It works for the wellbeing of the nation developing programs that support education, sports, and environmental protection, for example.	38.5%	33.7%	33.5%	33.2%	27.7%
It makes Corporate Social Responsibility	35.6%	34.2%	29.5%	26.9%	22.5%
It's a bank that works together with the community to improve the quality of life	38.3%	32.7%	28.9%	25.4%	26.1%

Technical Specification of the study:

- Study conducted by the following company: Contreras Estudios de Mercados y Pólic y Nodal Consultores.
- Sample Size: 1,530 effective interviews "face to face" with adult men and women classified in the levels BC+, C, D and E+, residents of the main 9 cities of the country.
- Maximum Error admissible: ±2.5%.
- Reliability Level: 95%.
- Date: May-July 2008

1 The term *Brand Equity* refers to the effects of the brand on the marketing of a given product or service against the results of the same product or service without the brand support.

2008. The winner ad was “Preferred Stocks- Crazy about Banesco”.

Since its foundation, Banesco has received several ANDA Awards.

Citibank Award for Micro-Entrepreneurs 2008

Beginning in 2005, the Citigroup Foundation, through Citibank Venezuela, celebrated each year an awards program addressed to micro-entrepreneurs, with the support of International ACTION and The Social Group CESAP. This program seeks to widespread the important role of micro-entrepreneurs within their local economies, as well as the relevance of micro-finance as a toll to fight poverty.

Several micro-entrepreneurs of Banesco Community Banking were the winners of this prize in 2008. Among them we can mention: Andrés Ibarra, a fisherman from Los Roques island and María Pomareda, the owner of a small restaurant located at Las Adjuntas (Caracas). They receive prizes in cash and were invited to participate in a course given by International ACTION about Saving and Investment.

Other micro-entrepreneurs granted with the Citibank Award were Martha Ramos, the owner of a small grocery shop and a photographer at El Cementerio (Caracas); Alejandro Ramírez, owner of a cyber-shop located at Petare (Caracas); Yelismar Álvarez, a seller of fruits and candies in Catia (Caracas); and Ana Rosa Rangel, the owner of a hot-dogs stall at the 23 de Enero parish.

Fe y Alegría Acknowledges Banesco Volunteers

The organization Fe y Alegría, one of Banesco Social Partners granted a special acknowledgement to Banesco Volunteers Group as an appreciation gesture for the support given by our bank to a Program of Complementary Training offered by Fe y Alegría. The commemorative certificate was handed out by the Father Manuel Aristorena, member of Fe y Alegría Board of Directors- This homage was held on September 29, 2008, during the anniversary celebration of the Institute Jesús Obrero (Catia-Caracas).

Suiche7B Network Award

During its annual awards ceremony to the affiliated banks, Suiche7B Network granted to Banesco Banco Universal the acknowledgement for “Quality and Maximum Operations Volume” as an issuing member with 1,000,001 and more cards. The Bank also received a similar acknowledgement as acquiring member with 501 and more ATMs.

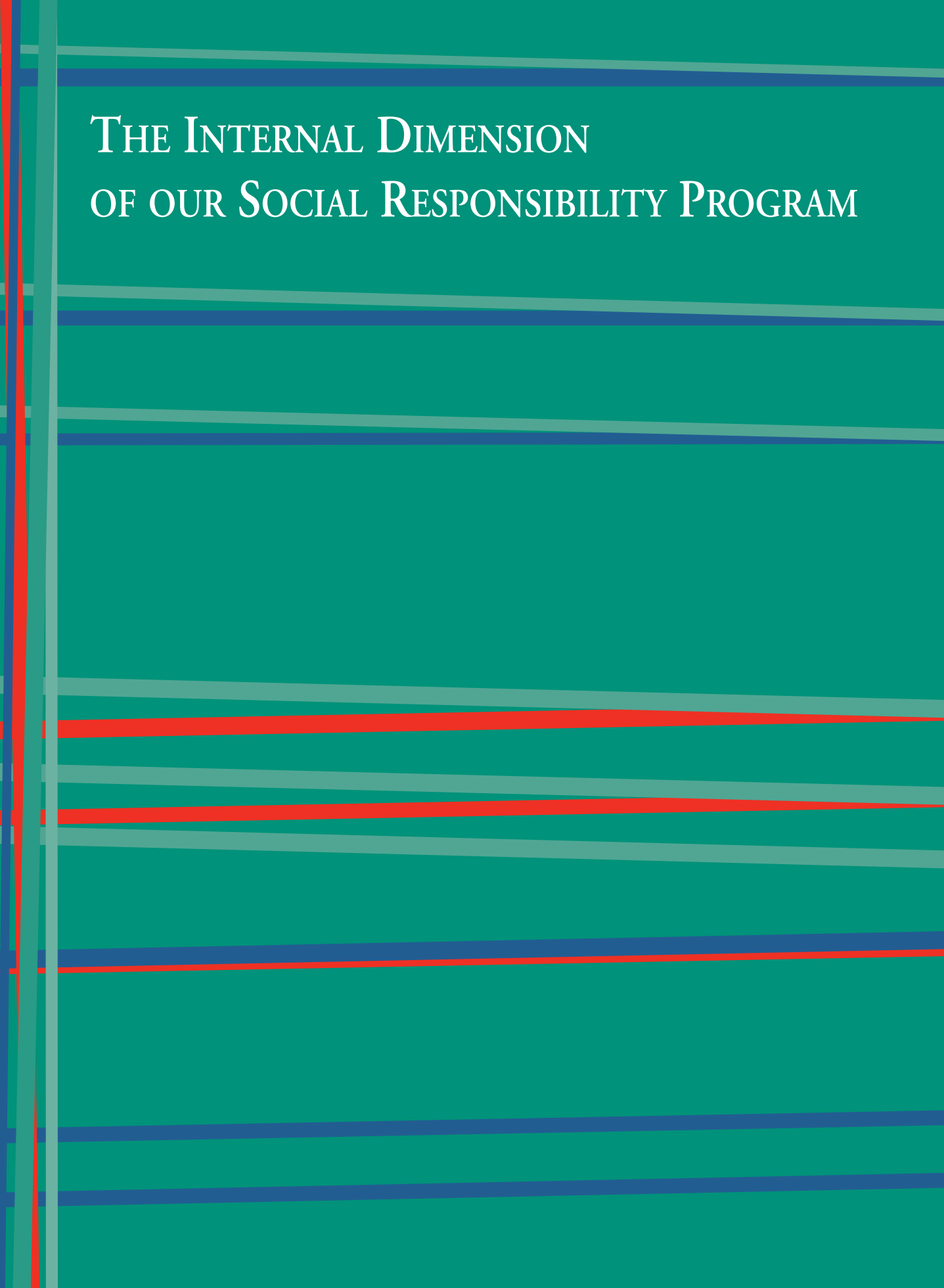
Venamcham Acknowledgement

The Venezuelan-American Chamber of Trade and Industry (Venamcham for its Spanish acronym) granted an acknowledgement to Banesco for the support it has provided to the Venezuelan Movement for Children and Young Orchestra in 2008.

Other acknowledgements

Durante este año, nuestra organización recibió además los siguientes reconocimientos:

- Plaque from the Educational Unit Madre Emilia of El Tocuyo, Lara State, to Banesco Banco Universal (May 12, 2008).
- Acknowledgement granted by Fundana to Banesco Quality of Life Management to recognize the work done by the group of scholarship holders from the Institute Jesús Obrero (IUJO, Fe y Alegría). June, 2008.
- Plaque from the Institute Jesús Obrero (IUJO) (Catia, Caracas), to Juan Carlos Escotet, President of the Board of Director, to show gratitude for the scholarships granted by Banesco to complete higher education studies (September 29, 2008).
- Acknowledgement granted by Fundana to Banesco Banco Universal to show gratitude for the admission of 20 beneficiaries into “Los Chiquiticos” Vacation Plan (September, 2008).
- Acknowledgement granted by the Venezuelan Anti-Cancer Society to Juan Carlos Escotet (October 24, 2008).
- Acknowledgement granted by the East-South Region of the Quality of Life Management to thanks the organization of the Sports Championship in Venezuela’s eastern region.
- Plaque from the Foundation Sowing Venezuela to Juan Carlos Escotet, to show gratitude for the contributions granted by Banesco to this institution (December 3, 2008).
- Acknowledgement granted by the Federation of Private Institutions for Children Care (Fipan) to Banesco Banco Universal. The acknowledgement was granted during the International Day of Volunteers Groups for the work carried out for the Benefit of Fundana (December 4, 2008).
- Certificate from El Zulia University to Banesco Banco Universal, to show gratitude for the sponsorship granted to the First Scientific-Technical International Congress of Engineering.



THE INTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY PROGRAM

CORPORATE GOVERNMENT

MAIN ACTIONS LINES IN 2007

- First steps to design the New Model of Corporate Government and promotion of Mr. Miguel Ángel Marcano Cartea to the position of Director. Mr. Marcano is not a Banesco stockholder.
- Establishment and review of credit, risk and human capital policies.
- Creation of several Corporate Government committees, such as: Assets and Liabilities Committee, Alignment Committee and Technology Architecture Committee.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- Implantation of the new directive and executive Committees established in the new Model of Corporate Government: Alignment, Assets and Liabilities and Technology.
- Creation of a new administrative structure to manage the Corporate Government Bureau.
- Consolidation of the Multinational Government schema in the bank management.

COMMITMENTS MADE FOR 2009

- Take to a higher level the implantation of the new model of Corporate Government, in accordance with the best national and international practices.
- Design and implantation of a management system to control potential delinquency or complaints associated with the application of the new Code of Ethics and Behavior of the Banesco Citizen. The development and execution of these activities will be regulated by an Ethics Committee composed of executives at the highest levels of the areas involved on this matter.
- Implantation of new specific rules about conflict of interests and acceptance of gifts by the staff.
- Adhesion to the United Nations Pact and adoption of all the commitments established by the Ten Principles relative to Human Rights, Labor Rights, environmental protection and the fight against corruption.

OUR POLICY

We seek to strengthen and apply clear policies through the decentralization of the directive power. This, in turn, will create opportunities to identify the managerial talents who will lead the organization in the future. In other words, this approach will create opportunities to grow as professional at all levels.

Likewise, we look for the development of a corporate capacity along the organization allowing the expansion of our government offer, so as it could satisfy the dimensions and complexities proper to the different business managed by Banesco as a group.

OUR MANAGEMENT

Banesco keeps a government structure composed of the Stockholders' Meeting, the Board of Directors, the President of the Board of Directors, the Official of Prevention Fulfillment and Capital Legitimation Control, the Internal Comptroller, as well as the Credit, Risk and Audit Committees and a Secretary. The Audit Committee has been created following the Recommendation about Corporate Government issued by Venezuela's Securities and Exchange Commission.

As a formal structure, Banesco counts on a Human Capital Committee, an Executive VP of Human Capital and a Labor Matters VP. Among other activities, these bodies shall guarantee fair and competitive labor conditions for our employees.

In 2008, Banesco designed and implanted a new organizational and administrative structure to manage the organization's Corporate government. This new structure is composed of a series of Thematic Committees that will support the tasks and duties of the Board of Directors and it provides more and wider communication channels with our employees. The VP of Corporate Government will be in charge of defining and creating the normative base for the constitution and development of the government means (Thematic Committees) composing the New Model of Corporate Government. It will also be in charge of the definition of the various instruments aimed to guarantee its operations, as well as the execution of actions fostering learning processes, development of the corporate culture and discipline among the members of the government committees.

Every year we prepare surveys in order to gauge the organizational climate and establish programs to improve it. Additionally, we make use of all our communication channels (printed, digital and human) to inform about the different policies and programs aimed to improve our employees' quality of life and labor conditions.

We also support and encourage the right to free association and to do so we provide communicational support and locations to celebrate work meetings and general assemblies convened by the labor union members.

The procedures to design, re-elect and remove members of the Board of Directors are carried out according to what is established in the Bank's by-laws, which are in accordance with the Trade Code, the Civil Code and others laws and regulations for the banking.

Likewise, on September 26, 2005 the Superintendency of Banks and Other Financial Institutions issued the Resolution No. 459.05 related to the requirements to be a member of the highest government of a Financial Institution, among which we can mention the following:

- **Experience:** knowledge acquired through practice or the exercise of the banking activity.
- **Solvency:** patrimonial capacity of natural or legal person to satisfy the obligations committed when these obligations are mature and,
- **Honorability:** the quality of a person to proceed with integrity and rectitude, showing always decency as a rule for his actions and strictly fulfilling his duties with the approval of the general community.

Among the experiences required to be a member of the highest government we can mention the following:

- Two years at least performing the tasks of a high position in banks, saving and loan entities and other financial institutions both, private and public.
- At least six (6) years developing a professional career on independent basis in the field of economic and financial matters and activities associated with the banking system.

BanESCO Banco Universal, C.A., encourages the professional development of each one of its members through training activities specialized on different interest topics related to its business and its social, economic and environmental context.



BanESCO Banco Universal, C.A., values the performance of its employees, as well as their contribution to achieve the bank's goals. Therefore, BanESCO conducts performance evaluations on a yearly basis to its Vice Presidents and quarterly evaluations to its employees. This evaluation system allows a measurement of the managerial capabilities as a key tool to effectively achieve the goals of our institution, as well as a mechanism of compensation adjusted to the capabilities and results achieved.

The Bank acknowledges the achievements of its staff through a compensation policy based on fixed paybacks, variables paybacks, as well as different benefits in favor of the workers and their families.

For security reasons, financial institutions in Venezuela do not publish the compensation figures of their high directorate. However, this information is delivered to the official bodies of the financial system in the reports they request.

Stockholders' Meeting

It represents the universality of the stockholders. It has the supreme direction of the company and its acts and resolutions bind the company and its stockholders. Among other capacities, the Stockholders' Meeting appoints the members of the Board of Directors and fixes their remuneration, as well as the Commissioner and their Substitutes: it also appoints counselors with the right to attend and to speak at the sessions of the Board of Directors; discusses, approves or modifies the Financial Statements. Based on the Commissioners' report, it decides on the dividends decree and payment method, its amount, frequency and when they should be paid in accordance with the Law and By-Laws, and also knows and decides on any other matter that should require its presence.

Board of Directors

The main objective of Banesco Universal Bank's Board of Directors is the guidance and general management of the businesses and operations of the bank, including its Corporate Social Responsibility policies. The work of the Board of Directors is crucial for the definition of corporate strategies, the determination of business policies, and to establish and control the corporate strategy. The Board of Directors also controls the different operational and functional areas of the bank, and at the same time it evaluates by way of comparison with the businesses projections and results from previous years, the results of each fiscal year.

Since the decision made by the Stockholders' Meeting on March 30, 2007, the number of members composing the Board of Directors was increase from a minimum of 8 members and a maximum of 11 members to a number of members no less than 9 and no higher than 13. Banesco already had two independent directors. According to a resolution issued by the National Securities Commission and published in the Official Gazette of February 17, 2005, related to the principles of the Corporate Government, it is understood that the Independent Directors are those members of the Board of Directors who do not perform executive or managerial posts within the institution that appoints them; other society that, directly or indirectly, possess a majority portion of stocks or that controls the designating society; any other society directly or indirectly controlled by the society that appoints the Independent Director.

This provision neither considers as Independent Directors those members of the Board of Directors who receive during the corresponding fiscal year from the society that appoints

the director, amounts over the equivalent to five thousand tributary units, for other reasons different to diets and other payments related to their condition of directors.

This regulation also excludes as Independent Directors those who are control stockholders in companies or partners in civil societies, when such companies or civil societies receive, during the corresponding fiscal year, from the society that is appointing the director, or from any other society directly or indirectly controlled by this society, payments or services in amounts higher than the equivalent to 10% of the annual revenues of the company or society that receives the aforementioned payments.

Likewise, and in order to guarantee the correct execution of the corporate policies, the Bank structure includes other bodies:

President of the Board of Directors

The President of the Board of Directors is subordinated to the Stockholders' Meeting and to the Board of Directors, which deliberations the President presides over. Additionally, he represents the institution and grants contracts, agreements, deals on its behalf and, in general, all kind of documents of any nature. In summary, the President of the Board of Directors carries out any administrative task entrusted to him by the Board. Along with the Board of Directors he exerts the highest conduction of the bank's activities and represents the organization before any political or administrative authority. The President of the Board of Directors does not exert an executive post within the bank. The Chairman is responsible for the definition, coordination and management of the strategies, decision making process, guidelines and resources coordination, through the process of planning, organization, direction and control so as the organization could achieve its goals and objectives.

It is important to mention that for 2011, the Board of Directors has declared as its vision the separation of the stockholders' tasks from the company operations. In fact, since 2006 the company appointed two Independent Executive Directors, who do not own common or preferred stocks of the Bank.

Secretary

The Secretary of the Board of Directors is a lawyer and has a long professional career in the banking sector and to the service of this institution. He rules the Management of the Secretary of the Board, in charge of keeping an organized record of the minutes. He also cooperates with the

gathering, preparation and maintenance of the corporate information required by the Board, the stockholders and regulatory bodies, among others.

In addition, he shall keep an agenda of the Board of Directors' meetings and gather the documentation related

to the issues to be discussed during these meetings. As the Secretary, and based on his legal education and experience on the financial matter, he has the right to speak before the Board of Directors' meetings. This contribution, in turn, enhances the legal content of the proposals discusses in these meetings and the decisions finally made.

■ Organization chart



Compliance Officer for the Prevention of Capital Legitimation

In accordance with the applicable regulations, Banesco counts on a Compliance Officer in charge of supervising and controlling the Unit of Prevention and Control of Capital Legitimation at the Bank. He shall preside over the Capital Legitimation Prevention and Control Committee and inform the Board of Directors about the results of his activities and the investment of the resources allocated for training and education of Banesco staff in this matter. He has right to speak before the Risk Committee and reports to the President of the Institution.

Internal Comptroller

He coordinates the analysis of the different operations carried out by the institution and acts together with the Auditing Committee. He also informs the Board of Directors about the results produced by the different audits conducted in order to improve the processes and compensate potential shortcomings.

Credit Committees

In Banesco Universal Bank, C.A., the Board of Directors decided to delegate its attributions for the granting of credits to several Credit Committees and up to certain amounts. Therefore, and always considering the compliance with the different autonomies and delegation of attributions, the Metropolitan Credit Committees and several Regional Credit Committees have been created. These committees shall consider and approve the different credit requests made by our customers, within the limits of their capacities, as well as inform the Board of Directors about the results of their administration. Likewise, they shall enforce the different risk policies adopted by the Risks Committee of the Institution.

Risk Committee

Its main capacity is to fix the limits of risk exposure for each activity performed by the bank, so as it could exist a sound administration of operating risks and businesses according to the internal legislation and the best international practices.

It also advises the Board of Directors and the different Credit Committees in the decision making process related to credits and establishes guidelines and policies that should be adopted in order to preserve an appropriate risk exposure.

Auditing Committee

In compliance with the recommendations on Good Corporate Government issued by the Stock Market Regulatory Body, the existent auditing committee was modified and it was adjusted to the requirements established.

The main capacity of this committee is to know the financial statements to be considered by the Board of Directors and submit them to the Stockholders' Meeting approval; to support the Board of Director in the implementation of measures aimed to preserve the integrity of the society's financial information, contribute with the supervision and follow-up of the bank's internal and external audits, as well as make the recommendation to the Chart he considers necessary. The Independent Directors participate in this Committee.

The information provided by the Auditing Committee contributes to supervise the identification and management of the organization performance.

In this sense, it's important to notice that there are other bodies able to evaluate the organizational performance and the opportunities related, such as the Board of Directors, which celebrates quarterly meetings to make a follow-up of the strategies development. During these meetings, the members analyze the progress of all programs planned in the matter of business and capabilities. This includes the management supervision on the economic and social matters, the deviations and risks.

In addition, the institution counts on several committees, Vice Presidencies, Policies and Regulation, which contribute to monitor the organization behavior in terms of economic, social and environmental performance and the fulfillment of world-class standards.

For example, the bank's organizational structure includes units at the highest executive level in charge of risk management, auditing and business continuity, which guarantee that the company is operating under the best accounting practices, integral risk management and prevention and control of losses.

In the social field, the Bank counts on units responsible of managing the policies and rules on the matter of Human Capital and Social Responsibility. Among other bodies that guarantee the proper operation of the Bank and the adoption of international standards we can mention the Assets and Liabilities Committee, the Executive VP of Strategic management and the VP of Corporate Government.

Alignment Committee

El Comité de Alineación está constituido por representantes de los principales Centros de Responsabilidad y Capacidades Medulares del Banco. Su composición la designa el Comité Ejecutivo y está integrado por todos los Vicepresidentes Ejecutivos y el Vicepresidente de Finanzas. Sus objetivos son:

The Alignment Committee is composed of representatives from the main Centers of Responsibilities and Medullar Capacities of the bank. It is named by the Executive Committee and it is integrated by all the Executive VPs and the Finance VP. Its objectives are the following:

- Supporting the Executive Committee in the search of alignment and synergies for the formulation, execution and monitoring of Banesco's strategic plans and initiatives/projects portfolio, as well as its different Responsibility Centers.
- Ensuring the effective alignment of the budget and the dimensions associated with the corporate and competitive strategy.
- Organizing and approving the initiatives/projects portfolio and the dimensions of the workforce in PIPE.
- Participating as a guest in the Executive Committee during the meetings to define the corporate guidelines and wherever we should address key corporate issues.

Assets and Liabilities Committee

The Assets and liabilities Committee (ALC) is composed of a multidisciplinary team of executives and its purpose is to formulate, implement and supervise Banesco Banco Universal's Assets and Liabilities Management, along the guidelines established in the Strategic Planning and complying with the Investment and Risk Policies approved by the Board of Directors.

Its objectives are the following:

- Defining the actions required in order to achieve the business financial results established in the strategic planning.
- Managing the balance structure (assets and liabilities), ensuring the desired exposition levels of the Bank/Group according to deadlines, product and currency.
- Guiding the treasury strategy regarding the management of liquidity, funding structure, capital covering and investment portfolio administration.

- Evaluating the analysis provided by the market risk unit in relation to liquidity risk, interest rate risk and investment portfolio risk.
- Approving the financial intermediaries with which the bank will carry out operations.
- Approving the Liquidity Contingency Plan.
- Approving the Treasury Manual of Policies and proceedings.

Technology Committee

The general purpose of this new committee, created in 2008, is to ensure that the technological implantations are aligned with the Organization's strategies and objectives, keeping a global and horizontal vision of the business, making a responsible use of the resources, as well as identifying and managing the risks.

Its specific objectives are the following:

- Approval and follow-up of the Technology Strategic Plan (*Roadmap*). Establishment and communication of objectives, KPIs and Strategic Goals, (*Capacity Planning*).
- Review and approval of technology guidelines, principles, policies and standards.
- Review and approval of the capabilities planning both, technological and human capabilities (external and internal) for the execution of the Portfolio of Business Projects and Information Technology (IT).
- Organization and approval of the Initiatives/Technology Projects portfolio in order to update the capabilities and ensure the business continuous operation.
- Ensure the effective alignment of the IT budget (Strategic and Operational) with the Corporate and Competitive Strategy.
- Fostering the lateral coordination among the Bank's government mechanisms. Guaranteeing the alignment of the IT strategies with the corporate and subsidiaries' strategies.
- Managing the Exceptions and Appeals to guidelines, principles, policies and technological standards.
- Approval of evaluations about the usefulness and impact of the new technological trends (emerging and excluded from the Strategic Plan) and approval of their use by Banesco.

- Evaluation and approval of incorporation and exclusion of IT suppliers, in line with the procurement corporate process.
- Approval of the General guidelines to deliver technological assets and services to third parties.

It is important to mention that in 2008 the Technology Committee absorbed the former Architecture Review Committee, which has been eliminated.

REGULATION, UNION AND CORPORATE PARTICIPATION

Banesco is one of the organizations regulated by the Superintendency of Banks and Other Financial Institutions (SUDEBAN by its Spanish acronym), as well as by the Fund of Deposit Guarantee and Banking Protection (FOGADE by its Spanish acronym). Banesco attends to meetings previously convened by these regulatory bodies and presents proposals for the implementation of changes under a proactive approach, as it did it in 2007 with processes such as the Currency Reconversion and the Financial Transactions Tax.

Banesco participates and is also a member of the following bodies:

- **Central Bank of Venezuela (BCV):** Operations Committee and effective at a regional level which establishes the general guidelines allowing the coordination and control of the currency species, at the branches and offices of the financial institutions located in the countryside.
- Banesco also represents before the BCV the Project of Payment Means, truncating and images, electronic compensation chamber (checks, transfers and direct credits).
- In the **Venezuelan Banking Association (ABV):**
 - *Swift Executive Committee of the Banking Association:* Banesco is one of its active members and it's an important leader during the sessions of this committee. It presides over the Sub-committee of Standards of this body, where the Bank introduces proposals for the implementation of changes under a pro-active approach for the national banking community and it support the BCV in the development and implementation of procedures related to the modernization of payment systems in Venezuela,

such as SITMES (Standardized Messages System Swift), LBTR (Gross Liquidation in Real Time), among others.

— *Operations Committee:* Banesco acts as Chairman of this committee, which aims to give technical support to the Board of Directors and takes care of the issues related to the by-laws of the Electronic Compensation Chamber. Besides, it is in charge of two sub-committees: Banking Conciliations and Cash Committee.

— *Payment and Electronic Inter-banking Transfers Committee:* The main purpose of this committee is to enforce the standard processes designed by the banks which compose the automated system and watch over its good operation. This covers from the reception of the order sent by the customer at the requesting entity to the publication of the payment at the recipient institution, including all those procedures required by the system scope or the committee itself.

— *Taxes Committee:* Banesco is an active participant in this committee, which main purpose is to articulate criteria that could emerge in relation to the interpretation of the provisions and binding rules and their impact on the financial sector.

— *Swift Corporation:* Banesco is an active member of the Cooperative Society in charge of the world financial inter-banks telecommunications.

Banesco is also member of the Federation of Chambers and Associates for Trade and Production in Venezuela (Fedecámaras by its Spanish acronym) and is an important actor in the franchises and other committees related to its business, such as the Credit Bureau, Swiche 7B, Visa, MasterCard and the National Council for Housing. It also participates in the Credit Cards Chamber.

From the social action perspective, Banesco is a member of Venezuela-USA Chamber of Industry and Trade (Venamcham for its Spanish acronym) with national scope and is also a member of Accountability with international scope.

On the other hand, in 2009 Banesco will subscribe the United Nations Social Compact, by which corporations worldwide commit themselves to include, in their strategies and operations, principles related to labor standards, the environment, human rights, corruption and transparency.

OUR ETHICAL AND HUMAN RIGHTS POLICY

Among our values, we underline transparency, respect and integrity. In this sense, we foster equality among our staff and in the treatment with our customers, without distinction as to ethnic origin, social and economic status, civil state, age, physical aspect, disability, political affinity, religious belief (of absence of it), sexual preferences or any other particularity, with respect for their individualities and guarantee of opportunities.

In our business relationships we base our action on equity, fair transactions and mutual benefit and we apply a selection of suppliers free of discriminations. Therefore, we are strict in our practices to avoid conflicts of interest.

REPORT ON THE FULFILLMENT OF THE GOOD CORPORATE GOVERNMENT RULES. DECEMBER, 2008

For Banesco Banco Universal C.A., the fulfillment of the corporate government principles means to carry out our activities according to the following standards:

- **Efficiency:** pointing to the creation of the highest value at the lowest costs, in the shortest term and achieving the established goals.
- **Equality:** strict respect to the right of equal treatment to stockholders, workers and suppliers, as well as any person related to our company.
- **Respect to our stockholders' economic and political rights.**
- **Transparency, communication and information:** building of the strongest truthfulness and credibility with the public through an integral and truthful divulcation of all the information needs to get an upright knowledge of the company.

Therefore, in Banesco Banco Universal, C.A., we follow the principle of "a share, a vote". This is our way to recognize the proportionality that should be guaranteed between the share percentage in equity and the corresponding right to participate in the institutional will, always through a well documented exercise of our stockholders' political rights. Along these guidelines, Banesco Banco Universal, C.A. counts on a Stockholders' Unit in order to satisfy the needs

of this public of investors. This unit guarantees the timely, whole and truthful flow of the corporate information from those who manage the company to the stockholders. Likewise, it acts as a channel so as the investor could expose any concern about his investment, gather relevant corporate information and receive the reports to be submitted before the Stockholders' Meeting. The Stockholders' Unit is ascribed to the Bank's Legal Consultancy.

In the exercise of the good corporate government practices, Banesco Banco Universal, C.A. Board of Directors has taken the required steps to keep the standards of transparency and truthfulness needed to create a better efficiency and soundness in the Venezuelan securities market. Along these lines, the Bank incorporated the presence of Independent Directors qualified according to the principles established by the National Securities Commission. The Auditing Committee includes these independent directors and celebrates regular meetings (at least twice a year) in order to meet the provisions of its Operations Regulations. (One of the Independent Directors passed away and a new Independent Director is about to be named).

Likewise, Banesco Banco Universal, C.A., is determined to adopt the best international practices on the matter of Corporate Government and to do so it created the VP of Corporate Government during the second half of 2008. Through this VP, the Bank will evaluate and encourage the creation of new government mechanisms through the Directive and Executive Thematic Committees, which will support the management of the Board of Directors and its Executive Direction for the benefit and protection of its stockholders, customers and employees' interests.

The Directive Thematic Committees shall control and make a permanent follow-up of the internal and external rules, as well as to manage incentives and discipline. They will watch over the fulfillment of the policies and objectives established by the administration and coordination of resources, the creation and distribution of corporate value in order to ensure the best resolution of conflict related to corporate dilemma, the development of medullar capabilities and the enforcement of internal and external rules.

With the implantation of these committees the Bank will achieve higher levels of efficiency and effectiveness for the decision making process and an improved strength and maturity in the structure of Banesco Banco Universal, C.A. Corporate Government.

OUR STOCKHOLDERS

MAIN ACTIONS LINES IN 2007

- We enforced the resolution issued by the National Securities Commission published in the *Official Gazette* dated February 17, 2005 and related to the principles of Corporate Government.
- We planned the issuance of preferred stocks.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- We executed the issuance of preferred stocks in order to democratize our equity.
- We gave stocks to our workers in order to include our employees into our new stockholders base.
- We strengthened the Stockholders Unit in order to give a more efficient response to their requirements, and to do so we transformed the unit into a Management

COMMITMENTS MADE FOR 2009

- To design and implement a computing system aimed to speed up the stockholders' transactions. This system will enter into force in 2009-2010.

OUR POLICY

- We ratify our will of managing our business under a plural and participative approach. We firmly believe in the exchange of ideas and thought, thus we involve our stockholders in our daily routine. We count on a wide base of individuals who enjoy the benefits of a high profitability and solvency.
- We respect the rights of the minority stockholders regarding the decree of dividends payment. We keep a transparent relationship with them through the Stockholders' Meeting and the Stockholders' Unit. We count on a wide base of individuals who enjoy the benefits of a high profitability and solvency.
- Our main objective is to return to our stockholders the trust they have placed in Banesco, through a suitable

profitability of their capital, with solvency, a transparent corporate government and a careful risk management. The capital retribution policy seeks a balance between the payment of dividends and capitalization levels good enough to face the challenges, the opportunities and difficulties ahead.

- Each year we celebrate two ordinary general assemblies. In 2008 these meetings were held on March 31 and September 22, as well as an extraordinary assembly celebrated on March 31.

STOCKHOLDERS' UNIT MANAGEMENT OFFICE

In 2008 we transformed the former Stockholders' Unit into a Stockholders' Unit Management Office with the purpose of providing an improved service to our users. Its mission is to provide our stockholders with a fast and transparent service. Here they can get all the required information about their investments: states of account of their dividends (historic registry), claims, external auditing certifications, stocks transfer in case of death or divorce, guarantee, reports delivery at request and everything related to their stocks.



Dividends		
	2007	2008
In cash (BsF)	43,298,280.94	75,962,690.00
Benefit per stock	0.00825000	0.01241313
In cash (BsF)	--	73,434,478.67
Benefit per stock	--	0.0120
In stocks	871,263,440	1,585,006.73
Benefit per stock	0.166009441	0.2590075004
Preferred Stocks Dividends		
In cash (BsF)	--	27,083,332.72
Total BsF	87,126,344.00	334,981,174.39

PREFERRED STOCKS

Banesco Banco Universal C.A. launched a public offer of preferred stocks according to resolutions approved during the Stockholders' Extraordinary General Assembly held on August 6, 2007 and the agreements made by Banesco Banco Universal, C.A. Board of Directors during its meeting celebrated on August 22, 2007 and October 31, 2007. These agreements authorized the Issuance 2008-I of Preferred Stocks I and the Issuance 2008-II of Preferred Stocks II and what was approved by the Superintendency of Banks according to Resolution No. 394-07 dated November 28, 2007 and authorized by the National Securities Commission, under the Resolution N° 013-2008 dated February 15, 2008.

The public offer was of up to two thousand five hundred million (2,500,000,000) of preferred stocks with a face value of BsF 0,10, through the following issuances:

- ISSUANCE 2008 I: 1,250,000,000 preferred stocks
- ISSUANCE 2008 II: 1,250,000,000 preferred stocks

The offer was addressed to the general public and was completely placed.

With this offer of preferred stocks, Banesco Banco Universal C.A., strengthens its equity base through the incorporation of new partners. By December 31, 2008 Banesco had a total amount of 29,399 stockholders: 4,902 owners of common stocks and 24,497 owners of preferred stocks.

WORKERS PARTICIPATION

Employees can request through the Secretary an agenda point before the Board of Directors to expose their ideas before this body, providing that the topic deserves the attention of the Board of Directors. If this is not the case, they can request an agenda point before any of the committees mentioned and use these bodies as primary and medium channels of discussion to leverage institutional support.

TALKING TO OUR STOCKHOLDERS

A transparent flow of information for our stockholders is one of the principles we have adopted as one of our policies. To do so we count on the following communication channels:

- Stockholders' Unit: it provides all the required information about the stockholder's investment, as well as about the financial institution. This information can be delivered on a regular basis or through the Stockholders' Meeting.
- Our Corporate Social Responsibility Report, which is an annual publication and was delivered for the first time in 2004. This report includes data about how the bank allocates part of its revenues to social action projects approved by the Board of Directors. The CSR report is also available in the Internet.
- Our six-monthly reports.
- *TiempoBanesco*, monthly publications prepared by our Organization.
- *CableBanesco* (a CCTV)
- Our corporate Web site, www.banesco.com
- The Board of Directors.
- Our Corporate Government practices.
- Contacts and direct meetings.
- The media all over the country.
- Our branches network.

OUR HUMAN CAPITAL

MAIN ACTIONS LINES IN 2007

- The implantation of the Model of Competences for Banesco employees has moved forward.
- The program "Your House with Banesco" and the benefit of the Unsecured Loan were reinforced.
- We kept the training programs for our employees well defined in our institutional goals and in tune with the individual potentialities and personal development needs.
- The bank took to a higher level the activities aimed to encourage the personal development and the enjoyment of free time of our human capital, through a series of benefits such as vacation plans, health care campaigns, sports tournaments, food and parking lot subsidies, among others.
- We ratified the commitment to improve the quality of life of our human capital through the signature of a collective bargain agreement which will be in force during the 2007-2010.

EVOLUTION OF THE MANAGEMENT AGAINST 2007 AND MAIN ACTION LINES IN 2008

- 8,811 Banesco's employees were included as our partners through the allocation of preferred stocks.
- We create the new VP of the Subsidiaries Network for Caracas-South area.
- Banesco established a significant record with the successful implantation in just 9 months of the SAP-HCM module for planning, compensation, development, personal administration, benefits and payroll.
- We trained our managerial staff in methodologies to identify competences, as a part of Banesco Model of Competences.
- The bank fostered the opening of new spaces to offer housing opportunities suitable to the needs of our human capital.
- We launched the "Banesco Ideas Big Bank" campaign, where our collaborators provided ideas and strategies to improve our Organization's profitability and productivity. This is a way to foster our staff participation in the growth and development of our organization.

COMMITMENTS MADE FOR 2009

- Implantation of a new Code of Ethics and Behavior.
- Planning of courses and workshops on the matter of Human Rights for our staff, starting with the Executive VP of Prevention and Losses and Business Continuity, as well as Banesco Volunteers groups.
- Continuation of Banesco technological updating activities addressed to our Human Capital Systems, through the implementation of the SAP-HCM project's second stage.
- Culmination of the implantation process of Banesco's Organizational Competences Model. Strengthening of the competences associated to the Organizational Leadership, through the development of training programs.
- Expansion of mechanism to measure the satisfaction level of our internal customer in relation to the services and products offered by the Executive VP of Human Capital.
- Creation of new economic and non-economic compensation strategies in order to support our employees' quality of life.
- Configuration of a map with the critic talents of our organization in order to consolidate career and succession plans.
- Promotion of strategies for the inclusion of employees with disabilities.

OUR POLICY

We encourage quality and fairness and the mutual satisfaction with our employees, creating in the process a harmonious environment in the workplace and a better quality of life for all employees.

We manage the human capital through the experience of our corporate values and taking as a base the key competences that shall practice all the members of our institution. Individual and Social responsibility are fundamental parts of these two aspects.

In this sense, the policy on the matter of Human Capital favors significant levels of development, competitive remuneration, individual and team motivation to achievement, as well as the protection and wellbeing for our workforce, with the firm belief that our employees are the fundamental axis of the Bank.

OUR MANAGEMENT

Our policy of economic compensation establishes an initial wage 20% higher than the minimum wage fixed on a yearly basis by the National Government.

A fundamental part of Banesco's strategy is to be an important source of employment for the country. In 2007, Banesco's payroll rose by 1,007 posts, equivalent to 8.03% against the previous period.

The employees' distribution by post and gender shows clearly that we are a young and dynamic institution, with an average age of 32 years, but we do not discriminate younger or older people for the different posts available. In 2008, 91.80% of our fix human capital (12,444 employees) was between 18 and 45 years of age.

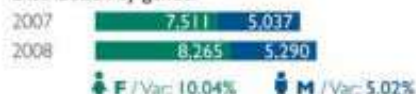
Banesco's intention is to create a stable and discrimination-free source of employment. This intention has been materialized in the fact that 95% of our staff is classified as permanent employees, 61% are women and the staff composing the base posts accounts for 42% of the total amount of employees.

Main indicators

Total employees



Distribution by gender



Average age



Average seniority



Distribution by age and gender

Age Level	2007			2008			Variation (%)		
	F	M	Total	F	M	Total	F	M	Total
15-17*	32	27	59	107	59	166	234.38	118.52	181.36
18-25	1,755	1,114	2,869	2,052	1,240	3,292	16.92	11.31	14.74
26-30	2,092	1,255	3,347	2,332	1,368	3,700	11.47	9.00	10.55
31-35	1,536	915	2,451	1,613	904	2,517	5.01	(1.20)	2.69
36-40	1,048	806	1,854	1,073	787	1,860	2.39	(2.36)	0.32
41-45	562	514	1,076	562	510	1,072	--	(0.78)	(0.37)
46-50	285	258	543	312	273	585	9.47	5.81	7.73
51-55	133	95	228	143	92	235	7.52	(3.16)	3.07
56-60	50	33	83	51	36	87	2.00	9.09	4.82
61-65	11	14	25	15	16	31	36.36	14.29	24.00
66-70	6	4	10	4	3	7	(33.33)	(25.00)	(30.00)
71-75	0	2	2	0	2	2	--	--	--
Mayor a 75	1	0	1	1	0	1	--	--	--
Total	7,511	5,037	12,548	8,265	5,290	13,555	10.04	5.02	8.03

* The workers included into this level are INCES apprentices.

Distribution by age and position

Level / Age Groups	2007						2008					
	15-17*	18-30	31-40	41-50	> 50	Total	15-17*	18-30	31-40	41-50	> 50	Total
Base	59	4,794	1,737	522	93	7,205	166	3,989	1,049	434	108	5,746
Professionals and technicians	0	1,203	1,251	330	93	2,877	0	2,719	1,951	434	79	5,183
Supervisory	0	187	882	364	48	1,481	0	232	852	364	55	1,503
Managerial	0	32	417	345	97	891	0	52	509	363	99	1,023
Vice Presidents	0	0	18	52	16	86	0	0	16	56	20	92
Directors	0	0	0	4	2	6	0	0	0	5	2	7
President	0	0	0	2	0	2	0	0	0	1	0	1
Total	59	6,216	4,305	1,619	349	12,548	166	6,992	4,377	1,657	363	13,555

* Corresponds to INCES apprentices.

Distribution by gender and position

Level	2007			2008		
	F	M	Total	F	M	Total
Base ⁽¹⁾	4,374	2,831	7,205	3,258	2,488	5,746
Professionals and technicians ⁽¹⁾	1,813	1,064	2,877	3,547	1,636	5,183
Supervisory	746	735	1,481	783	720	1,503
Managerial	529	362	891	623	400	1,023
Vice Presidents	48	38	86	53	39	92
Directors	1	5	6	1	6	7
President	0	2	2	0	1	1
Total	7,511	5,037	12,548	8,265	5,290	13,555

(1) The remarkable difference of these categories between 2007 and 2008 is the result of a hierarchical adjustment over our staff within the organization; some posts or positions (particularly among promoters) were re-classified to the category of Professionals and Technicians based on the evolution of their profiles.



Distribution by contractual relation and gender

	2007		2008		Variation (%)	
	F	M	F	M	F	M
Apprentices	247	149	292	170	18.22	14.09
Hired	394	349	82	103	(79.19)	(70.49)
Fixed employees	6,870	4,539	7,891	5,017	14.86	10.53
Total	7,511	5,037	8,265	5,290	10.04	5.02
Total General		12,548		13,555		8.03

Banesco has created a territorial division in tune with its business strategy and as a consequence the Bank has become an import source of employment in the different regions of the nation. 95% of our payroll is composed of fix employees

National distribution

Región	2007		2008		Variation (%)	
	N° workers	% of the total	N° workers	% of the total	N° workers	% of the total
Capital City	7,863	62.66	8,423	62.14	7.12	(0.52)
Middle Region-The Plains	1,374	10.95	1,531	11.29	11.43	0.34
Western-Andean	1,173	9.35	1,278	9.43	8.95	0.08
Eastern-South	1,172	9.34	1,262	9.31	7.68	(0.03)
Zulia-Falcón	966	7.70	1,061	7.83	9.83	0.13
Total	12,548		13,555		8.03	--

■ Vice presidents of the network

Region	2007		2008	
	No.	% from the community	No.	% from the community
Capital City	3	100	4	100
Middle Region-The Plains	1	100	1	100
Western-Andean	1	100	1	100
Eastern-South	1	100	1	100
Zulia-Falcón	1	100	1	100
Total	7	100	8	100

The Executive Vice Presidency of Human Capital has a presence at the main Venezuela's cities, through a team of integral advisors, expert people in human capital management. The hiring process in the countryside is carried out following the same rules and procedures applied in the Capital City, through the evaluation of the candidates and their profiles, which shall be in accordance with the organizational requirements. In the countryside, the vice presidents in charge of the Sales Network are native of each one of these regions. This allows a better understanding of the economic dynamics of each region and its customers.

In the regions, the hiring process of the executives ascribed to the sales area helps to support the local communities while, at the same time, allows a better understanding of the regional situation based on particularities of each region.

In 2008 we created the new Vice Presidency of the Subsidiaries Network for the Caracas-South zone, due to the increase in the number of subsidiaries and customers in this sector, in order to provide an improved service.

SAP-HCM

Another important achievement in 2008 was the implantation of the SAP-HCM in the Planning, Compensation, Development, Personnel Administration, Benefits and Payroll modules. SAP is a technological platform that allows a maximum performance of the human capital and its implementation creates a lot of benefits, among them:

- Optimization processes
- Multi-companies Vision
- Integration of the VP of Human Capital sub-systems
- Availability of master data on line
- Improvement of the capacity and quality of response to the organizational movements based on the organizational dynamics.
- Automation y optimization of the training management
- Automation of the Competences Model
- Connection between plan and career routes

In this way, we will be able to access the information with a higher quality and at the shortest time in order to make easier the decision making process.

■ Rotation index¹

Concept	2007			2008		
	Fixed	Hired	Total	Fijos	Hired	Total
Expenses	1,583	394	1,977	1,727	602	2,329
Income	3,191	1,479	4,670	3,253	330	3,583
Average population	10,635	837	11,472	12,103	241	12,344
Turn over	22.44%	111.89%	28.97%	19.29%	251.89%	23.95%

(1) The rotation index is calculated with the following formula:

$$\frac{2[(\text{income} + \text{expenses}) / 2] / \text{monthly average population}}{100} \times 100$$

Income and Expenses

The Rotation Index is a function of the percent index between income and expenses, in relation to the number of employees in the area and along a given period of time. In 2008, the index was 19.29%, accounting for an improvement of our human capital stability against the previous year.

Banesco's Collective Bargain does not establish a minimum previous notice in relation to organizational changes. The Bank abides by the regulations established in the Organic Law of Labor and the LOPCYMAT

Evaluations of Performance and Professional Development

The main input of the Competences Management Model is the result of the performance evaluations for the planning and starting up of training programs, remuneration plans and strategic achievements pointing to our employees' professional development. To do so, we take as a base the evaluation of capabilities, the adjustment of corporate competences and the identification of the candidates' development potential.

The percentage of employees evaluated in 2008 was 82%. The remaining portion of the employees corresponds to people with less than three months of service in the organization or those who were hired after the evaluation period. It is important to mention that the Vice Presidents are submitted to a yearly evaluation program to measure their performance



Job Promotions

We foster opportunities for professional development. In 2008, we filled 728 positions through our policy of internal talents promotion, as the primary source to fill vacancies

Half-yearly wages adjustments

Banesco works to compensate the employee based on the performance and goals achieved in order to position the organization above the market average within the financial sector. For the third year in a row, the Wage Policy has consisted of conducting half-yearly evaluations and adjustments. The average wage increase surpassed the amount estimated for the rest of the banking sector peer group and even the wage increase granted by some companies from other sectors. Our policy of economic compensation establishes an initial wage which is 20% above the minimum wage fixed on an annual basis by the National Government.

The evaluation by objectives for the Managerial Role was adopted on a permanent basis and implemented in order to link performance to wage review. This way, we included into the Performance Evaluation Process the fixation and evaluation based on the objectives previously agreed upon and effectively achieved. The wage distinction, if so, would be subject to the results obtained by the staff performance evaluation, without any discrimination including geographic location.

The base wages of our employees are equal for men and women for all categories (positions with equal degree of responsibility), so that there is no room for wage discrimination based on gender. The only distinction in terms of wages is based on the results gathered by the performance evaluations according to objectives achieved.

■ Job promotions

Direction	2007		2008	
	Total	% of the total	Total	% of the total
President of the Board of Directors	0	0	4	0.55
Dir. Strategic Management, Risk and Finance	59	5.37	43	5.91
Dir. Sales	633	57.65	461	63.32
Dir. Real Estates, Infrastructure and Insurance	2	0.18	5	0.69
Dir. Credit, TDC, Channels and Services	192	17.49	62	8.52
Dir. Technology and Processes	119	10.84	96	13.19
Dir. Analysis, Control and Operations	93	8.47	57	7.83
Total	1,098		728	

People with disabilities

From the very beginning, Banesco has been aware of the importance to create jobs for people with disabilities who are able to participate in the labor market. We have offered to these people the possibility to deal with flexible and dynamic activities. Their development has allowed, no doubt, turning them into productive persons and their effort and perseverance have become an example to be followed both within and outside the Bank.

The source of Banesco's concern for the wellbeing and the rights of people with disabilities can be traced to the principles based on the fundamental liberties and equality among all the human beings. These principles are in accordance with our organizational values of Diversity and Adaptability.

As an organization, we have developed policies and strategies to reinforce more and more our program to insert people with disabilities. By the end of 2008, for example, the Bank had doubled the amount of people with disabilities included in our organization: 43 people with mobility, intellectual and visual disabilities work under stable work environments and appropriate conditions in our organization. Likewise, the Bank has established strategies to identify members of our labor force within the Bank with minor disabilities in order to provide them with ideal conditions to develop their daily duties.

In this way and hand in hand with our Social Partners, the incorporation of each disabled person creates a new opportunity to enhance sensibility and closes the learning gaps between the condition of these individuals and the understanding of this reality by the rest of Banesco's population. The firm belief that it is possible to overcome setbacks and hurdles, as well as a strong sense of responsibility and commitment to these workmates, encourages us to achieve the goal of improving our program to identify people with disabilities.

Workers with disabilities			
Region	2007	2008	Variation %
Capital City	15	37	146.67
Middle-The Plains	1	3	200.00
Western-Andean	1	3	200.00
Eastern-South	1	0	(100.00)
Zulia-Falcón	0	0	—
Total	18	43	138.89

For Banesco, the successful insertion of people with disabilities into the labor market is not only a way to overcome a hurdle, but an organizational challenge materialized through a program under development and aimed to create an impact beyond the provisions of the legal framework in force, all of which are fully fulfilled by Banesco.

Training

Aware of the strategic value of the Human Capital to achieve our objectives, we define our institutional goals according to the individual potentialities and the staff's development needs, so that the business results would be accompanied by the satisfaction of the individual aspirations of those who help to achieve them.

Among our permanent strategies on the matter of training and education, we can mention the following:

- Continuous training through the Projects Management Program, including the bank's technological enabler in order to control and monitor these projects. This initiative has been called PCP (Portal to Control Projects) and points to align all the projects leaders by means of a single methodology.
- Training programs and key certifications related to the business and addressed to our network of branches, business advisors and different segments of the bank.
- Emphasis on corporate programs such as Customer Service and Quality Service, Development of Supervisory Capacities, Consultancy Advanced Program, all this in order to enhance our people's performance in key elements for the business.
- Permanent updates, seeking to achieve the best practices in areas such as Technology, Information Safety, Strategic Planning, Risk, among others.
- Use of e-learning tools as an ally in key projects for the institution.

Banesco trains its employees in different interest topics and very specific for the institution, but also in complementary areas in order to achieve the integral professional and individual development of all its employees.

It is worth mentioning that in 2008 we recorded a reduction in terms of the amount of employees trained against the previous year. In 2007 the amount of employees trained was higher due to the special need of training more people to

■ Training by position

Level	Number of employees			Men/hours training *			Average hours of training *		
	2007	2008	Var. %	2007	2008	Var. %	2007	2008	Var. %
Base	2,874	3,785	31.70	36,899	127,728	246.16	12.84	33.75	162.84
Professionals and technicians	4,787	3,475	(27.41)	123,363	123,443	0.06	25.77	35.52	37.84
Supervisory	1,111	687	(38.16)	44,454	18,007	(59.49)	40.01	26.21	(34.49)
Managerial	1,638	772	(52.87)	47,492	27,535	(42.02)	28.99	35.67	23.02
Vice Presidents	84	86	2.38	2,864	3,920	36.87	34.10	45.58	33.69
Total	10,494	8,805	(16.09)	255,072	300,633	17.86	24.31	34.14	40.47

* Congresses, national and international events are not included.

manage the process of currency reconversion (entering into force of the so called Hard Bolivar). This year, however, the matters of industrial security are the focus of a stronger emphasis (according to the Organic Law for Prevention, Conditions and Labor Environment, LOPCYMAT), particularly the regulatory aspects, information technology and safety.

In 2008, Banesco started to plan a series of workshops on Human Rights for our staff. These workshops will be given as off the first half of 2009 to the employees ascribed to the Security Area, which is attached to the Executive VP of Prevention of Losses and Business Continuity and later to the members of Banesco's Volunteers Group.

Workshops and Training on Operating Risk

With the purpose of strengthening the Risk Culture, which supports the knowledge of Banesco's employees for the implementation of the Operating Risk Methodology and the awareness of its staff about the need of improving the process to guarantee minimum risks, business continuity and financial service provision to our customers, in 2008 the VP of Operating Risk carried out 79 different training activities addressed to 3,225 participants classified as follows:

- 31 training sessions at Ciudad Banesco, with 1,811 participants.
- 26 training sessions in the countryside, with 492 participants.
- 18 specialized training sessions, with 172 participants.

■ Training

Description	Men/hours training *		
	2007	2008	Variation %
Banking, finance and insurance	163,683	106,431	(34.98)
Managerial competences	15,109	17,020	12.65
Management control	13,674	4,106	(69.97)
Personal development	21,467	36,560	70.31
Specialized	11,566	16,505	42.70
Legal and regulatory	1,386	8,742	530.74
Marketing, sales and insurance	18,667	53,276	185.40
Industrial and physical safety	1,188	14,391	1,111.36
Information technology and safety	8,333	43,602	423.24
Total hours of training	255,072	300,633	17.86
Average hours of training	24.31	34.14	40.47
Total trained workers	10,494	8,805	(16.09)
% trained workers	83.63	64.96	(22.32)

* National and international events are not included.

- 2 days of campaigns to spread the Operating Risk Policy, with 212 participants.
- 2 days of campaign to spread the policy of Prevention and Continuity, with 538 participants.

Likewise, the VP of Operating Risk participated as a facilitator in all the Plans for the Education of New Employees for 2008. These nationwide activities were held at Banesco's branches. This way, we ensure that at the moment to start their activities, our employees will have a general description of the operational risk and the area functions which provides advice to the management of the businesses.



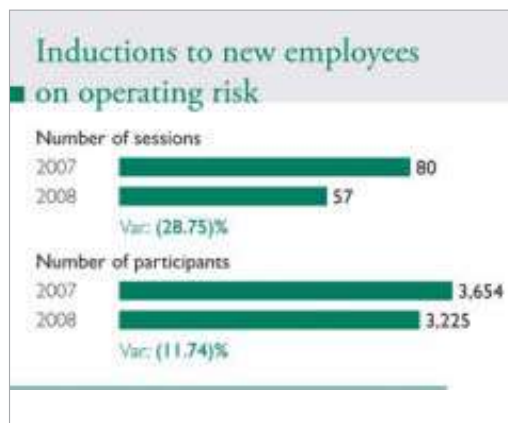
Regarding specialized training, which points to the strengthening of Risk Culture and the wide presentation of the Operating Risk methodology to various areas of the Bank, 18 training sessions were conducted and addressed to the VPs of Trusts, Legal consulting and Business Processes

During the V Campaign of Prevention and Continuity, called "Banesco is worth x 2", we applied a survey on the matter of Operating Risk. The sample was composed of 538 participants from different areas of our organization. This questionnaire was made of 10 questions about the Model

of Operating Risk, the role of the Operating Risk Delegate, categories of risk classification and the importance of preventing operating risk at the Bank. The participants answered to the questions through our corporate Intranet.

The results were positive, with a 60% of the questionnaires totally filled and rightly answered and a rate of positive results over 75%. These results confirmed that our staff has a good knowledge of the Operating Risk management.

In addition and in accordance with what has been established in Art. 96 of the Organic Law against the Illegal Traffic and Consumption of Narcotic and Psychotropic Substances (LOCTICSEP), the bank devoted 1% of its net annual utility to social integral prevention programs against the trafficking and consumption of illegal drugs. The beneficiaries of these programs are our employees and their



Specialized training On operating risk

Area	Sessions	Participants
Trust	2	44
Legal consulting	4	42
Quality and processes	12	86
Total	18	172



■ Training on prevention and control of capital legitimation

	No. workers			Amount (BsF)		
	2007	2008	Variation %	2007	2008	Variation %
New employees	3,867	3,048	(21.18)	6,613.58	6,962.67	5.28
Active staff	1,541	1,211	(21.41)	15,000.00	252,871.69*	1,585.81
Total	5,408	4,259	(21.25)	21,613.58	259,834.36	1,102.18

* El notable incremento del monto invertido en 2008 se debió a que durante el año se dictaron charlas especializadas sobre el tema de la prevención y control de legitimación capitales en varias regiones del país, para lo cual se contó al Instituto de Altos Estudios de Derecho (IDAED). Esta es una empresa reconocida en la materia tanto nacional como internacionalmente, lo cual aumentó considerablemente el monto invertido.

families. In the framework of these programs, we developed a series of activities which contribute to the integral development and sound use of our employees' free time.

During these workshops the employees received general knowledge about the area, its functions and the importance of identifying, assessing and managing the operating risks present at the bank, as well as clarifying their doubts and share their experiences. This, in turn, allows the establishment of a relationship between the activities they carry out and the management of operating risk.

Model of Management by Competences

Through the continuous implementation of the Model of Management by Competences, the following activities were carried out in 2008:

- Permanent adoption and implementation of the model with the presentation and delivery to VPs and Managers of the Manual of Competences, as well as an awareness campaign in the countryside.
- Induction and distribution of the Dictionary of Competences among the managerial staff.
- Culmination of the validation process for 2,250 competences profiles for the different positions within the organization.
- 1,195 self-diagnosis of competences were conducted among the managerial and supervisory staff.
- 225 development handbooks were designed for each of the competences included in our model.
- 90 managers specialized on identification of competences were trained through the Workshop "How to Observe Behaviors".

The configuration and assignment of competences to positions shall allow the organization to count on the profiles and ideal requirements for the bank positions that favor the processes of attraction, retention, evaluation and development of competences.

The dictionary of interviews by competences is a fundamental tool for the staff of Recruitment and Employment in the process of searching talented candidates, as it allows making the identification of the staff which meets the competences profiles of this model.

The design of instruments for the diagnosis of competences has allowed the organization to move forward in the identification of the current profiles of the employees, according to the expected profile for their respective positions. This application has been put into practice for a portion of the staff ascribed to the Sales Direction and the Executive VP of Quality and Processes.

Finally, with the preparation of Banesco's Manual of Competences, we will be able to provide the managerial staff with an indispensable tool to rule its own work teams, as the manual mirrors our competences, their profiles and behaviors.

The scope of the management under a model by competences will ensure that Banesco can count on a human capital pointing toward its personal and professional success.

Strengthening organizational competences

In order to align the training plans with the corporate strategies, the model by competences and an optimal calculation of training hours per position, we have introduced important improvements to the training policies.

On the other hand, among the strategies implemented in 2008 to foster our employees capabilities and to support their professional careers we can mention the following:

- Development of a Program for Young Talents which aims to educate within the Organization young professional employees and provide them with the technical knowledge and required competences to work on critical area of the business (credit, specialized banking, risk, among others). To do so the Bank offers a training process and internships involving knowledge and application to leverage their successful performance as managers.
- Certification programs for tellers and promoters: We have continued with this program which includes a theoretical and a practical stage. These activities allow the participants to show the acquired knowledge and make easier their incorporation to the duties assigned within the branches network.

Internships Program

Banesco's Internships Program allows the early recruitment of talents to be incorporated into our Organization in order to foster their long-term development within the Bank.

Banesco assigns a mentor to each intern. This "corporate mentor" shall review the execution of the activities established in the program and supervises its fulfillment.

As a part of our Corporate Social Responsibility program, Banesco established in 2008 an agreement with the organization Fe y Alegría. According to this agreement, each year Banesco receives 30 high school students and Middle Technicians from the countryside as interns for occupational internships. In this way, the Bank provides them with the opportunity of fulfilling this academic step which is mandatory to be able to complete their studies and to be able to enter the labor market.

■ Banesco internships program

No. beneficiaries

Type	2007	2008	Variation %
External	104	119	14.42
Internal	140	183	30.71
Total	244	302	23.77

QUALITY OF LIFE, FREE TIME AND PERSONAL DEVELOPMENT

The quality of Labor Life is one of our Organization's medullar objectives. The development of a recreational-sports program addressed to our employees and their families points to encourage their integral development, through activities that foster the culture of the good use of free time and sound life styles that enhance the mental and physical health.

Sports and Recreational Activities

In 2008, 1,700 Banesco employees participated in softball, football, basketball, volleyball and kickingball games during the Sports Championships held at the Simón Bolívar University, in Caracas. In the eastern region, we held in Maturín city the Eastern Sports Day, attended by 242 athletes.

In November, the organization held the Bowling Tournament "We can do it without Drugs", attended by 1,500 employees. During this tournament the teams participated in the design of messages to prevent the consumption of illegal drugs and alcohol and showed that sports and a healthy life go always hand by hand.

The total investment made by Banesco in sports activities for its employees rose in 2008 to BsF 1,565,318.80.

Readers' Club

This club was created in 2007, thanks to the initiative of a group of employees who felt the need of sharing the pleasure of reading. By December 2008, the amount of members had increased by 100% and more nationwide, with three cycles of Reading and trivias held during the year.

■ Readers' club

N° of participants

2007	152
2008	400
Var: 163.16%	



Children's Vacation Plan

For our employees' children between 5 and 16 years of age, we designed the Vacation Plan "Magic Adventures 2008", framed in our Prevention Social Program. The purpose of these activities is to reduce the risk factors through the sound leisure, sports, arts, as well as environmental, ecological and cultural knowledge.

In order to get a high effectiveness in terms of results, the activities were designed according to age groups:

- Guided visits (Metropolitan Region): 5-12
- Camping (nationwide): 8-13
- Adolescents Program (Metropolitan Region): 14-16

In 2008, 1,900 children and adolescents participated in these vacation plans. This represented a benefit for the children of 1,233 employees.



Health at the Workplace

In 2008 we continued providing Medical Assistance at the facilities of our Health Services Center located in Ciudad Banesco. This medical care was provided to 7,384 employees, with immediate doctor's appointments, successive doctor's appointments and emergency care.

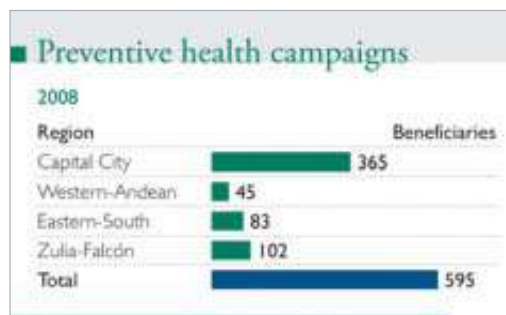
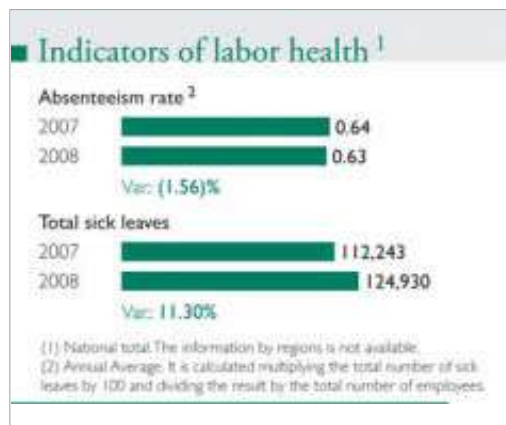
By the end of 2008, we started to redirect our systems of medical attention to the prevention of accidents and

One of the activities of the Vacation Plan for the children of our employees. October, 2008.

diseases, encouraging the physical and emotional wellbeing in order to reduce the amount of medical assistance to treat ailments.

Thus, from November to December we developed campaigns of preventive and occupational medicine through regular medical evaluations to detect the primary stages of illnesses such as high blood pressure, diabetes, osteoporosis, anemic profiles, dyslipidemia, musculoskeletal disorders, among other diseases. We will go forward with this preventive approach and adjusting our institution to the legal framework in force on the matter of labor security and health.

Under the premise "We approach the user" and supported by Banesco Intranet, our employees received clear information about prevalent diseases in order to increase the individual awareness about preventive health and spread this knowledge to all the members of the family. In 2008 we published in our Intranet a lot of information about preventive measures against mumps, conjunctivitis and dengue fever, as these were the prevalent cause to seek medical care at that moment



Labor Security

In Banesco we are aware of the importance of protecting our employees from potential labor risks. Therefore, we foster safe work conditions and a favorable environment for the best performance of our people, well beyond the provisions of the labor laws in force.

We encourage the prevention of risky incidents, within and outside our facilities, through lectures and training on the matters of health and work environment, as well as campaigns through our internal communication channels. On a monthly basis, we offer lectures about physical and industrial security to the new employees, according to the regulations established on this matter.

In 2008, Banesco did not record any labor accident involving serious or fatal damages to the employees. The same is true for the so called occupational diseases.

In 2008, we moved forward in the adequacy and updating of all our facilities, both administrative and commercial, all over the country to comply with the minimum conditions established by the Organic Law on Labor Prevention, Conditions and Environment (LOPCYMAT). This will favor all our employees.

In this sense and in accordance with the Law, we have consolidated the service provide by the 107 Labor Security and Health Committees created in 2007 at the 510 identified facilities. We also offered a workshop on First Aid and training to Manage Fire Extinguishers held in our headquarters at San Cristóbal, Táchira State, which was attended by 40 people.

In the framework of the V Campaign for Prevention 2008 (Ciudad Banesco, 18-19 November), the Bank offered a series of lectures, such as: "Prevention and Security – Tools to reduce Risks", "How to be protected in case of Natural Disasters", "Protection against Fires and Fires Control", and "Good Reason to Quit Smoking". Each one of these lectures was attended by 20 people.

Additionally, in 2008 the Emergency Brigades held two ordinary meetings in order to organize their participation during the Christmas festivities. 20 people attended these activities.



Labor Relations

Banesco Banco Universal Collective Bargain 2007-2010, duly homologated by the Direction of National Labor Inspectorate and Other Labor Collective Matters for the Private Sector, on July 13, 2007, protects all our fix employees working at any place of the nation, excluding the Presidents of the Board of Directors, Chairmen, Directors and Vice Presidents. INCES apprentices are also excluded from this collective bargain.

As a result of this organizational initiative which points to expand the universe of employees beneficiaries of the Collective Bargain, the economic and social benefits of our employees under temporary work contract were expanded, as of November 2008. These benefits exclude the excess and

inclusion of family members in the Hospitalization, Surgery and Maternity Insurance Policy. In total, this collective bargain benefits almost 96% of our employees.

This collective bargain includes 55 clauses of different nature: preliminary, general, economic, social-economic, labor union, among others, and it has become a reference in the banking market. This way, we confirm Banesco's commitment to the improvement of the quality of life of its employees, not only through significant rises of the benefits established in the agreement, but also through the improvement of its social plans. Additionally, and in order to avoid the devaluation of the

■ Employees protected by the collective bargain

	2007	2008	Var. %
Total employees	12,548	13,555	8.03
Employees under collective bargain	11,315	12,993	14.83
% Employees under collective bargain	90.17	95.85	6.30

Steps taken to deal with corruption incidents

Financial institutions are exposed to all kind of risks, particularly those linked to Capital Legitimation. In Banesco we are protected by our Integral System to Prevent Capital Legitimation, which also serves to keep informed all our employees and customers about the issue of Capital Legitimation and Terrorism Financing.

In this sense, we provide induction lectures to our newly hired personnel, as well as training workshops for the staff in charge of our sales network. Likewise, we have opened a space in our Intranet to provide all the necessary information about this topic, urging at the same time our employees to support the actions of the Unit for the Prevention of Capital Legitimation.

The main tool to reduce these risks is to maintain and apply comprehensive and effective control mechanisms available to the customer in areas such as operations or relations with sensitive or vulnerable customers to the unintentional use of financial institutions involved in illegal activities, such as fraud, capital legitimation, swindle or any other fact of corruption.

When an employee suspects that he is before a corruption case, first of all he has to analyze the facts in order to determine if the displayed behavior falls into any kind of illegal action, according to the Venezuelan regulation on the matter. If this is so, the employee shall make a formal complain before the competent national authorities, so as they could start the necessary investigations to prove the crime.

Equality and Non-Discrimination

Discrimination at the workplace involves a different treatment based on certain characteristics such as age, ethnical group, religion, political or sexual orientation. Discrimination at the workplace can be the source of unfair inequalities in terms of treatment and opportunities.

Banesco has no reports of discrimination against its employees. We provide an equal treatment to all our employees, without any discriminatory or consideration of any kind. We are based on our organizational values and the legal rules established in the Venezuelan different legal instruments, such as: the Constitution of the Bolivarian Republic of Venezuela, the LOPCYMAT and the Organic Labor Law.

amounts granted, several clauses establish yearly adjustments, such as scholarships, aid for school supplies, contribution for marriage and birth of children.

In order to back and guarantee the right of association, we provide all the communicational support and foster the opportunities and places to celebrate work meetings and general meetings of the affiliates

There is no a single practice in Banesco where the freedom of association and affiliation to collective bargains could be violated. On the contrary, we encourage a growing consolidation of the negotiation process with the employees union in order to favor our employees.

Banesco Banco Universal guarantees all and each one of the rights established in the National Constitution, particularly the right of association with legal purposes and the right to create and participate in labor unions, as established in Articles 52 and 95 of our National Constitution. The Bank provide all the conveniences, so as its employees could exert all these rights, as a legitimate expression of freedom to develop the activities they deem appropriate for their interests, without any

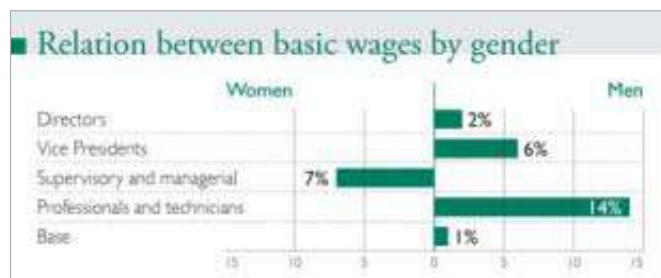
restriction, but those established by the Law. As a fundamental characteristic of these rights we can mention the affiliation of our employees to the National Union of Banesco Financial Group (SITRABANESCO for its Spanish acronym). This means a significant participation of our staff as subjects with rights and duties in the labor unions field.

Our Collective Bargain does not include clauses establishing or mentioning minimum notice periods in relation to organizational changes. This aspect, as well as the rest of the aspects related to staff disincorporation from the Organization, is ruled by the notice of termination of employment and other provisions established by the Organic Law of Labor. However, the bank is committed to maintain the labor stability of the employees who carry out their duties with efficiency and responsibility. Thus, the first step of the bank is not the disincorporation of the employee, but it tries to relocate the employee, according the organizational technical and economic possibilities and the employee's performance evaluation. In this way, Banesco demonstrates that we are interested on ensuring stable employment relations for the mutual benefits of the parties involved: the employees and the organization.

Inwards, we have created rules which prevent discriminatory practices, such as the Collective Bargain (Clause 2 of the General Declaration of Principles) and the Code of Ethics of Banesco's Employee (Rule 3), which will be replaced by the new Code of Ethics entering into force in 2009.

In the table above, the bars to the right show that the male staff of the corresponding level perceives higher basic wages in the percentage indicated and to the left we observe the same situation with the female staff. At the "Professionals and Technicians" and "Vice Presidents" levels we observe significant differences favorable to men, while at the "Supervisory and Managerial" level the difference favors the female staff. For all the cases, these differences are the results of the individual performance evaluation and not a consequence of a preferential treatment based on the gender. It is worth of mention that the Venezuelan labor market is characterized by a higher offer of men for certain areas and positions very well remunerated. Perhaps, this trend has an impact on the figures we have analyzed above.

Banesco offers equal opportunities by gender and a proof of this assertion is the fact that 53 of 92 of our Vice Presidents are women.



Child Exploitation and Forced Labor

The nature of the banking activity demands a specialized knowledge and for this reason it is very difficult to find child exploitation cases within the system. Only the INCES trainees are under-age and according to the rules of this institution, the trainees shall be 14-17 years old. These trainees devote most of their time to educational activities, so their activity cannot be qualified as child labor. Therefore, there are no risk incidents of child exploitation within the organization.

Our employees have not faced forced labor incidents and all their labor activities are the result of a mutual agreement with the Organization.

BENEFITS FOR OUR EMPLOYEES

The quality of our benefits is one of the most important factors to retain the nest human talents in the market, fostering motivation. Our benefits program covers all our staff, including our part-time employees or temporary employees. The contractual and non-contractual benefits granted to our employees, particularly food coupons, health assistance and housing, are at the forefront in Venezuela's financial sector.

Banesco's personnel enjoy benefits well above the average of the national banking system. For Banesco, our employees are the main assets of our organization, thus, a fundamental stakeholder. We have developed a policy of promotions based on the best performance through the Model of Management by Competences, with half-yearly performance evaluations and their corresponding wage raises. The Insurance of Hospitalization, Surgery and Maternity (HCM), as well as the facilities we offer our employees to buy their own home are outstanding within the banking industry.

Likewise, we developed permanent training programs to all levels, preventive health activities, sports activities and vacation plans for the children of our employees.

In order to measure the levels of personal satisfaction, we conduct frequent surveys, which results are published in this section.

Contractual Benefits

Savings fund: This benefit of Banesco Collective Bargain establishes highly favorable conditions for our staff: the employer's contribution amounts to 11% of the monthly wage. The Saving Fund management is based on a sustainable vision and takes as reference the best investment instruments available in the market. It is characterized by transparent practices (at the end of its annual fiscal year it distributes its dividends proportionally to the assets of each member and once it has deduced the corresponding reserves). The Saving Fund always tries to provide its members with a timely and fast response to their needs.

Study scholarships: Our collective bargain encourages the academic education of our employees. Each year we grant scholarships for university and postgraduate studies associated to the economic-financial activity to open new opportunities of professional growth and development. In 2008, 199 were the beneficiaries of this social and economic

grant to compensate the costs of their education and complete with success their academic education.

It is worth of mentioning that in 2007 our new Collective Bargain recorded a significant increase in the number of beneficiaries.

Uniforms: The Program of Corporate Image (uniforms) is one of the contractual benefits for our employees, particularly those who provide direct service to the customers. In 2008, 6,494 employees (48% of the total payroll) received their annual procurement, which accounted for a BsF 4,882,805 investment.

Christmas toys: During 2008 Christmas festivities, the Bank handed out 7,534 toys to the children of 5,525 employees. Besides reinforcing values that are proper to Christmas Celebration, these are educational toys that according the age and gender of the children encourage the creative thinking and the physical/sportive activity, contributing in the process to the integral learning and development of the kids.

Seniority decorations: To honor the loyalty and devotion of our employees, in November we held our traditional events to reward our employees with 5 up to 50 years of service in our organization. With this homage Banesco

highlights the importance of the professional and human contribution of these employees to our organization. A total of 1,130 employees were decorated.

Collective insurance policy of hospitalization, surgery and maternity: With the purpose of supporting the employees' health, Banesco offers an insurance policy with a basic coverage 100% paid by the Organization for the employee and his direct relatives (spouse and children under 18 year of age). Additionally, we grant subsidies excess policies to expand the scope of this benefit. This year we increased by 100% the coverage of the basic policy and included new benefits for maternity.

Non-Contractual Benefits

It has to be mentioned that our temporary employees (hired for a determined period of time) do not enjoy the benefits established by the Labor Collective Bargain, neither the non-contractual benefits offered by Banesco to its fix employees, such as the affiliation to the Saving Fund. They only enjoy the clauses established by the legislation in force. Our part-time fix employees do receive the Contractual and Non-Contractual benefits aforementioned.

■ Contractual Benefits							
Benefit	2007	Investment (BsF)		2007	No. beneficiaries		2008 Var. (%)
		2008	Var. (%)		2008		
Contribution to Saving Fund ¹	20,266,357.38	30,150,981.10	48.77	11,727	13,350		13.84
Scholarships	44,100.00	68,750.00	55.90	111	199		79.28
Uniforms and equipment	4,093,932.00	4,882,805.00	19.27	7,094	6,494		(8.46)
Christmas Toys	1,972,349.00	2,609,207.00	32.29	5,360	5,525		3.08
Vacations and Vacational Bonus ¹	5,006,416.02	19,917,042.58	297.83	5,007	8,882		77.39
Decorations	126,680.00	939,229.00	641.42	1,398	1,130		(19.17)
HCM Insurance ²	24,963,610.00	46,572,507.00	86.56	32,581	34,680		6.44
Marriage Bonus	7,915.00	14,480.00	82.94	132	165		25.00
Contribution for Death of Direct Relatives	8,940.00	16,620.00	85.91	80	83		3.75
Contribution to Relatives for Employee Death	98,092.00	62,984.00	(35.79)	8	4		(50.00)
Contribution to tellers and promoters ¹	62,905.33	579,002.21	820.43	3,037	7,058		132.40
Family Subsidy ¹	50,702.00	187,990.00	270.77	1,442	2,584		79.20
Contribution to Mothers' Day ¹	19,690.00	196,550.00	898.22	1,969	3,931		99.64
Birth Bonus	21,940.00	60,040.00	173.66	275	583		112.00
School Supplies	359,840.00	450,090.00	25.08	3,357	3,650		8.73
Total	57,103,468.73	106,708,277.89	86.87	73,578.00	88,318.00		20.03

(1) Item not included in previous reports.
(2) Includes employees and family members.

■ Non-contractual benefits

Activity	Investment (BsF)			No. beneficiaries		
	2007	2008	Var. (%)	2007	2008	Var. (%)
Housing (unsecured loan)	10,390,410.56	9,935,954.83	(4.37)	1,161	1,199	3.27
Parking subsidy ¹	N/D	171,107.40	—	580	693	19.48
Cafeteria subsidy	5,143,004.00	8,794,395.55	71.00	4,338	4,757	9.66
Medical service ²	344,119.00	722,128.45	109.85	10,547	7,551	(28.41)
Medical Assistance for Extreme Diseases	76,591.00	155,602.00	103.16	20	20	—
Total	15,954,124.56	19,779,188.23	23.98	16,646	14,220	(14.57)

(1) It corresponds to the number of places rented by employees

at Caracas headquarters. It is worth to mention that the previous report recorded this staple based on different criteria.

(2) The amount of workers corresponds to curative consultations along the year.

■ Other benefits granted to our workers

	Investment (BsF)			N° beneficiaries		
	2007	2008	Var. (%)	2007	2008	Var. (%)
Mortgage Credits ¹	52,221,364.29	89,247,060.29	70.90	345	423	22.61
N° employees with credit cards approved in the year	—	—	—	2,420	2,252	(6.94)
Medical Aid from the Saving Fund ²	—	81,206.93	—	—	23	100.00
Banesco Credit for Vehicles (shareholders' equity)	38,199,000.00	51,252,000.00	34.17	1,308	1,309	0.08
"Venezuela Móvil" Plan ³	4,645,000.00	2,176,000.00	(53.15)	277	114	(58.84)
Vacation Plan ⁴	1,628,577.00	3,079,229.41	89.07	1,771	1,900	7.28
Sports and recreational activities ⁵	1,384,806.00	960,960.00	(30.61)	4,150	2,000	(51.81)
Bowling Tournament	133,427.00	169,962.00	27.38	1,200	1,500	25.00
Training and education programs	10,071,763.80	14,219,911.49	41.19	10,494	8,805	(16.09)
Total	108,283,938.09	161,186,330.12	48.86	—	—	—

(1) Granted with Banesco Shareholders Equity. Additionally in 2008 the Bank granted 232 mortgage

credits for housing revamping amounting to BsF 23,020,483.98.

(2) The granting of these contribution started in 2008.

(3) This governmental program ended in June 2008.

(4) The number of beneficiaries corresponds to the children. The 2007 Report only included the amount of children expected, while the present one reports the amount of children who effectively attended the vacation plan.

(5) In 2008 only the Capital Region and the Eastern Region held sports tournaments.

■ Legal obligations

	Investment (BsF)			N° beneficiaries		
	2007	2008	Var. (%)	2007	2008	Var. (%)
Nurseries	2,612,605.54	3,261,855.48	24.85	1,079	730	(32.34)
Food coupons for employees	16,393,028.56	26,951,292.83	64.41	12,541	9,083	(27.57)
Mandatory Social Security	18,602,417.92	28,696,032.08	54.26	12,548	13,555	8.03
Employment Law	4,104,500.87	8,312,577.97	102.52	12,548	13,555	8.03
Housing and Habitat Law	10,472,644.46	10,300,029.22	(1.65)	12,548	13,555	8.03
INCES*	5,241,559.04	8,312,578.97	58.59	396	462	16.67
Training on Prevention of Capital Legitimation	21,613.58	259,834.36	1,102.18	5,408	4,259	(21.25)
Total	57,448,369.97	86,094,200.91	49.86%	57,068	55,199	(3.28)

* Apprentices

Preferred Stocks

It should be mentioned that in 2008 the Board of Directors decided to grant Banesco preferred stocks to the employees of the basic, professional and technical levels who were active employees as of May 1, 2008. The purpose of this decision is to acknowledge the loyalty and devotion of these employees with the organization. A total of 8,811 employees (65% of the bank's staff) receive these stocks.

Unsecured Loans

The Unsecured Loan provides Banesco's employees with resources to cover a portion of the down payment required to buy a house. It has been one of the main factors to improve our employees' quality of life.

The Unsecured Loan is an amount in BsF managed as a direct subsidy at the moment of the purchase. We also offer to our employees the benefit of Unsecured Loan for Home Revamping. Since it was implemented, in December 2005 and up to December 2008, we have granted 2,313 Unsecured Loans and 3,034 loans for employees who have been able to make a dream come true and have a house of their own..

This loan is granted to employees who have been working in our organization for over a year. In 2008 we granted 1,199 loans and the give a new boost to our program "Your House with Banesco" we increase the amounts granted by more than 25% against 2007: from BsF 10,000 to BsF 12,500 for employees with a basic wage up to BsF 1,333, and from BsF 7,000 to BsF 9,000 for those with a basic wage between BsF 1,334 and Bs. 2,530.

Among other actions carried out in 2008 to encourage the purchase of principal home, such as the strengthening of alliances with our customers of the construction sector, we should mention the celebration of the "Housing Fair" at



Ciudad Banesco. The event gathered 16 companies that offered their housing complex under construction with preferential conditions and financing programs to over 1,100 employees who attended the exhibition.

A stand at the "Housing Fair" celebrated at Ciudad Banesco for our employees. October, 2008.

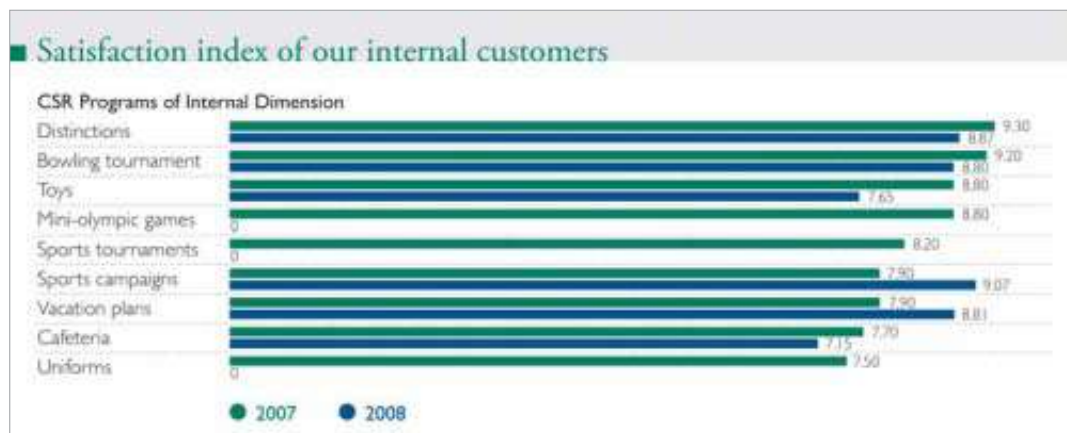
TALKING TO OUR EMPLOYEES

We are interested in knowing the satisfaction levels of our employees through the constant application of opinion surveys which measure the benefits and services we offer. We conducted surveys about the cafeteria, uniforms, sports activities, vacation plans, decorations for years of service and Christmas' toys. It is worth of mention that different items are evaluated certain years, according to needs of our Executive of Human Capital.

In 2008 we modify the methodology applied to these studies in order to get a closer picture of our internal customers' opinion and to identify opportunities to improve our services, as it was the case in 2008. Regarding evaluation, the highest score went from 5 to 10 points in order to get more accurate answers. The general result was 8.94, with 1 meaning "dreadful" and 10 meaning "excellent".

"Big Bank of Ideas"

As a part of this dialogue with our employees, the incentives campaign "Big Bank of Ideas" was developed in 2008. Through this campaign the staff was able to suggest solutions to problems and new concepts to improve the organizational performance at all levels. The most promising and original



ideas were selected and their creators were awarded with international trips. This campaign had an effective impact on participation and created an environment charge with creativeness among the staff.

Also in 2008, Banesco conducted a study called “Getting Aligned to Protect Success – Banesco Executive Staff”, which was addressed to the high level managers (from Division Managers to Chairmen). 231 people participated in this study, which covered the following aspects: leadership, pride, development, acknowledgement, trust, integration, personal processes and life. On the other hand, a study about the organizational climate expected for 2008 was postponed for 2009 for administrative reasons.

INTERNAL COMMUNICATIONS MANAGEMENT

In order to enhance its projection, Banesco has introduced from the very beginning a series of innovations through different communicational approaches with the purpose of providing a massive and/or segmented information to its audiences.

Through our internal communications our employees are connected and updated about Banesco corporate information.

Printed, digital, voice and audiovisual means compose a wide arrange of options through which the internal customers get information about the developments of the institution, labor issues, benefits for the employees, products, promotions, innovations and processes, among other relevant corporate topics.

These are our internal communication media:

- **CableBanesco**: a CCT system located at Ciudad Banesco. It functions at the elevators of the main agencies and most of our branches nationwide.
- **TiempoBanesco Intranet**: a high versatile media, which is under a permanent updating process. It is worth noting that the redesign of the Intranet TiempoBanesco is expected by 2009. The purpose of this redesign is the technological updating of this tool, to increase its friendly approach and make easier the search of contents in a modern way.
- **“Bulletin Boards”**: an electronic tool to place announcements. It is available in LotusNotes and the Intranet.
- **TiempoBanesco Extra Journal**: a standard-size monthly journal with information printed on both faces and delivered nationwide to our employees.
- **TiempoBanesco Bulletin Board** located in service areas –toilettes– at *Ciudad Banesco*: a monthly communication means especially addresses to the personnel without access to the electronic media so as they could obtain corporate information.
- **Weekly Newsletter**: an electronic magazine sent by e-mail. It covers the most important weekly news for Banesco’s community.
- **Segmented Newsletter**: digital information with a specific value for the organization; topics that require an in-depth communicational treatment.
- **Special Newsletters**: information sent from other e-mails in order to spread very important news for the institution, with massive and segmented distribution.

Additionally, the voice system at Ciudad Banesco is composed of an amplifier which broadcasts messages through speakers installed at strategic places.

Satisfaction of our employees in relation to the internal communications

Banesco staff in relation to internal communications. The purpose is to determine the internal communications means with the highest scope, knowledge and/or use; know the reading and consultation frequency of the different information means; measure the interest and visual pleasure levels, as well as the general evaluation of the information delivered through the different media; evaluate traits linked to the weekly newsletters and gather suggestions and improvement opportunities for the weekly newsletters.

This is a quantitative study conducted through self-applied questionnaires which have been designed based on the objectives established and delivered through the *Lotus Notes* tool.

With the purpose of improving the evaluation of our internal information channels, at the end of 2008 the measurement instruments was modified and the improve instruments was expected to be applied in 2009. For this reason it not possible to compare the different fiscal years, but if we compare the results of 2008 first-half to the same period in 2007 we observe the following results:

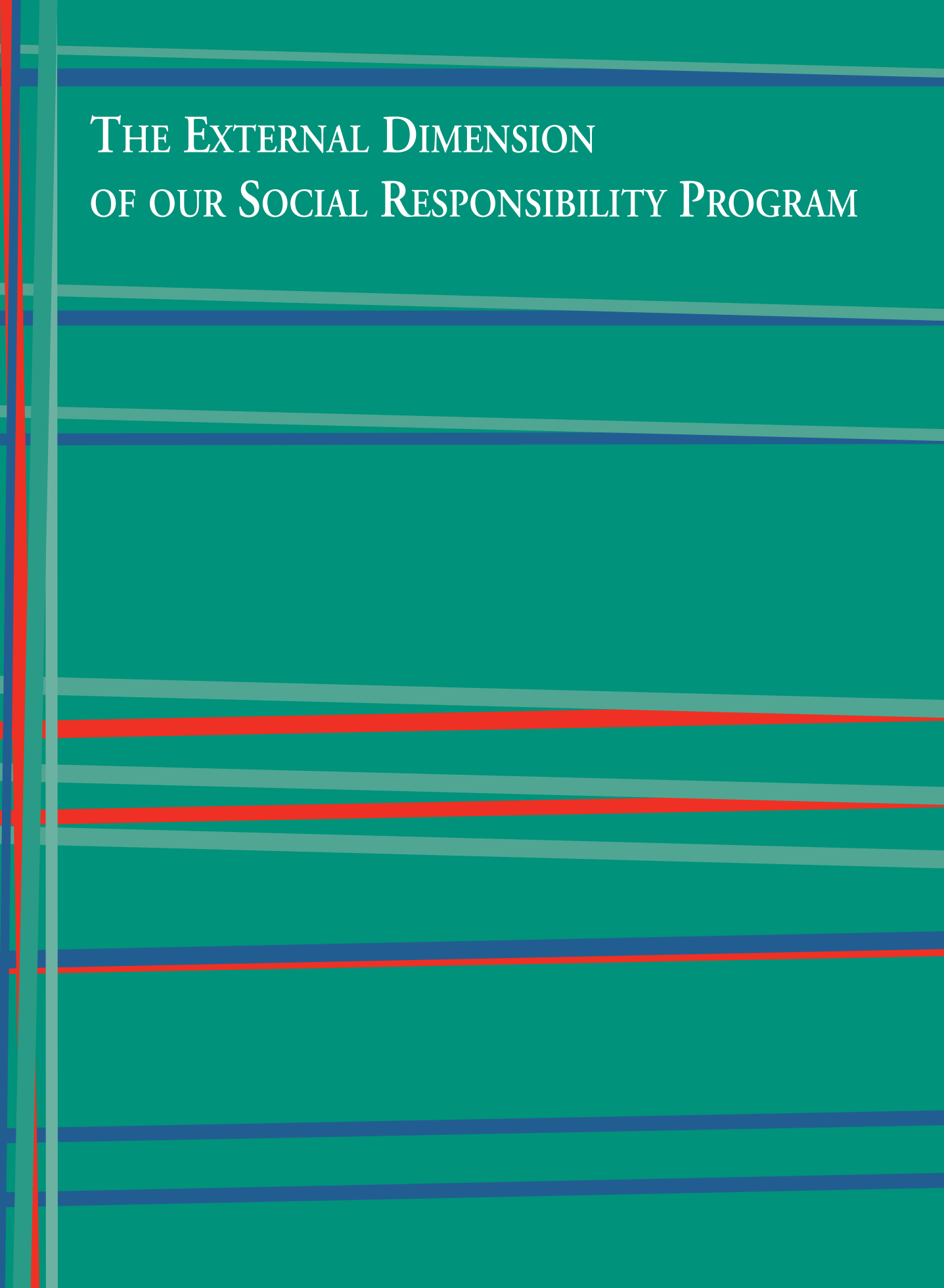
- A significant increase of the knowledge and use of our internal communications channels: 100% for the Intranet and *Lotus Notes* in terms of knowledge with 92% and 95% percentages of use, respectively.
- *Bulletin Boards for Announcements* is one of the most popular tools to search information thanks to its simple and concrete contents.
- The reading of Newsletters increased up to 85% of all the employees surveyed. On the other hand, a busy agenda and some technological hurdles (equipment or connection limitations or absence of a password) are among the causes mentioned by 15% of the employees who never or almost never use this tool.
- The suggestions gathered along the previous year focused on a higher informative content about the regional, national and international daily news, as well as more information about labor benefits/human capital.



2008
Internal
sports
tournament

Regarding “electronic formats” (CableBanesco, Bulletin Boards located at service areas and elevators), their contents are perceived as interesting: the surveyed individuals say they were satisfied (4.1 points over 5). The figure remained unchanged against the previous year.

Finally, 80% of the sample said they were well informed through the internal media, against 75% in 2007.



THE EXTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY PROGRAM

OUR SOCIAL PARTNERS

MAIN ACTION LINES IN 2007

- We organized a bimonthly meeting with Banesco's Vice-Presidents, with the participation of our Social Partners in order to increase awareness in our organization about our social action and together with these allies, as well as foster a dialogue with these actors.
- We conducted a survey among our Social Partners in order to measure their satisfaction levels with the relationship between them and our organization.
- We coordinated and held the event *Words for Venezuela*.
- We offered logistic support to our Social Partners as a contribution to help them to achieve their goals. One example of this is the support we have offered to the auction organized by Fundana.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- For the first time, we certified our *Corporate Social Responsibility Report*, according to the parameters established by the *Global Reporting Initiative*.
- The continuation of projects and initiatives launched in 2007 was guaranteed, through of new budgetary planning.
- The survey applied to measure the results of our work with the Social Partners was modified in order to enhance the social impact of our joint projects. These new surveys will be applied in 2009.
- We have continued evaluating the satisfaction of our Social Partners emphasizing the results recorded so far.

COMMITMENTS MADE FOR 2009

- Certifying the Corporate Social Responsibility Report, according to the Global Reporting Initiative's parameters.
- Ensuring the continuation of the projects and initiatives launched in 2007, through our budgetary planning.
- Building results indicators which allow us to go deeper into the social impact of our joint projects, measured by

number of direct and indirect beneficiaries, through the restructuring of the surveys we apply on a regular basis.

- To continue with the evaluation of the satisfaction of our Social Partners, emphasizing the results recorded in order to identify the weaknesses and take the relevant steps.

OUR POLICY

In Banesco we focus our social investment on supporting projects linked to the education and health sectors. We develop our social action in the community, hand in hand with number of wonderful institutions that, all along the Venezuelan territory, materialize the fight and action initiatives to favor the communities. We designed a Manual of Rules and Proceedings which rules all the resource request process and its approval. The Manual can be found at our Web page www.banesco.com.

Banesco's social action is a joint effort with its Social Partners and it is guided by our organizational purpose of supporting the education and health of the Venezuelan citizens as a way to create shared value.

The concept of Social Partners involves a medium and short-term relationship which guarantees the continuity of the projects, so as the contributions could be more than mere aids but a growth process for the participant organizations. To this end, we employ a series of tools such as trusts, and we conduct regular surveys, visits and progress reports.

OUR MANAGEMENT

The following inventory of activities reveals our Social Partners' interests and responds to several statements expressed by our varied stakeholders in terms of the content of the *Corporate Social Responsibility Report*.

The social action that Banesco develops along with its Social Partners is carried out through its Vice Presidency of External Communications and Social Affairs, which in turn, reports to the Corporate Social Responsibility Committee composed of the vice-presidencies of Preservation and Infrastructure, Administration and Accounting, Human Capital, Economic Studies and Finance.

OUR SOCIAL PARTNERS ARE THE FOLLOWING:

Fe y Alegría

It is an Integral Popular Education and Social Promotion Movement, with an action addressed to the impoverished and excluded sectors and aiming to strengthen their personal development and social participation. It was founded in Venezuela in 1955 by the Jesuit Father José María Vélaz. Besides its wide development in our country (it has a wide network of schools and a radio station) it has expanded its presence to other Latin American nations.

Don Bosco Houses Network Civil Association

It is composed of nine houses located at several states of the country. The Civil Association's goal is to teach some kind of skill to the children, young boys and girls and adolescents that live in a situation of abandonment, to reincorporate them to the educational system, provide them with medical and psychological attention, and assimilate them into their family group. They have representatives in Valencia, Miranda, Mérida, the Capital District and Monagas.

Friends of the Chile in Need of protection Foundation (FUNDANA)

Es una Asociación Civil sin fines de lucro, integrada por profesionales y técnicos del área social, dedicados a brindarles protección a niños y niñas en edades comprendidas entre 0 y 6 años que se encuentran privados del medio familiar por maltrato físico y emocional. Su misión es rescatar y desarrollar al máximo el potencial de estos niños y lograr su reinserción en un medio familiar armónico. Fundana fue creada en 1991 por Elsa Levy, su actual presidenta.

Children's Museum Foundation

It is a non-profit Civil Association made of professionals and technicians from the social sector, devoted to offering protection to children between the ages of 0 and 6 years, who lack a family environment due to physical or emotional abuse. Fundana's mission is to rescue these individuals, develop their potential as much as possible, and achieve their insertion in a harmonic family environment. Fundana was founded in 1991 by Elsa Levy, its current president.

Andrés Bello Catholic University (UCAB)

With its three venues -Caracas, Guayana, and Coro- it is a private non-profit higher education institution. Its main location is located at the neighborhood of Montalbán-La Vega in Caracas. It was founded in 1953 and entrusted by the Venezuelan Episcopacy to the Company of Jesus. Its mission is to contribute to the integral education of the university youth, on its personal and community aspects, within the Christian conception of life.

Venezuelan Association of Catholic Education (AVEC)

It was founded in 1945 and groups all those educational institutions which voluntarily ask to be included in the association and that define themselves as quality educational projects, evangelist, of believing commitment and social change. The available centers have been willing to open themselves and answer to the urgent needs of the families and communities they offer their services to. This way, the answer complies with real priorities: attention of children and the youth, training, strengthening of family cells and of the community organization.

Venezuelan Foundation against Infantile Paralysis

In 1942, doctor Eugenio Mendoza Goiticoa created this foundation to face the sequels produced by the poliomyelitis in Venezuelan children. The foundation promoted the construction of the Children's Orthopedic Hospital (Capital District), which annually receives 140,000 children and young persons with locomotive and neuromuscular problems coming from different parts of the country.

Venezuelan Red Cross

Its mission is to provide timely and effective humanitarian assistance addressed to the victims of international or national armed conflicts and/or natural disasters. It seeks to improve the situation of vulnerable people all over the world, through the permanent action of all components of the International Movement of the Red Cross and of the Red Half-Moon and the tenacious and resolute effort of the volunteers.

Venezuelan Anti-Cancer Society

The creation of this institution was the result of the tenacious effort of a group of socially sensitive citizens, led by Doctor Alejandro Calvo Laird. Its mission is to contribute to the reduction of the incidence, mortality and morbidity of cancer, through education, investigation and early diagnosis in order to create collective awareness of the dimension of cancer in Venezuela and promote its prevention among the healthy population.

Audacious Association to Guide and Encourage People with Special Needs (APOYE)

It's an organization that provides labor-craftmanship training at work centers addressed to people with special needs (Down Syndrome). Additionally, the association provides psycho-pedagogical assistance, including all the academic activities, language therapy, psychology, informatics, drawing, acting, dance, swimming and labor insertion.

Salesian Ladies Civil Association

The association is integrated by a group of Catholic laywomen committed to the Christian community. The Salesian Ladies operate at private centers and privilege popular health, education for work, the rescue of the youth and women in general, the education of women as a means for the orientation of maternity, the indigenous woman promotion, the recovery of the feminine population in jails and micro-enterprises.

Foundation of The State for The National System of Venezuelan Youth and Children Orchestras (Fesnojiv)

This foundation was born in 1975, around the figure of maestro José Antonio Abreu, with the purpose of emphasizing the full development of the project in each of the Venezuela's states: to foster and consolidate the cultural idiosyncrasy proper to each region and form an humanitarian and integral personality in the children and the youth in order to favor their full insertion, through the artistic development in a useful life.

Always Friends Civil Association

The mission of this civil association is to raise funds to support the institutions and programs which favor people in need. For over a decade, the institution has been working on the education of citizens with moral and Christian values, while offering the needed tools to carry out activities to produce the money required to achieve the wellbeing of this people and their families. Among other institutions, they count on *Colegio Mano Amiga*, where over 1,500 children and young people receive an excellent education from the primary levels to secondary school. On the field of human education, they are supported by *Prosuperación de la Mujer*, which provides assistance to around 600 affiliated women from different Venezuelan states. They also develop the *Un Kilo de Ayuda* program.

Los Roques Scientific Foundation

The mission of this foundation is the preservation of the environment and biological diversity of Los Roques Archipelago, through research and the implementation of solutions guaranteeing its protection and sustainable use of its sea resources. It also fosters the knowledge and divulgation of the fields related to Sea and Social Science related to the man and nature to support the education of an aware community with a high degree of participation and consciousness about environmental preservation.

Our social partners

Investment in BsF

Organization / Institution	Projects	2007	2008	Variation %
Fe y Alegría	Construction and Procurement of Higher Education Inst.	3,500,004.00	5,346,749.00	52.76
Don Bosco Houses Network Civil Association	Bosco Bus	370,159.00	407,175.00	10.00
Fundana	Maintenance Quote for the Toddlers' Village	150,000.00	180,000.00	20.00
	Otros	23,532.00	41,140.00	74.83
Children's Museum Foundation	Development of educational Web page	2,000.00	3,000.00	50.00
UCAB-Caracas	Simóncito Program and La Vega's Basic Bolivarian School	90,000.00	--	(100.00)
	Research Project- Digitalization of Carlos Rangel's and Sofia Imber's journalistic files	--	53,000.00	100.00
	Project to expand, revamp and improve the School Luis María Olaso	--	100,000.00	100.00
UCAB - Coro	Scholarships	20,533.00	--	(100.00)
Venezuelan Association of Catholic Education	Several projects	1,053,370.00	1,432,456.00	35.99
Venezuelan Foundation against Infantile Paralysis	Donation of anesthesia and medical equipment	160,557.00	--	(100.00)
	Support to the project of technological revamping and updating of the Ophthalmology Service	--	200,000.00	100.00
	Sponsorship to print the cards of "Bingo de la Bondad"	--	6,000.00	100.00
Venezuelan Red Cross	"Non-Listener" Project to train Children with hearing problems in PPD	50,206.00	30,000.00	(40.25)
	Continuation of the Project at Carlos J. Bello Maternity (acquisition of equipment and medical supplies)	22,805.00	--	(100.00)
	Donations to give aids for victims of the floods of November 2008	--	351,683.00	100.00
Venezuelan Anti-Cancer Society	Donation to buy furniture	--	52,288.00	100.00
Apoye Civil Association	Payment of 50% of the headquarters rent	34,400.00	42,950.00	24.85
Salesian Ladies Civil Association	Program of Consolidation of Training to work	226,443.00	295,525.00	30.51
Fesnojv	Construction of the new venue of the Center of Social Action for Music	250,000.00	2,750,000.00	1000.00
Always Friends Civil Association	Scholarships, wages and labor training	--	40,000.00	100.00
Los Roques Scientific Foundation	Environmental-educational program	142,202.00	13,339.00	(90.62)
Total BsF		6,096,211.00	11,345,305.00	86.10

■ Results of the projects developed along with our Social Partners

2007 and 2008

Social Partner	Projects name	Description	Direct beneficiaries	Indirect beneficiaries	Work or project status in 2007	Work or project status in 2008	Final execution	Territorial impact	% Exec.
Fely Alegría	Instituto Universitario San Francisco (IUSF), Zulia State.	Construction and procurement of Building II.	3,341 students.	Approx. 16,700 people (5 indirect beneficiaries per each direct beneficiary).	Under construction.	Construction finished, currently processing electric service. Surface: 5,750 m ² .	Fully operational in 2009.	Zulia State	95%
Don Bosco Houses Network Civil Association	Project of assistance and family reinsertion for children and adolescents living in the street.	Assistance and family reinsertion of children and adolescents living in the street at the BoscoBus mobile unit.	200 children and adolescents.	Approx. 1,000 people (families and community members).	Procurement of equipment and furniture. Includes staff training.	200 children and adolescents receive assistance. Procurement of equipment and furniture. Staff training.	Program under permanent execution.	Capital District and Miranda State.	—
Fundana	The Toddlers Villages (Los Chiquiticos)	Maintenance at the Villages, which function as home shelter for infants who have been abandoned or abused.	296 children.	Approx. 350 families (700 adults).	Program consolidation and continuity.	Program consolidation and continuity.	Program under permanent execution.	Capital District and Miranda State.	100%
	V Fundana Auction	Funds raising through the auction of art works donated by national and international artists for the benefit of The Villages.	296 children.	350 families approx. (700 adults).	The III Auction raised Bsf 900,000.00.	The IV Auction raised Bsf 1,145,000.00.	Annual execution program.	Capital District and Miranda State.	100%
Children's Museum Foundation	Web page: Curioskid.com.	Creation of the scientific web page for the children curiosidrom, to learn playing.	All children and adults who visit the page.	All the children who visit the page.	Underway	Successfully executed.	Program under permanent execution.	National e international	100%
Andrés Bello Catholic University	Research Project: Digitalization of Carlos Rangel and Sofia Imber's journalistic files	Project assigned to the UCAB Research Communications Center to place all the information in the Internet.	General society.	General society.	Project started in 2007.	102 interviews digitalized and 54 DVDs edited in 2008.	To be finished by 2010.	National e international	35%
Venezuelan Association of Catholic Education (AVEC)	Construction of educational facilities nationwide	Consolidation of educational and recreational spaces in order to foster the building of values for life for the children, adolescents and community members.	12,750 children, adolescents and adults.	Approx. 63,000 people (5 direct beneficiaries per each direct beneficiary).	Infrastructure revamping and expansion at 40 basic education schools.	Infrastructure revamping, expansions and remodeling.	Program under permanent execution.	Capital District and the following states: Miranda, Monagas, Lara, Bolívar, Falcón, Zulia, Mérida, Táchira, Trujillo, Apure y Inguao.	100%
Venezuelan Foundation against Infantile Paralysis	Support to the project of technological revamping and updating of the Ophthalmology Service at the Children's Orthopedic Hospital, Caracas.	Procurement of equipment and furniture.	7,000 patients, children and adults.	Approx. 28,000 people (4 direct beneficiaries per each direct beneficiary).	Construction has started.	Civil works were finished at a cost higher than the expected one. This delayed the execution of the work. Second stage to start in 2009.	2009	Patients from all around the country, especially the Capital District.	60%
Venezuelan Foundation against Infantile Paralysis	"Bingo de la bondad 2008"	Sponsorship to print the bingo cards.	All patients of the Foundation, as the resources are invested in improvements.	N/A	Annual execution program.	Successfully executed.	2008	National	100%
Venezuelan Red Cross	Contributions to the "non listeners" project.	First Aid training and preparation for natural disasters for children with hearing problems.	500 children.	2,000 people (4 direct beneficiaries per each direct beneficiary).	The Project started in 2007 and it has been executed by 60%.	Successfully executed.	2008	National	100%

Results of the projects developed along with our Social Partners (cont.)

2007 and 2008

Social Partner	Projects name	Description	Direct beneficiaries	Indirect beneficiaries	Work or project status in 2007	Work or project status in 2008	Final execution 2008	Territorial impact	% Exec.
Venezuelan Red Cross	Contributions for the project "Diaphe V".	Awareness campaign for La Morán community (Caracas) as a preparation for natural disasters, home hygiene and early alert.	Assistance for 50 people through recreational activities and support to vaccination campaigns.	N/A	Project not planned for this year.	Successfully finished.		La Morán sector, Caracas.	100%
	Donations to give aids for victims of the floods of November 2008.	The Social Partner did not present a results report.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Venezuelan Anti-Cancer Society	Donation to buy furniture.	The Social Partner did not present a results report.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Apoyo Civil Association	Payment of 50% of the headquarters rent.	Activity of academic education. Therapies and arts workshops, training and labor reinsertion of young people with Down Syndrome.	55 young people.	Approx. 165 families (3 families per each direct beneficiary).	Payment of 50% of the headquarters rent.	Payment of 50% of the headquarters rent.	Permanent execution but requires continuity over the time.	Capital District	100%
	Scholarships.	Labor insertion for young people with Down Syndrome.	2 young people.	2 families.	Program consolidation and continuity.	Successfully executed.	Permanent execution but requires continuity.	Capital District and Miranda State.	100%
Salesian Ladies' Civil Association	Training for low income young people.	Training program to work at the Professional Center Don Bosco. Consolidation through the renovation of equipment, improvements of infrastructure and facilities.	200 children.	Approx. 600 people (3 indirect beneficiaries per each direct beneficiary).	Program consolidation and continuity.	Successfully executed.	Permanent execution but requires continuity.	Capital District and Miranda State.	100%
Fesqviv	Financing program to strengthen the instrumental plant at the different modules of the National System of Children and Youth Orchestras.	The resources of this project are used to achieve this aim, to acquire equipment and strengthening the instrumental plant at the different modules and centers of the "System".	350,000 members of the National System of Children and Youth Orchestras.	350,000 members of the National System of Children and Youth Orchestras.	Under construction.	Inaugurated in 2008.	Permanent execution.	National	100%
Always Friends' Civil Association	Training to work.	Payment of the tutor for the students of Mano Amiga Civil Assoc., payment of teachers' wages, training of 80 women to finish their labor training program.	1,152	Approx. 5,760 (5 indirect beneficiaries per each direct beneficiary).	(Incorporated as a Social Partner in 2008).	Program consolidation and continuity.	Permanent execution but requires continuity over the time.	National	100%
Los Roques Scientific Foundation	Environmental educational program.	The Project allows the interaction between Los Roques community and the scientific community. It spreads the knowledge of the historic-cultural patrimony and the archeological past.	196 students.	Approx. 400 people (2 indirect beneficiaries per each direct beneficiary).	The scholar year started in September 2007.	Finished in June 2008.	Permanent execution but requires continuity over the time.	A dependency of Los Roques Archipelago.	100%

N/A: Not available

Venezuelan
Foundation against
Infantile Paralysis

PROJECTS FOLLOW-UP SURVEY

On a quarterly basis, we conduct a survey among our Social Partners in order to monitor the evolution of the projects that we are committed to develop. This approach allows the organization to make a follow-up of the different initiatives, as well as the investments and consultancies offered by Banesco in order to achieve the successful completion of these works and improve in the process potential deviations and build indicators to measure the impact of these projects.

AS SEEN BY OUR SOCIAL PARTNERS

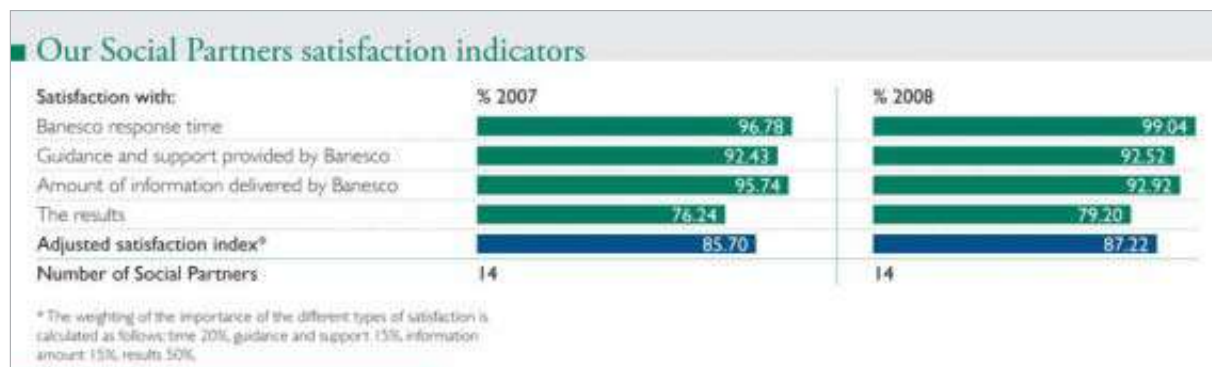
A key activity of our dialogue with our Stakeholders is the half-yearly survey conducted among our Social Partners in order to know their expectations and foster a constructive dialogue pointing to the achievement of shared goals.

Our Social Partners Satisfaction Indicators

It is worth of mentioning that the satisfaction indexes were almost the same in 2008 against 2007. As we only have 14 Social Partners, a change below 5% lacks of statistical signification. However, we keep a permanent contact with our Social Partners in order to identify weaknesses and take the relevant steps.



Pupils at an Archdiocesan School in Maracaibo, Zulia state



SOCIAL ACTION IN THE COMMUNITY

MAIN ACTIONS LINES IN 2007

- We held seminars for journalists in the countryside, one of them in Valencia and other in Maracaibo, about micro-economy, macro-economy and currency policy in order to make a contribution to their professional and personal development..
- We have continued with the training and specialization process of the Vice Presidency of External Communications and Social Affairs in order to go deeper into our relationships with our stakeholders.
- Ciudad Banesco was the scene for different activities organized by several institutions and organizations with a positive impact for the community.
- We organized a series of free-entrance concerts for the community's delight.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- We held a seminar for journalists in Mérida, about micro-economy, macro-economy and currency policy in order to make a contribution to their professional and personal development..
- The Bank started a dialogue with its Stakeholders. The most important one was held with representatives of the authorities and Colinas de Bello Monte community members, the closest zone to our headquarters.
- We have continued with the training and specialization process of the Vice Presidency of External Communications and Social Affairs in order to go deeper into our relationships with our stakeholders.
- Banesco opened its facilities to several institutions and organization to develop activities with a positive impact on the community.
- We organized a series of free-entrance concerts for the community's delight.

COMMITMENTS MADE FOR 2009

- To continue with the training and specialization process of the Vice-Presidency of External Communications and Social Affairs in order to go deeper into our relationships

with our stakeholders and pointing to the adoption of the Rule AA1000.

- Ciudad Banesco will be, as usual, the scene for different activities organized by several institutions and organizations with a positive impact for the community.
- To continue with the organization of free-entrance concerts and other events for the community's delight.

OUR POLICY

Our motivation is to make a solid contribution to all the neighboring communities to our different headquarters nationwide. Therefore, we practice the "good neighbor" policy. Guided by this vision, Banesco adds its presence to our society, interacting with the different actors involved, keeping an eye on their problems and making a contribution suitable to their expectations.

Banesco social action has many faces which respond to our goal and with a special emphasis on those sectors deprived from education, health, thus, impaired to break the vicious poverty circle. In this sense, the organization's task is to offer study scholarships, workshops, support for educational lectures, material and equipment donations and a wide and growing work carried out by our volunteers.

Likewise, we support cultural activities offering the communities a wide range of option to enhance their aesthetical and intellectual world, such a number of cultural events, exhibitions, books and many other activities sponsored by Banesco.

OUR MANAGEMENT

- We granted study scholarships to 32 people and 9 of them also enjoy the benefit of Banesco Life Scholarships. This initiative was launched in 1996, when we decided to provide our current account holders affiliated to any of Banesco Plans with the opportunity to participate in quarterly draws which prize will be a study scholarship named "Beca Banesco". This scholarship covers all the academic expenses from pre-school to higher education, and even post-graduate studies. The beneficiary can also transfer the scholarship to his relatives. As a condition to participate, the customers were required to maintain a quarterly average balance in their accounts equal or over BsF 1,000. Since then and up to this date, we have

Cultural Agenda – Ciudad Banesco

2007			2008		
Event	Band	BsF	Event	Band	BsF
Concert	Raudal Ensemble	2,552.00	Showing (Documentary)	El Reventón video	7,440.00
Concert	Loro Somos quartet	2,271.15	Concert	Pentacorde group	3,471.80
Showing (Documentary)	Zapata Humor's Causa & Sofía a Tres tiempos	824.40	Showing (Documentary)	Palabras de Mujer video	1,439.74
Concert	Sinfónica Criolla	2,402.73	Concert	Cantoría Ludus Vocaliter	2,864.69
Concert	Música Reservata group	12,124.42	Concert	Caracas Symphonic Orchestra	2,682.91
Total BsF		20,174.70	Total BsF		17,899.14
Variation: (11.28)%					

avored 19 people. 9 of them are still receiving the scholarships.

- We organized free-entrance concerts for the community at our headquarters, as this place has become a reference point in Caracas. Our Fernando Crespo Suárez auditorium can host 300 people.
- Ciudad Banesco has also been the scene of different activities organized by our Social Partners and other institutions and organizations, which have a positive impact on the community.
- Traditionally we support our Social Partners and other organizations and institutions with different activities aimed to raise funds to maintain their operations or develop new projects.
- In 2008, the Vice Presidency of Communications and Social Affairs continued training its staff on the matter of Social Corporate Responsibility through a series of lectures given by the organization CERSE (Consulting on Ethics and Corporate Social Responsibility). In 2009 this specialization process will continue through a course given by the same consulting firm.

“Up to the Last Cartridge”

As a tradition, Banesco supports the plan “Up to the Last Cartridge”, one of our social partner Fundana's flagship programs. Under this plan, the volunteers collect used cartridges of ink, tape and laser printers. These units are donated by public and private institutions to be sold to recycling companies and produce a fixed monthly income for Fundana.

Cartridges donated to Fundana

Headquarter	2007	2008	Variation %
Ciudad Banesco	529	613	15.88
Banesco El Rosal	166	124	(25.30)
Banesco Seguros	141	175	24.11
Banesco El Recreo	0	254	100.00
Total	836	1,166	39.47

Study and Life Scholarships

Institution	Beneficiaries	2007	2008	Beneficiaries	BsF	Variation
		BsF	BsF			BsF
Alejandro Humboldt University	20 (1)	18,326.00	20 (1)	61,337.00	—	234.70
Apoye Civil Association	2	6,377.00	2	8,740.00	—	37.06
Banesco Life Scholarships	9	58,678.00	9	126,154.00	—	114.99
Nuestros Símbolos (Private school)	1	1,953.00	—	—	—	(100.00)
Individual	1	25,800.00	1	107,906.00	—	318.24
Total BsF	33	111,134.00	32	304,137.00	(3,03)	173.67

(1) Graduates from IJGO Catia.

Events at Ciudad Banesco

		2007			2008
Institution	Activity	BsF	Institution	Activity	BsF
Santiago de León de Caracas (private school)	"VIMUN Event"	10,272.90	Bolívar Films	Premiere of <i>El Reventón</i> (documentary)	7,440.23
Paso a Paso Foundation	<i>Aquí Estamos</i> (Photo Exhibition)	1844.62		Premiere of <i>El Reventón</i> (documentary) in Maracaibo	10,992.60
Capriles Group/Tricolor Foundation	Introduction of the new Tricolor Foundation's texts to teachers	400.00	Fe y Alegría	Fe y Alegría internal raffle	222.75
César Cortez	Premiere of the documentary "Zapata: Honoris Causa & Sofía a tres tiempos"	7,223.44	Venezuelan Federation of Intellectual Disability (FEVEDI)	2nd Meeting of the National Congress for People with Disabilities and Fevedi Congress	1,200.00
El Nacional	Awards ceremony for the winners of El Nacional Christmas cards contest	844.28	Foundation of the Latin American Circuit	Presentation of the Latin American Music Festival	763.50
El Universal	Awards ceremony for the winner of El Universal Photography contest	5,461.96	Simón Bolívar		
Eugenio Montejo	Lecture on the poem "The Flamish couplet: Poetry under the stars"	5,052.83	Paso a Paso Foundation	VII International Conferences about educational inclusion	2,000.00
Fe y Alegría	Fe y Alegría internal raffle	962.00		Awards ceremony of the Third Photographic Contest <i>Aquí Estamos!</i>	6,531.01
The Good Samaritan Foundation (children with AIDS)	Children's Day celebration	4,875.85	Saludarte Foundation	Confluencias (exhibition)	52,806.37
Paso a Paso Foundation	Workshop on Dyslexia and Special Children	1,062.50	Fundana	Arts auction for The Toddlers Villages	53,038.87
	International Congress on Labor Inclusion	62.50	Fundei	Roberto Solas Capriles Awards ceremony	0.00
Fundana	Arts auction for "The Toddlers Villages"	24,957.00	Individual	Introduction of the book "Racionalidad y Religiosidad" by Emeterio Gómez	17,036.94
Gilberto Canaballo	Introduction of the book: "Encounter with the South"	34,043.58	Individual	Photographic Exhibition "Atmósferas and Presencias" by Magdalena Ferré	45,076.24
Jacobo Borges	Mural Inauguration	9,652.15	Journalist's Day Celebration	Introduction of the book <i>Delicias Zulianas</i> by the journalist Rosita Regalado, produced by Banesco and Editora El Nacional C.A.	42,317.79
Sephardic Museum, Caracas	Introduction of the book: "The Jewish Table in Venezuela"	14,978.37	Pedro León Zapata	Art auction for the benefit of Pedro León Zapata	42,183.30
Simón Bolívar University	Introduction of the book "Idols from the Promised Islands".	14,714.82	Profranquicias	Presentation of the book <i>Tres visiones de la Ética y la Responsabilidad Social Empresarial</i>	12,469.45
	Introduction of the "Papyrus" Literature Collection	25,766.78			
			Always Friend Civil Assoc.	Press Conference to introduce the 2008 Dinner of the Great Chefs	461.97
			Los Andes University	Lecture on Economy for Journalism students	9,530.00
			Simón Bolívar University	Presentation of the new volumes of the "Papyrus" Literature Collection	59,725.51
Total BsF		162,175.58			363,796.53
Variation:		124.32%			

JOINT ACTIVITIES WITH SOS CHILDREN VILLAGES OF VENEZUELA

The civil association SOS Children Villages Venezuela, a subsidiary of SOS Kinderdorf International, is a social work funded with the constant and volunteer contribution from several organizations ("SOS Friends") who are committed to guarantee the sustainability of the programs in the long-term. In total, SOS Venezuela supports at the present more than 4,000 children and adolescents under social risk.

In 2008, SOS Venezuela increased from 43 to 75 the number of its Programs for Family Strengthening and Community Development for the Prevention of Abandonment. Likewise, It has three programs of Family Shelter (Children Villages). In 2008 were inaugurated the two first SOS Community Center in the Great Caracas, located in the low income neighborhoods of Guaicaipuro (Petare) and Guarenas.

Thanks to this joint campaign between Banesco and SOS Venezuela, 468 and 221 Banesco customers became new "SOS Friends", in 2007 and 2008 respectively.¹

- We made contributions two several organizations and institution through the donations of computers.

■ Donation of New Computers

2007			
Institution	N° of units	City or State	BsF
National Guard (NG) Regional Command N° 2	12	Carabobo	20,070.00
Proyecto País Foundation	1	Caracas	6,207.30
UCV Administration and Accounting School	5	Caracas	14,247.87
National Guard	3	Caracas	12,902.83
ULA Journalism School	4	Táchira	12,588.51
Los Roques Scientific Found - Gran Roque Educ. Unit	24	Los Roques	49,951.12
Rural Outpatients Department "Dr. Tulio Villalobos"	1	Vargas	3,020.48
"Yámana" Intercultural Indigenous School	6	Zulia	9,248.36
Cooperative of Aquatic-Tourism Transportation	1	Los Roques	1,764.00
Total BsF	57		130,000.47

2008			
Institución	N° of units	City or State	BsF
Journalists National Bar - Miranda	1	Miranda	5,703.05
Micro - entrepreneurs (raffle)	1	Caracas	3,724.95
Total	2		9,428.00

Variation: (92.75)%

Our social action in the community covers a wider scope thanks to the support given by several organizations and institutions to these initiatives and projects. We focus our action on the education and health of more and more Venezuelan citizens.

■ Collection for raffles of our Social Partners and other Events

		Collection BsF			
Organization / Institution	Project	2007	2008	Var. %	Direct contribution 2008
Venezuelan Foundation Against Infarible Paralysis	Super Bingo of the Kindness	160,556.00	87,937.20	(45.23)	6,000.00
Fe y Alegría	Fe y Alegría raffle	121,370.00	344,852.00	184.13	—
Children with AIDS Foundation The Good Samaritan	Foundation Children with Aids	118,377.00	79,618.00	(32.74)	—
Venezuelan Anti-Cancer Society	Great Bonus for Health raffle	—	150,992.00	100.00	—
Fundara	Ciudad Banesco was the venue for the III and IV auctions for the benefit of this foundation	900,000.00	1,145,000.00	27.22	41,140.00
Pedro León Zapata	Auction for the benefit of Pedro León Zapata	—	789,200.00	100.00	42,183.30
Total BsF		1,300,303.00	2,597,599.20	99.77	89,323.30

Sources: Certified letters sent by the respective organizations.

¹ Source: SOS Venezuela.

CHRISTMAS TOYS

To support unattended children we act through different public and private organizations and institutions with the purpose of bringing happiness to the kids with the donation of Christmas Toys.



Christmas Toys Donations

Organization / Institution	Units		
	2007	2008	Var. %
Chacao Foundation	1,500	—	(100.00)
Fundana	230	145	(36.96)
Oper. Theater N° 1 and Militar Garrison in Guadalupe	1,000	—	(100.00)
Friends of the Children with Cancer Foundation	300	300	0.00
Friends of the Children with Cancer Found - Mdo.	300	300	0.00
Zulia State Government	4,000	4,000	0.00
Falcón State Government	—	1,500	100.00
Anzoátegui State Government	—	1,000	100.00
Monagas State Government	—	1,000	100.00
Carabobo State Government	500	2,000	300.00
Mérida State Government	1,800	2,000	11.11
Lara State Government	—	500	100.00
Táchira State Government	—	400	100.00
Valencia Communities /Community Banking	—	900	100.00
Social Action Foundation, Caracas Mayoralty	1,000	—	(100.00)
Baruta Municipality Mayoralty	2,585	5,000	93.42
Maracaibo Municipality Mayoralty	1,000	2,000	100.00
Mara Municipality Mayoralty	—	1,000	100.00
Inbarren Municipality Mayoralty	—	500	100.00
El Hatillo City Council	500	—	(100.00)
Sucre Municipality Mayoralty /Sucre Foundation	1,000	—	(100.00)
Propatria 2000 Foundation	300	300	0.00
A Smile for the Children Foundation	200	—	(100.00)
San Agustín de Palmira Neighborhood, Táchira State	300	—	(100.00)
Metropolitan Police Foundation (FUNDAPOL)	50	—	(100.00)
Siembra Foundation	—	1,000	100.00
Infrastructure Ministry	—	270	100.00
Venezuela without Boundaries Civil Association	500	—	(100.00)
Metrop. Council for the Rights of the Children and Adolescents	100	—	(100.00)
City Council for the Rights of the Children and Adolescents	200	—	(100.00)
Children Foundation	—	100	100.00
Children Foundation, Miranda	3500	—	(100.00)
Miguel Pérez Cameño Hospital (IVSS)	—	200	100.00
COFI (Joanel Peralta)	—	200	100.00
ArtesanoGroup Foundation	—	400	100.00
National Council of Universities / OPSU	500	500	0.00
IPSFA-SISA	200	—	(100.00)
Social Works committee "Jesús de la Misericordia"	300	—	(100.00)
SENIAT	198	—	(100.00)
SEFAR	—	100	100.00
International Center for Family Guidance Foundation	100	—	(100.00)
La Raya Civil Association	350	—	(100.00)
Proyecto País Association	200	—	(100.00)
FONDAFA	100	200	100.00
INCES	20	—	(100.00)
CNE	20	—	(100.00)
Militar Hospital	40	—	(100.00)
Hogar Renacer Children Care Center	100	—	(100.00)
Total toys	22,993	25,815	12.27
Total BsF	548,497.43	791,861.36	44.37

■ Our Commitment to the Community

Assistance to Children under Risk, the Elder and People with Disabilities

Organization / Institution	Project	2007 BsF	Project	2008 BsF
Venezuelan Association for Down Syndrome	Sponsorship for Avenid International Congress	10,000.00	Sponsorship for Avenid International Congress	15,000.00
Fondallusón	—	—	Contribution for the head office maintenance	100,000.00
Volunteer Dividend for the Community, Carabobo	Membership Fee	2,880.00	—	—
Hogares Crea Femenino - Maracay	Support for maintenance	1,200.00	—	—
Always Friends Civil Association	Sponsorship for the Great Chiefs Dinner	52,334.00	Sponsorship for the Great Chiefs Dinner	50,461.97
San Antonio de Papua Foundation	Donation for the execution of social works	9,000.00	Sponsorship for the III Encounter of Youth and Family	15,000.00
ICARO Association	—	—	—	—
Association of Help for the Children in Need (ADAIN)	—	—	Sponsorship for Christmas Party	800.00
SOS Infante Villages	—	—	Donation for maintenance	30,000.00
Rosa e Passi Foundation	—	—	Contribution for collectable publications	1,000.00
Mother Teresa of Calcutta Home Shelter	—	—	Sponsorship for the Photographic Conquest about disability. Publisher later in notebooks	6,540.00
Santo Domingo Solo Home Shelter	—	—	Donation of two clinic beds	7,014.00
San José de la Montaña Home Foundation	—	—	Donation for recreation and delivery of children short stories	2,395.00
Friends of the Elder Foundation	Recovery of Juan Cuchara Park / Others	169,383.00	Celebration of 50th anniversary	300.00
Autismo en Var Arto Foundation	Building of the headquarters	69,062.00	Institutional Video / Others	15,192.00
Mano Amiga A.C.	Building of the headquarters at Colegio Filas de Yungui	150,000.00	Building of the headquarters	230,794.00
			Building of the headquarters at the Filas de Tugvia school	50,000.00

Health

Organization / Institution	Project	BsF	Project	BsF
Venezuelan Anti-Cancer Society	—	—	Donation of furniture	52,288.00
J.M. de Los Ríos Hospital	Donation of chairs for the waiting room at the Service of Podiatric Nephrology	—	—	—
San Juan de Dios Hospital	Resamping of the third floor of the head office	4,142.00	—	—
Friends of the Child with Cancer Foundation	Sponsorship of the III Bingo of the Smile	10,592.00	—	—
Cardiologos Foundation	Donation of medications	1,000.00	—	—
SenecAyudi	Support for a party to raise funds	100,011.00	Donation of medications	119,940.00
Municipal Bank of Blood	Sponsorship to hold two Opera Concerts at Ciudad Banesco	20,000.00	Support for a party to raise funds	15,000.00
Individual	Donation of 300 T-shirts for the campaign "World Day of the Blood CONHON"	10,000.00	—	—
	—	4,050.00	Others	13,975.00

Education

Organization / Institution	Project	BsF	Project	BsF
UCV	Donation of 5 computers to the Administration and accounting	14,248.00	—	—
	Publicity Agenda 2008	5,000.00	—	—
	IV Conquest Of Essays On Economy	5,000.00	V Conquest Of Essays On Economy	8,000.00
Simón Bolívar University	Sponsorship of Papyrus Collection 2007	90,000.00	Sponsorship of Papyrus Collection 2008	206,000.00
	—	—	Sponsorship for the research and edition	—
	—	—	Project of José Ignacio Cabrujas Works	90,500.00
	—	—	Sponsorship of the event	25,000.00
ULA	Book about Los Roques Archipelago	20,977.00	Donation of a Notebook HP	8,420.00
	X International Fair of the Book, Mérida 2007	40,000.00	XI International Fair of the Book, Mérida 2008	40,000.00
	Lecture on Economy at Ciudad Banesco to journalism students	7,251.00	—	—
	2007 Literature Biennial	30,000.00	—	—
	Donation of 1 computer and 1 laptop to the Journalism School, ULA	—	—	—
	San Cristóbal	12,589.00	—	—
Escuela Regional University (UDO)	Works on "Los Ilustres Sucreños" boulevard	27,988.00	—	—
LUZ	I Scientific International Congress on Engineering, Maracaibo	—	—	—
	Zulia University	50,000.00	—	—
	Publications program of the Academic Vice-Rectorate	50,000.00	—	—
Metropolitan University	Educational projects of the José Abdala Academia Foundation	10,000.00	—	—
Dr. Rafael Beltrán Chacab University	Christmas party sponsorship	2,400.00	Christmas party sponsorship	2,400.00
	—	—	Sponsorship of the University Theater National Festival, FESTU 2008	2,000.00
Cecilia Acosta University	—	—	Sponsorship IV Fair of the Book	3,000.00
UNEXPO	—	—	Institutional contribution for the head office	10,000.00
Usandro Alvarado University	—	—	Contribution for uniforms	15,000.00
Zulia University Foundation	—	—	Sponsorship for the "LUZ Magazine" project	27,250.00
Asoc. Venezolana de Compet. Matemáticas	—	—	—	—
Dr. Luis Beltrán Prieto Figueroa Foundation	Saving Account for the students winners of the Award to Excellence, Nueva Esparta State	3,000.00	Saving Account for the students winners of the Award to Excellence, Nueva Esparta State	3,000.00

Our Commitment to the Community (cont.)

Education

Organization / Institution	Project	2007 BsF	Project	2008 BsF
ArtelsonGroup Foundation	Joint donation: 2 engines for the benefit of this religious congregation	38,950.00	Pieces of craftwork	32,508.00
Venezuelan-German Humboldt School Foundation	--	--	Sponsorship for 28th Youth Music Festival, held in Germany	10,000.00
Assoc. of Former Students of San Ignacio School (ASIA)	--	--	"Festival de Gaitas" Sponsorship	10,000.00
Asopica Civil Association	--	--	Educational Project for Children, Community Assistance Center La Coronado, Apure State	30,000.00
Individual	--	--	Sponsorship for the Pre-Hispanic Archeological in Los Roques	100,000.00
IESA	SEKN Project	\$1,600.00	--	--
Aluden Los Campestre School	--	--	Sponsorship United Nations Model	3,000.00
Venezuelan-American Friendship Association	Entrance tickets for the anniversary party	2,180.00	--	--
Francisco de Asis Educational Center for Blind People	--	--	Sponsorships XXXVI Anniversary of the Special Education Center	500.00
Data Show Solutions	--	--	Sponsorship Photographic Exhibition of the National Geographic	20,000.00
ABC Proden (School Ciudad Santa María Petare- CISAMA)	Construction of two floors of the school building	100,000.00	--	--
Casartes	Agreement to make pieces of craftwork	13,470.00	--	--
Elspacio Anna Frank	Creation and implantation of the technological platform (Virtual Community)	100,000.00	--	--
Serviam, Assoc. of Former students of Meno Academy	Sponsorship for Cultural Facilities	1,000.00	--	--
Antonio Guzmán Blanco School	Sponsorship for Meno bazaar	10,000.00	Sponsorship for Meno bazaar	10,000.00
Interciencia Association	Donation of an industrial kitchen for the school and to cover the PAE Alimentary Program	300.00	--	--
San Ignacio Private School	Financing of scientific research	50,000.00	--	--
Invecap	Sponsorship for Family Festival at the school	6,000.00	--	--
UCAB Services Civil Association	--	--	Program to support Micro-entrepreneurs / Others	70,910.00
Foco Sustentable	--	--	Program to support Micro-entrepreneurs	68,526.00
Colegio Santiago de León de Caracas Civil Assoc.	--	--	Program to support Micro-entrepreneurs	16,212.00
			Sponsorship for VMUN 2008	10,000.00

Church

Organization / Institution	Project	BsF	Project	BsF
Venezuelan Episcopal Conference	Communications Plan	100,000.00	--	--
Señor de los Milagros Civil Assoc.	--	--	Donation for Music Band	5,000.00
Sagrada Familia de Nazaret Church	--	--	Donation to revamp the Church	50,000.00
Madre Candelaria Carmelitas Sisters Congregation	--	--	Donation for Mother Candelaria beatification	10,000.00
Civil Association	--	--	Donation to revamp the Church	7,000.00
Social Works of Mother Teresa of Calcutta Church	--	--	Participation in XXIII World Campaign for the Youth, Sydney, Australia	9,418.00
Individual	--	--	Donation for Publication Plan 2008	5,000.00
Archdiocese Files Foundation, Mérida	--	--	Contribution for the celebration of El Valle Virgin Day	1,188.00
Los Roques Church	--	--		

Public Entities

Organization / Institution	Project	BsF	Project	BsF
Baruta Mayorality	500 copies of the "ABC of the Illegal Drugs" for parents and teachers	10,000.00	Sponsorship VII Special Games Baruta 2008	5,000.00
	--	--	Revamping of a police module at Colinas de Bello Monte	357,196.00
Eulalia Burce Mayorality (Mamporal, Miranda State)	Sponsorship Mamporal Festivities	7,500.00	Sponsorship of Mamporal festivities	5,000.00
Mérida State Government	"Mérida Preciosa" Program development	421.00	--	--
	Support for activities to celebrate the inauguration of Trolmérida 2007	1,130.00	--	--
Cantaura Fair Foundation (Fundecan)	Celebration to honor la Candelaria Virgin	30,000.00	Celebration Cantaura Festivities	15,000.00
Ministry of the Popular Power for Indigenous People	550 hammocks	27,500.00	--	--
	203 bulks of whole milk	22,498.00	--	--
Miranda State Government	First Bowling Tournament of the General Treasury Miranda State	3,648.00	--	--
Regional Command N° 3, Marichiques	Construction of 3 sentry boxes	500.00	--	--
Santa Teresa del Tuy Mayorality	--	--	Sponsorship "I Propóndromo Internacional"	5,000.00
Turén and Santa Rosa de Mayorality	--	--	Donation 40 wheel-chairs	16,063.00
Mérida Mayorality	--	--	Contribution to the community for the Christmas party	9,976.00

Professional Associations

Organization / Institution	Project	Monto	Project	Monto
Venarcham	Workshop "Consumption Trends for Low Income Segments"	1,200.00	--	--
	Social Alliance Committee	641.00	Social Alliance Committee	463.00
	Sponsorship for the Annual Dinner of Venezuelan Popular Craftworks	3,000.00	Sponsorship for the Annual Dinner of Venezuelan Popular Craftworks	4,000.00
	V Directorate of Social Development Organizations	5,500.00	--	--

■ Our Commitment to the Community (cont.)

Professional Associations

Organization / Institution	Project	2007 Monto	Project	2008 Monto
Capacet, Caprandes & Capacetach	Others	96.00	--	--
Saving and Social Pension Fund of ULA workers (Cppestula)	Funds for the awards to be delivered during the anniversary celebration of this institution	500.00	--	--
Fedecimaras	Sponsorship for LXIII Fedecimaras Annual Meeting	32,000.00	--	--
Saving and Social Pension Fund of Zulia University Workers (CAPRELUZ)	Sponsorship for the 48 anniversary celebration of this institution	1,000.00	Sponsorship for the 49 anniversary celebration of this institution	3,000.00
Zulia State Industrial Chamber	Payment of 3 entrance tickets for the dinner of this professional association	1,080.00	--	--
Cattle Raisers Union of El Rosario de Perijá Municipality, Zulia State	Half-page advertisement in a magazine	700.00	--	--
Scarigua Ranch	Winner of the Apropeco Award as the Great Champion of Milk	4,000.00	--	--

Sports

Organization / Institution	Project	BsF	Project	BsF
Institute of Arts of the Image and the Space (IAIME)	Purchase of uniforms for the softball tournament of this institution	6,032.00	--	--
Kickingball Santa Cruz Club - Sucre Parish	Donation of 75 uniforms for kickingball and 6 football balls to Santa Cruz team, 23 de Enero Parish	22,727.00	--	--
Venezuelan Special Olympic Games Foundation	Scholarship for the participation of 3 special employees of the organization	13,500.00	--	--
Individual	--	--	Support for the participation of athletes in international conquests	20,000.00

Culture

Organization / Institution	Project	BsF	Project	BsF
Portuguese-Venezuelan Folk Group	Contribution for the Fátima Virgin festivities along with the Portuguese community of Coínas de Bello Monte	1,000.00	--	--
IQ Historiadora	Radio program "No es Cuento, es Historia"	104,640.00	Radio program "No es Cuento, es Historia"	119,900.00
Bolívar Films	Sponsorship for the "El Revertón" documentary	64,500.00	--	--
Museum of Contemporary Arts, Zulia State	--	--	Maintenance Induction Room	20,000.00
Caracas Schola Cantorum Foundation	--	--	Sponsorship for the Social Program "Construir Cantando" - Passion according to Saint Mark	7,500.00
Teresa Carreño Foundation	--	--	Donation of a truck	150,000.00

Editorial Projects

Organization / Institution	Project	BsF	Project	BsF
Dr. Emeterio Gómez	"La Responsabilidad Moral de la Empresa Capitalista" book	2,000.00	--	--
Individual	Sponsorship for the book "Del Sol a De la Luz"	76,500.00	--	--
Diario 2001	Book "Siglo de Oro de la Literatura Española" included in the newspaper	15,000.00	--	--
Sephardic Museum	Book "Altar de una Diáspora, la mesa judía en Venezuela"	104,228.00	--	--
Venezuelan Society of Medicine History	--	--	Sponsorship for the publication of the magazine	7,650.00
Individual	--	--	Sponsorship of "Utopía" book	66,490.00
Santa María Madre de Dios Parish	--	--	Sponsorship book "Párrafo Santa María Madre de Dios"	101,370.00
Editorial C.E.C.	--	--	Sponsorship of book "Las Delicias Zulianas"	21,308.00
Panorama newspaper	--	--	Panorama Notebooks	319,245.00
Últimas Noticias newspaper	--	--	Últimas Noticias Notebook-School Diary	310,000.00
Individual	--	--	Sponsorship for books about osteoarthritis to be donated to universities	4,360.00
Otros	--	--	Sponsorship CAPOJUD magazine	5,000.00

Others

Organization / Institution	Project	BsF	Project	BsF
Bello Monte Neighbors Association	Sponsorship for the Web site	11,400.00	--	--
Venezuelan Commission for Social Service	Recovery of "Ernesto Blohm"	--	--	--
Catia Community Center	Gym	22,992.00	--	--
National Competitiveness Center	Invitational Karate Tournament held at "Ernesto Blohm" Gym	1,000.00	--	--
Arts and Antiques International Fair	Annual membership fee 2007	4,538.00	--	--
CSR Activities	Sponsorship for the Awards ceremony of the Venezuelan Success Award	24,000.00	--	--
	--	--	Sponsorship for Arts and Antiques International Fair	27,470.00
	--	--	Consulting on Ethics and Corporate Social Responsibility (CERSE)	80,000.00

Total

2007	2,083,578.00	2008	3,316,522.97
Variation	59.17%		



One of the meetings carried out with representatives of the Colinas de Bello Monte neighborhood, at the Ciudad Banesco Auditorium

DIALOGUE WITH THE COLINAS DE BELLO MONTE COMMUNITY

In 2008, we started a systematic dialogue with the Colinas de Bello Monte community, the sector in Caracas where our headquarters, Ciudad Banesco, is located.

During the construction of these facilities, inaugurated in 2004, the adjacent sidewalks were refurbished and improved as a part of our “good neighbor” policy. Along the following years, Banesco made donations for other works in the same zone.

By 2008 a budget amounting to BsF 300.000 was established to make contributions for the social benefit of Colinas de Bello Monte neighborhood. The Banesco Corporate Social Responsibility Committee also established that these funds would be allocated by the community itself. In order to meet this purpose, the authorities and community organizations belonging to this zone: Neighbors’ Association, Community Council, Baruta Mayoralty, the Public Planning Technical Bureau of the Local Council, Central University of Venezuela, Municipal Council for the Rights of the Children and Adolescents, Parish Directing Board, Peace Judges, as well as private foundations operating in the zone and several individual citizens were invited.

In the first meeting, held on September 30, 2008, the attendants exposed the main needs of this sector, such as the state of the roads, attention to the elder and young people outside the educational system, security, illumination, recreation and landscape. It was agreed that the community representatives would send to Banesco the projects and they would select by themselves, by secret vote,

the execution priority order with the available budget of BsF 300,000.

The second meeting was held on December 11. At that moment they had already proposed five projects which were submitted to the vote. The projects that received the highest approval were “Infrastructure Maintenance and Improvement 2009” from the Santo Domingo Foundation facilities, devoted to provide assistance to the elder (Bs. 136,850); and “Young People outside the Formal Education System”, which consists of training courses on health for non-scholar and unemployed young people between 15 and 24 years of age (Bs.F 68,185), also belonging to the Santo Domingo Foundation.

As the total amount of these two projects was below the BsF 300,000 budget allocated to this zone, the remaining funds were reserved for the third more voted Project, the “plan for the Recovery of Public Spaces in Bello Monte” (building and revamping of sidewalks) which was proposed by the Baruta Mayoralty based on a plan produced by the Metropolitan University.

The 2009 budget for Colinas de Bello Monte will be allocated following the same process.

It is worth mentioning that the process adopted for all the community meetings were based on the AA1000 AccountAbility standard: meetings were chaired by an external moderator (that is, a person who does not represent the Bank neither the community), all the participants had equal opportunities to express themselves, rules and procedure were established in advance, meetings were recorded in video and the moderator drew up the corresponding reports. All meetings took place at the Fernando Crespo Suárez Auditorium in Ciudad Banesco.

An additional consequence of this dialogue has been the establishment of a direct link among all the representatives of this community. This new relationship will lead to a higher coordination of their actions. This is a proof that Banesco has acted as an authentic catalyst for the benefit of Colinas de Bello Monte neighbors’ quality of life

In 2009, the staff of the VP of Communications and Social Affairs will attend training courses with CERSE (Consulting Company on Ethics and Corporate Social Responsibility), in order to forward the development of the dialogue with our external stakeholders following the AA1000 standard.

BANESCO CORPORATE VOLUNTEERS

MAIN ACTION LINES IN 2007

- Continuation of the attention model to groups and communities in need, along with the Red Cross.
- Continuation of complementary training workshops to the students of the University Institute Jesús Obrero (IUJO) and increase of beneficiaries.
- Development of new initiatives along with Fundana.
- Recruitment of new volunteers and strengthening of the links between the Bank and its Social Partners.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTIONS LINES FOR 2008

- Increase of our workers participation in the Corporate Volunteers program.
- Opening of new spaces for the intervention of the educational volunteers in the children field, educational and sports activities.
- Design and organization of thematic activities for the benefit of Fundana and Dos Bosco Houses Network children.
- Strengthening of the assistance to minorities and communities in need, along with the Venezuelan Red Cross.
- Continuation of the Complementary Education program, addressed to IUJO-Catia students and organization of new educational programs addressed to other instances of Fe y Alegría, such as the Fe y Alegría Radio Institute (IRFA for its Spanish acronym).
- Support for our Social Partners for selected social action events.

COMMITMENTS MADE FOR 2009

- Knowing the volunteers' perception through measurements of the management in order to identify opportunities to improve.
- Training of the volunteers/facilitators about the use of pedagogic tool, along with our Social Partners.
- Starting up the training of our Volunteers on the matter of Human Rights.

■ Expansion of the training programs addressed to the students and staff of Fe y Alegría in Caracas, Barquisimeto and Maracaibo.

■ Developing along with our Social Partners an instructional design for the employees in order to strengthening the basic social abilities involved in every human relationship and apply them, particularly to help others and our volunteers.

■ Creation on the Environmental Volunteers Group.

OUR POLICY

Banesco Corporate Volunteers bases its action on the community and the organizational value of the individual and social responsibility. The purpose of this program is to bring closer our human talent to the communities where Banesco operates, based on the expertise and support of our Social Partners.

The recruitment of volunteers is coordinated by the Executive VP of Human Capital, through the internal communications channels, specially our Intranet, where our collaborators have access to the relevant information and are able to know the program. We encourage our executives to recruit volunteers ascribed to their units and create groups committed to social responsibility.

We align our strategies with the best practices and provide support to the programs developed by our Social Partners on social assistance priority areas.

OUR MANAGEMENT

In 2008, the number of workers incorporated to the activities of our Corporate Volunteers rose by 37.16% against 2007. Currently, 59.50% of our corporate volunteers belong to the professional and technicians levels.

An activity worthy of comment of the Corporate Volunteers is our participation in a program of the Foundation Friends of the Child who Needs Protection (Fundana for its Spanish acronym), which consists in taking in a child in the Christmas season, an opportunity for contributing to his/her care, support, and personal and social development.

The average of men-hours per volunteer fell from 10 to 7. These activities depend on the opportunities of volunteer work offered by our Social Partners that vary according to

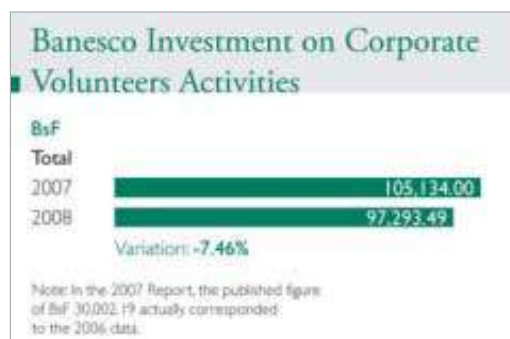
Volunteers Distribution by Position					
Job category	2007		2008		Variation %
	Volunteers	% of total	Volunteers	% of total	
Base	43	16.48	40	11.17	(6.98)
Professionals and technicians	120	45.98	213	59.50	77.50
Managerial	40	15.33	66	18.44	65.00
Supervisory	45	17.24	29	8.10	(35.56)
Vice Presidents	13	4.98	10	2.79	(23.08)
Total volunteers	261	100.00	358	100.00	37.16
Total men/hours provided	2,592	--	2,428	--	(6.33)
Annual average hours per volunteer	9.93	--	6.78	--	(31.72)

their needs. In this sense, we are committed to evaluate in 2009 new participation opportunities along with our Social Partners.

Likewise, in 2009 we will provide our Volunteers with a series of workshops on the matter of Human Rights, so as they could act as multiplier agents within and outside the organization.

Work-hours provided by our Volunteers			
Participation Model	2007	2008	Var. %
Selected events of social action	125	472	277.60
Free-time dedication	24	2	(91.67)
Group Project	950	1,407	48.11
Professional Volunteering	436	407	(6.65)
Volunteers Training	1,057	140	(86.75)
Total hours	2,592	2,428	(6.33)

Quarterly Volunteering Hours			
Quarter	2007	2008	Var. %
I	413	268	(35.11)
II	360	772	114.44
III	1,018	897	(11.89)
IV	801	491	(38.70)
Total hours	2,592	2,428	(6.33)



The action areas of our Corporate Volunteers are the following:

■ **Professional or Facilitator Volunteering:** it is composed of a team of professionals who facilitate learning experiences through workshops, lectures, consultancy and organizational aspects. Currently, these activities are carried out through the quarterly program for IUJO-Catia students (Fe y Alegría) and training on managerial and administrative skills for the staff of Fe y Alegría Radio Institute (IRFA).

■ **Free-time Dedication:** it is composed of a volunteers' team who accompany children and adolescents in need. These activities are carried out through a program with Fundana and Don Bosco Houses Network. The Bank encourages participation through its internal communications channels, inviting the workers at every Administrative Direction to participate.

■ **Group Projects:** Participation in projects involving financial and human resources in each activity. They are linked to specific community projects through the Venezuelan Red Cross. Among them we can mention: Project PPD and APS, PANDA and Dipecho V.

■ **Selected social action events:** Participation in selected activities for the development of campaigns and certain events which can last one day or one week. For example: United for Sucre, ArtesanoGroup, delivery of donations for certain organizations, intervention before emergency situations.

■ **Volunteers Training:** Initiatives to train and educate the volunteers, in order to strengthen their pedagogic and communicational skills.

MAIN ACTIONS

Assistance to Children and Adolescents

We carry out thematic activities for the benefit of Fundana and Don Bosco Houses Network children. Each thematic activity aims to entertain and educate, fostering in the process the integration among the volunteers and the “toddlers”. In July, we celebrated the Children Day at Don Bosco House in Sarría, Caracas. This was the first activity we carried out with this Social Partner.

In 2007, Fundana’s activities were attended by 359 children, while the total in 2008 rose to 880 “toddlers”.

Assistance to people with disabilities and communities under risk

In 2008, we went forward along with the Venezuelan Red Cross with the second stage of the program of Assistance to Children with Hearing Impairment (PANDA for its Spanish acronym), with a total of 11 visits to special education centers in Caracas. During these visits, several informative lectures were given about natural disasters preparedness and first aid, all of them using the Venezuelan Sign Language for the benefit of 400 children and adolescents.

We focused on the assistance to the neediest communities, supporting them so as they could enjoy an easier and wider access to services and programs fostering their development.

During the second half of the year, we provided logistics support to the DIPECHO Project, which main purpose is to prepare the most vulnerable communities of the Great Caracas in case of natural disasters. Our volunteers accompanied the Red Cross team to visit La Morán community, in the Capital District, and they participated in recreational activities, medical assistance sessions and vaccinations.

■ Activities carried out with Fundana

Central Topic	Team in charge 2007	2008	Description
Love and Friendship	--	Dir. Strategic Management, Risk and Finance	Making of handicrafts allusive to the date
Olympic Games for toddlers	--	Dir. Credit, Cards, Channels and Services	Children sports games, underlying the importance of sports for children health and development.
"Insured" Art	--	Dir. Real Estates and Insurance	Arts promotion among Fundana's children. Making of mosaics and paintings
Children's Day	Dir. Strategic Management, Risk and Finance	Dir. Sales	Children Day Celebration. Recreational and educational activities.
Back to School	Dir. Credit, Cards, Channels and Services	Dir. Technology and Processes	Development of activities related to the return to school. Donation of school supplies
The Party of Values	--	Dir. Analysis, Control and Operations	Fostering values through theater and didactic activities.
Christmas decoration of "The Villages" of Fundana	--	Corporate Volunteers	Ornamentation with Christmas decorative motifs at the foundation facilities.
Christmas Dinner	Dir. Analysis, Control and Operations	Corporate Volunteers	Special dinner to celebrate Christmas and encourage family and spiritual values.
Christmas Party	Dir. Sales	--	--



*Banesco
Corporate
Volunteers
working along
the Venezuelan
Red Cross.*

Presence at participative events

Our volunteers from the Western-Andean region accompanied the ArtesanoGroup Foundation during the delivery of toys to the children of La Guadalupe community, Lara State, as a proof of the commitment and dedication of our workmates in the countryside and strengthening the links with the communities where they work.

Likewise, in 2008 we participated in the Auction "For Zapata, with all our Heart", for the benefit of the plastic artist Pedro León Zapata. The event took place at Ciudad Banesco's facilities.

Professional Volunteers

The professional volunteers act as multiplier agents of knowledge through each workshop, where they enrich the value of higher education of the students and administrative staff of Fe y Alegría. The beneficiaries are provided with a wide array of courses and workshops adjusted to their academic programs. In this sense, we underline the training on pedagogic tools and classroom strategies, through the workshop "Training of Successful Facilitators".

Development of Administrative Competences

As a novelty of our Professional Volunteers program, it is worth of mentioning the successful development of the first

stage of the "Development of Administrative Competences" Project, through training courses addressed to the 32 members of the Fe y Alegría Radio Institute administrative staff. The result of this effort is the improvement of the professional tools required by the staff of this project, so as they could successfully perform all their duties.

"Responsibility Cup 2008"

As a part of the sports activities expected for 2008, we held the "Cup Responsibility", which was attended by sports team composed of our workers. Our special guests to this event were the students of Fe y Alegría University Institute Jesús Obrero, who participated in various sports disciplines, encouraging in the process recreation and sports.

Banesco donates a portion of its profits to Fundana

Since 2003, Banesco workers donate a portion of their profits to Fundana's "Toddlers" as a Christmas present. With this donation we support the work of this foundation and bring joy and a better future to these children. In 2008, the amount of this grant rose by 21.61% against 2007.



Environmental Volunteers

Our purpose for 2009 is to stress and give a special boost to our Corporate Volunteers Group inwards the organization. To do so, we will start with the creation of an Environmental Volunteers Group, which will be composed of Banesco citizens who will raise awareness and promote actions on the subject of environmental preservation.

OUR CUSTOMERS

MAIN ACTION LINES IN 2007

- Banesco recorded the highest growth rate in resources managed within the segment of the biggest banks in Venezuela.
- As a part of Banesco consolidation leadership in the credit segment in Venezuela's financial system, our Board of Directors held several meetings at all the regions of the country to establish direct contacts with our customers and allocate specific resources in order to support financing aimed to sectors such as agriculture, construction, automotive, commercial, health and food. We supported the most important initiatives proposed by our customers at each state, fostering at the same time the regional development and seeking the satisfaction of individual needs with credit.
- We encouraged the change in our attention model and the autonomies delegated to our branches (*empowerment*).
- Banesco successfully complied with the Currency Reconversion Process.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES FOR 2008

- Continuation of the development of our attention model and autonomies delegated to our branches (*Empowerment*).
- Start up of the Corporate Projects Center (CPC), formerly called "Cluster Program".
- Development of the technological platform for collections and payments of e-services in order to serve basically the communications, energy and commercial sectors.
- Consolidation of Banesco as the leader bank in terms of ATMs network nationwide.
- Culmination of the Currency Reconversion process: monitoring of the so-called "Zero Hour": our ATMs and branches nationwide were provided with Hard Bolívars; the exchange of old Bolívars (Bs) by Hard Bolívars (BsF) was carried out along all our branches network and the Bs notes and currencies were retired from circulation (according to an agreement with the Venezuelan Central bank). We also provided the general public with information about this matter through our Phone Center.

- The creation of passwords for Banesco credit card was automated. This is a very convenient change for the customers, because with the automation the customers are not forced to go to our branches to do the change.
- Establishment of training programs addressed to the promoters of our branches network in order to reinforce their knowledge about credit cards.
- We undertook a renewal and re-adjustment process for our Corporate Business Model, with a key leverage towards the achievement of its long-term vision, focused on the sustainability of its business under an efficient approach and the maintenance of our leadership in terms of customers' preferences, thanks to quality products and services.

COMMITMENTS MADE FOR 2009

- Implantation of a Customers Attention Protocol all along our branches network.
- Designing and starting up of a micro-payments service.
- Fostering a wider use of the electronic channels and ATMs in order to reduce the average time of the customers at our branches.
- Improvement of the process to grant credit cards through the Lean Six Sigma methodology.
- Taking to an advanced stage the development of the regional public institutions market.
- Go forward with the display of delegated autonomies model (*empowerment*) pointing towards the Vice Presidencies Middle-The Plains, Zulia-Falcón and Eastern-South regions.
- Total integration of the Corporate Projects Center (CPC) with the Bank's strategic management.

OUR POLICY

We foster win-win relationships which are based on three premises: profitability, reciprocity and quality service. In accordance with our Business Vision 2010, we encourage a massive bancarization supported by products and business models which are a real innovation from the technological perspective. In this way, our strategies guarantee growing levels of financial inclusion.

■ Staff employed by region

At December 31		2007		2008		
Region	Employees	% of total	Employees	% of total		Variation %
1. Capital	7,863	62.67	8,423	62.14		7.12
2. Middle-The Plains	1,374	10.95	1,531	11.29		11.43
3. Western-Andean	1,173	9.34	1,278	9.43		8.95
4. Eastern-South	1,172	9.34	1,262	9.31		7.68
5. Zulia-Falcón	966	7.70	1,061	7.83		9.83
Total	12,548	100.00	13,555	100.00		8.03

Attention Points and ATMs

At December 31			Attention Points *			ATMs		
Region	2007	2008	Variation %	2007	2008	Variation %		
1. Capital	186	192	3.23	528	782	48.11		
2. Middle-The Plains	75	76	1.33	172	241	40.12		
3. Western-Andean	58	64	10.34	161	270	67.70		
4. Eastern-South	67	70	4.48	172	252	46.51		
5. Zulia-Falcón	56	57	1.79	146	206	41.10		
Total	442	459	3.85	1,179	1,751	48.52		

* Attention points include branches, tellers, express centers, satellite centers, self-banking and others.

THE FIRST FINANCIAL INSTITUTION OF THE NATION

Banesco has continued with the expansion of its attention points nationwide in order to provide a more timely and convenient service to our customers all along the country. At 2008 year-end, Banesco ranked first in the Venezuelan financial market in terms of public deposits taking, with a 15.50% market share. Likewise, it remained at the first place in relation to credit portfolio, with BsF 18,581 million (a market share of 14.40%). Other parameters to be taken into account are the following:

- Assets (BsF 37,115 million), accounting for a 13.8% share. The Bank recorded the highest growth rate in assets (BsF 9,414 million), accounting for a 34% growth rate in 2008.
- Public deposits taking plus investments provided (BsF 33,671 million), accounting for a 15.3% share.
- Public deposits taking (BsF 32,690 million), with a 15.5% market share.
- Third-parties resources managed (BsF 36,121 million), with a 15.8% market share.
- Current accounts deposits (BsF 16,369 million), with a 15.4% market share.
- Credit cards: first place in the market, with a 28.00% market share.



Besides the successful placement of Preferred Stocks that allowed the incorporation of new stockholders and equity democratization, in 2008 Banesco recorded a significant growth in terms of resources managed, which ended over BsF 36,000 million at year-end. That is 26% higher against 2007. This volume accounts for almost 16% of the resources managed by the commercial and universal banking.

Regarding liabilities, Banesco recorded a significant public deposits taking increase (34.5% accounting for BsF 8,393 million) in 2008. Thus, the Bank was able to maintain its

first place in the banking ranking with a 15.5% share (BsF 32.690 million), a figure above the shares recorded in previous years.

Banesco management was strengthened thanks to a significant increase of its equity, with the contribution of BsF 374 million (14.6%) during the six-month closing period and BsF 780 million (36.3%) against December 2007. In 2008, it closed at Bs.F. 2,930 million. The operations of the period led to an annual net result of BsF 767,5 million.

In the staple of loans for housing acquisition, in 2008 Banesco placed 11,707 new mortgage credits with FAOV resources (Mandatory Fund for Housing) amounting to BsF 712,5 million. Banesco also granted a total amount of BsF 362,2 million of its own equity through 2,299 new mortgage credits to acquire principal housing. At 2008 year-end, the Bank recorded a total of 77,027 mortgage credits granted both, with FAOV and its own equity, amounting to BsF 4,376 million for the benefit of more than 385,000 people belonging to all social levels, who were provided with the opportunity to live in decent houses.

It is also worth of mentioning that Banesco has the biggest micro-credits portfolio in Venezuela, which concentrates 21.00% of the total market.

MAIN PRODUCTS AND SERVICES

Main passive products

- Liquid Savings Account
- Current Account with Interests
- Liquid Assets Account with Liquid Rent
- Current Account without interests
- Mutual Fund (fixed and variable rent, in US\$)
- Investments (term deposits, participations with interests, flexible participations, traditional participations)

Main credit products

- Credit Cards
- Personal credits (48-hour Multi-credit, Extra-credit, credit for payrolls)

Details of Accounts per banking

At December 31

Total Passive Accounts

Banking	2007	2008	Variation %
Branches network	3,270,081	4,087,952	25.01
SMEs	162,155	179,003	10.39
Premium Segment	104,824	128,935	23.00
Community Banking	25,943	57,440	121.41
Private Banking	14,542	14,575	0.23
Enterprises Banking	11,315	10,508	(7.13)
Corporate Banking	1,324	1,477	11.56
Energy Banking	1,308	1,350	3.21
Public Sector Banking	2,672	4,385	64.11
Agricultural Banking	2,688	3,192	18.75
Total	3,596,852	4,488,817	24.80

Total Liquidated Credits

Banking	2007	2008	Variation %
Branches network	202,289	69,021	(65.88)
SMEs codified	229	967	322.27
Premium Segment	7,960	4,257	(46.52)
Community Banking	11,600	28,118	142.40
Private Banking	2,010	701	(65.12)
Enterprises Banking	2,745	8,645	214.94
Corporate Banking	356	326	(8.43)
Energy Banking	637	509	(20.09)
Public Sector Banking	2,244	840	(62.57)
Agricultural Banking	1,054	1,204	14.23
Total	231,124	114,588	(50.42)

Total Credit Cards

Banking	2007	2008	Variation %
Branches network	1,548,081	1,778,194	14.86
SMEs	0	0	0.00
Premium Segment	58,465	68,946	17.93
Community Banking	0	0	0.00
Private Banking	10,470	9,647	(7.86)
Enterprises Banking	956	1,207	26.26
Corporate Banking	259	253	(2.32)
Energy Banking	218	218	0.00
Public Sector Banking	24,550	24,444	(0.43)
Agricultural Banking	1,653	1,817	9.92
Total	1,644,652	1,884,726	14.60

Note: The present report records for the first time the total amount accumulated in order to give a more accurate picture of the Bank.

- Credits for housing (Mandatory Savings Fund/LPH, Mortgage Credit)
- Credit for Vehicles
- Agricultural Credits

- Other credits (bails, credit lines, micro-credits, IOUs, discounts on bills of change, mercantile loan, letter of credit).

Other important products

- Trust funds
- Insurance

Main services

- Electronic services (*BanescOnline*, cellular telephone service)
- International services (checks in US\$, multi-currency checks, travel checks, purchase of cash in US\$, multi-currency transfers)
- National services (payment of checks from other banks, transfers on national currency, safety deposits box, special services)
- Tax and services collection
- Payments to third parties.

INNOVATION AND CUSTOMIZED OFFERS

Products and Promotions for Natural Persons

“Pay on time and go around the World”

The purpose of this promotion is to encourage the timely payment of credits and credit cards. It consisted of a monthly raffle to win a trip for two people to Cancún, New York, Madrid and Shanghai, among those customers who have paid on time. In 2008, seven customers were awarded and were able to go around the world.

The winner ticket

With the purpose of promoting the use of our Points of Sale, in 2008 Banesco introduced two versions of its “Winner Ticket” Promotion, addressed to Banesco customers who are natural persons.

Credit Card Winner Ticket

According to this promotion, the purchase can be

completely free of charges for the winner if the customer pays with his Banesco credit cards. In 2008, 11,530 customers were prize-winners.

Debit Card Winner Ticket

According to this promotion, the purchase can be completely free of charges for the winner if the customer pays with his Banesco debit card through one of our Points of Sale. By 2008 year-end, 11,000 customers had enjoyed this prize.

“Winners Wanted”

The purpose of this promotion is to encourage the income tax payment through *BanescOnline*. The payment of the income tax was free for 10 of our customers (natural persons), while 20 legal entities received a pre-paid corporate credit card for an amount of BsF 5,000.

“Believe it or not: Be the Owner of the country’s first bank”

Banesco made two issuances of preferred stocks and offered its customers the opportunity of becoming a Banesco stockholder, with a fix dividend of 19.5% for the first year. Thanks to these issuances, the bank now counts on a total of 39,689 stockholders.

“Banesco can make your dream come true in Christmas”

This promotion is addressed to our customers included in Growth Plans, Golden Years and Premium Plans. The six customers with the highest amount of accumulated stars received BsF 150,000.

“Certain things are more productive and fun with our friends”

This promotion is addressed to the customers of our Premium Banking. The 10 customers with the highest amount of referred friends were awarded with the total cancellation corresponding to the payment of their credits or credit cards balances at the end of the year.

“Go to Monaco, Barcelona or Turkey at full speed” (Formula 1)

The three customers of our Private Banking with the highest amount of accumulated kilometers attended the Formula 1 circuits held in Monaco, Barcelona and Turkey.

The last three promotions aforementioned are parts of an integral strategy to attract sight liabilities. The strategy allowed Banesco to reach the first place of the current account ranking at the end of the year.

Products and Promotions for Legal Entities

Banesco Service Points to Draw Cash: points of sale operating like ATMs

Our customers count on more channels to withdraw cash with their Maestro Debit Card at the points of sale located in Affiliated Commercial outlets. More than 250 business have joined our network

“Stores Gain Points” – Winner Ticket for Stores

By December 31, Banesco had awarded more than 1,900 stores as an encouragement to the members of our network of affiliated commercial outlets with the highest number of consumption transactions processed through our Points of Sale (POS) with Banesco credit cards and/or from other banks.

“For free, Banesco pays for you”, even if you are a cardholder of other bank

With the purpose of encouraging the preference for our Points of Sale, we rewarded the credit cardholders (natural persons and legal entities) from other banks who requested to pay their consumptions through Banesco Points of Sale (POS). In 2008, the purchases of more than 2,800 cardholders from other financial entities were rewarded with 100% of their value.

Christmas Stores Promotion

In Christmas, we developed this promotion addressed to big chains and stores in order to encourage sales through our POS. A system of points accumulated was used, according to the sales volume and reciprocity, where the first 5 chains and the first 15 stores that accumulated more points got a discount over their affiliation rate. An amount of Bs.F 410,000 was granted to all the winners.

The workers of the 15 winner stores were also part of this promotion. Two pre-paid cards (Bs.F 1,500 each) were handed out to each winner store and the cards were delivered through a draw among the employees.

Finally, an additional prize of Bs.F 140,000 was granted through a draw among the 20 finalists (Great Chains and Stores) that accumulated the highest amount of points.

“Fly with Two Friends and the Real Madrid” Promotion

Strengthening our strategies aimed to the segment of smalls, medium and big enterprises, we developed a promotion through which we awarded the customers of our Stores Plan and Enterprises Plan that increased their monthly average balance according to the goal established, as well as the number of electronic operations through BanescOnline and Payment to Suppliers.

A group made of 22 customers and 66 companions had the opportunity to travel and attend the games of the Real Madrid team corresponding to the UEFA Champions League, King's Cup and League both, in Madrid and any other city within or outside Spain, during the second half of 2008.

Strategic Alliances

Banesco continued fostering strategic alliances with renowned partners, seeking to offer additional benefits to our customers and encouraging the preference for our products.

Among these alliances in force during 2007, we can mention:

Banesco-Cinex

This alliance has been in force for over five years. The customer receives a 50% discount on the tickets acquired from Tuesday to Friday, and paid with Banesco credit or debit cards. This year, the promotion offered additional benefits that added value to the offer for our customers.

Banesco-Cinex / High School Musical

With this promotion, any person who pays his ticket at a Cinex theater with his Banesco credit or debit card is included in a draw to win tickets for him and three guests to attend the private premiere of the film High School Musical 3, at San Ignacio Mall.

“Madre de Estreno” Promotion

This promotion in force in May for the customers with debit card counted on the participation of eight allies: Hesperia Hotels, Regal, Factory Perfumes, Cinex, Puriel, BanService, Annese Shoes and Mimi Jewelry.

Otras alianzas

We offered special discounts to our customers through alliances with Hesperia Playa El Agua Hotel and Hesperia Isla de Margarita Hotel, Regal and Banservice. Likewise, we granted credit cards with the Sambil, Rattan and Locatel franchises.

Likewise, giving a higher value added to our products to consolidate the customers' preference for Banesco Maestro Debit Card, for this period we can underline the incorporation of new benefits through additional promotions, such as the Disney-Banesco alliance addressed to the cardholders to attend the exclusive premiere of the film "Narnia", and a special price for VIP tickets for the concert offered by Alejandro Fernández in San Cristóbal, Táchira State.

Nationwide Presence

Our brand, products and services are always present at the most visible and interesting events for our customers. For this reason, during the second half of the year we participated in the main events held all across the country.

- ExpoCírculo Automotriz, Concreta Mall, Caracas
- AutoMarket International 2008, CCCT, Caracas (where we were awarded as the "Bank with the Best Public Service" granted by the visitors)
- AutoShow Universidad Metropolitana, Caracas
- The Health Month in Locatel
- XXV Triatlón Hebraica
- Contra-Reloj Bike Pro
- XIX Latin Americana Oil Exhibit, Maracaibo
- National Housing Convention
- ExpoAmérica 2008, Ciudad Guayana
- XVIII AVAVIT 2008 Travel and Tourism Exhibit
- International Fair of Arts and Antics, Maracaibo
- Expo-Mueble Aragua
- XI National Housing and Habitat Convention

Besides, at 2008-end we were present at 54 shopping malls, including 15 new malls along the year.



ELECTRONIC BANKING

Electronic Channels

At the closing of the year 2008, the transactions through our electronic channels grew by 78.6% against the average reached the previous year, from 38,9 million to 69,6 million of monthly average transactions.

The share of transactions carried out through our e-channels was 87.46%, accounting for an improvement of 7.16 points against 2007.

BanescOnline

At 2008 year-end we had recorded 1,6 million of customers affiliated. This means that 425,454 customers were incorporated to the channel during the period, a figure that accounts for a 35.24% increase against December 2007.

The monthly average of transactions through this channel was 41,7 million, accounting for a 122.6% increase against 2007. Regarding the amounts managed in 2008, the monthly average figure amounted to BsF 4,5 million, accounting for a 77.3% increase against 2007.

During the second half of the year, new functionalities were added to this channel, such as the SMS for balance consultation and credit availability (credit card), minimum payment consultation and credit card date of payment, as well as foreign currency availability at CADIVI.

Phone Centers

In 2008, this channel managed an average of 4,2 calls. Around 1 million of these calls are managed by our phone service agents. Regarding transactions, this channel managed a monthly average of 1,9 million transactions, with a participation of 91% corresponding to IVR (robot).

As for Authorizations, the general approval level for credit cards in 2008 (national and international) was of 80.91%, with a national approval rate of 81.46%. New functionalities were incorporated into this channel during the second half of the year, such as credit card PIN request and credit card activation. These authorizations were managed by the robot (IVR). These services are highly competitive at the domestic and international market.

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

Banesco closed 2008 year with:

- 50,554 Points of Sale through which it manages a monthly average of 8,5 million transactions, accounting for a relative increase of 38.2% against 2007.
- 1,751 ATMs, through which 8,6 million transactions were managed on a monthly average (issuing) and 8,2 million (buyer) in 2008, accounting for increases of 22.8% and 22.41% respectively against the previous year. Likewise, the Bank is still the leader in transactions as buyer for Suiche7B and Conexus networks.
- 392 Self-Service machines which recorded a monthly average of 581,659 transactions, accounting for an increase of 42.40% against 2007.
- 278 Checkbook Dispensers, which managed a monthly average of 165,790 transactions, accounting for an increase of 2.42% against 2007.

In 2008 we opened a total of 21 new service points and closed three.

Payments Means and Services

Cash Management Services

At 2008 year-end, the transaction volume and amounts managed grew by 18.4% and 74.8% respectively, against 2007, for services such as payroll payment, payment to suppliers and direct billing through our platform of electronic data Exchange (EDI).

Our customers' portfolio closed with 6,856 customers, 5,393 out of which correspond to Payroll, 643 to direct billing and 550 to payment to suppliers. This was possible thanks to the hard work carried out by our executives to maintain the portfolio, the timely and effective service provided by the technical support unit and the incorporation of 1,231 customers along the year.

Collection Services

The amount collected and transactions volume through this service rose by 39.9% and 18.4% respectively, against 2007. The amount per transaction recorded a slight gain of 0.4% against 2007, going from BsF 2,343 to BsF 2,352 per transaction in 2008. A total of 20 Affiliated Stores joined the service.

Credit Cards Issuing Business

We remain the leader in sales of credit card in the Venezuelan market with a 28.39% share at the end of the fourth quarter 2008. This improved share widened the gap by 13.7 percentage point between our position and our nearest competitor. In 2008, we issued a total of 465,852 cards, with 442,376 for natural persons and legal entities and 23,476 for agreements with commercial companies (Sambil, Locatel, Rattan and Sisa).

In the permanent search of a better quality service and offering fast and safe transactions to our customers, we automated the creation of Banesco credit card password. This allows our customers to withdraw cash through our ATMs, phone banking and tellers. Likewise, we established several programs addressed to our promoter at the attention channels (branches network) in order to reinforce their knowledge about credit cards. The purpose of this strategy is to consolidate the benefits offered by each product in order to provide a higher satisfaction level to the needs of each customers segment.

Innovating with the incorporation of new products addressed to legal entities, we started up the pilot distribution program with Digitel. The purpose of this

program is to optimize the collection process and improve the company's cash flow, by providing its distributors with a series of benefits, such as financing plan, credit lines adjusted to their needs, as well as fast and user-friendly services.

Debit Cards Issuing Business

We ratified our leadership in the POS sales market with debit cards, with 22.10% of market share at 2008 year-end. This share accounts for a 4.75 point of advantage against our nearest competitor. This success is based on placement strategies and service levels that encourage the use and preference for Banesco debit cards, such as an optimal maintenance of approval of transaction at our Points of Sale. In 2008 we issued a total of 586,963 debit cards.

During the second half of the year, a series of service strategies were implemented in order to support the migration process of transactions to e-channels. The maximum amount of cash that our customers were able to withdraw with debit card through Banesco ATMs was increased during high consumption seasons in order to meet the growing needs of our customers and improve our quality service.

Technological Developments

Electronic Banking

Our achievements in 2008 were the following:

- Technological support to migrate transactions to e-channels, certifying and adjusting our platform for the incorporation of new self-service equipment with deposit and withdrawal multi-functions.
- Support to the effective expansion of our ATMs and POS platform in order to guarantee a stable system with the capacity to sustain the growth expected by the business.
- Technological support and development for Information Security and Fraud Prevention.
- Increase of capacity and availability of Internet crucial services.

ATMs

In 2008, 585 ATMs were installed to reach a total of 1,751, as well as 392 self-service machines and 278 checkbook dispensers. Banesco ATMs network was consolidated as the widest all over the country, the leader in operations through Suiche7B and Conexus networks, with a 18,3% market share at 2008 year-end.

Additionally, 298 ATMS were replaced and submitted to technological updating processes.

Automation of Credit Card and Collection Management

Several applications and solutions that support all the redesign requirements were successfully transferred to production, resulting in the improvement and strengthening of the different systems and processes optimization through the application of automated tools. This allowed costs reductions, achievement of business goals, an improved portfolio and higher levels of security and satisfaction for our customers.

- Process Reengineering of Credit Cards returned and destroyed Extranet with Courier and Call Center Phase II.
- Acquisition of Datacard MX6000 machine and PC280.
- Automation to create credit cards PIN through ATMs, eliminating the generation through SOBREFLEX, with a significant reduction of costs and fast responses time for the customers.
- Optimization of the Macro-process Issuing Buyer Phase II (Defensive Action: Credit cards requests are only processed by BOL).
- Improvement of CADIVI procedures (optimization of current processes and functionalities, incorporating a new software and improving the current system).
- Calculation of interests and Calculation System (adjustment to the *Law on Credit, Debit, Pre-paid Cards and other Financial and Electronic Payments Cards*).
- Remunerations of balances in favor to abide by the aforementioned Law.
- Issuance of Account Statements (mail, BOL, self-service, IVR platform, On Demand) through the different channels to abide by the aforementioned Law.
- Integrated System of Management for Cards Phase III

In 2009, the Six Sigma methodology to grant credit cards will be implanted. To do so, we will look for additional communication channels with the customers in order to simplify the requirements, speed up the delivery and optimize the use of resources.

SPECIALIZED SEGMENTS

Premium Segment

The VP of Premium Segment achieved a share of 13.6% over the bank liabilities during 2008 second half. Always at the forefront of the organizational demands and improving our service quality for a growing number of natural persons, the Premium Banking served 57,500 customers at the end of the year (28.89% higher than the previous year), with 229 advisors deployed all over the country.

Regarding the Credit Portfolio, it is remarkable the increase of the vehicles staple (34%) and mortgage credits (27%) covered with our own equity during 2008 second half. The delinquency levels closed at 0.13% at the end of the year.

We have sustained our leadership as trainers of business advisors, with excellent results. This is a confirmation that our team is prepared to assume new roles at higher levels, reducing in the process the need to train new personnel.

Private Banking

In 2008, Banesco achieved its consolidation as a Business Banking, through the combination of credit products with traditional passive products typical of this Business Segment. Currently, we serve the most important businessmen of our country, taking advantage of a synergy with the Enterprises Banking and the rest of the banking for Legal Entities in our organization.

The second program of Financial Advisors Certification ended in December. Addressed to the Business Managers of the Private Banking and granted by the renowned firm *Softline Consultores*, this certification is aimed to consolidate the financial knowledge of our Business Managers in order to create attention and consulting standards for the customers of this segment. Eight new advisors were certificated by this program.

By 2008 year-end, the liabilities of the Private Banking accounted for 5% of the total passive portfolio of the bank. This means the consolidation of this banking as a profitable

■ Number of customers

Banking	2007	2008	Variation %
Branches network	4,668,359	4,785,309	2.51
SMEs	153,630	157,844	2.74
Premium Segment	44,623	56,721	27.11
Community Banking	25,943	57,440	121.41
Private Banking	5,779	5,563	(3.74)
Enterprises Banking	5,700	6,284	10.25
Corporate Banking	563	659	17.05
Energy Banking	717	771	7.53
Public Sector Banking	904	1,279	41.48
Agricultural Banking	1,740	2,107	21.09
Total	4,907,958	5,073,977	3.38

and fast growing Business Unit. The quality of our credit portfolio is certified by a 0.09% delinquency rate at the end of December 2008.

670 new customers were gained all over the country during the second half of 2008. Additionally, a total of 1,085 customers from other areas of our Bank started to enjoy the Private Banking benefits.

Corporate Banking

In 2008, we achieved a record in business volume: a share above 27% of the total segment of legal entities, with an increase of around 6% at the customers' base during the second half of 2008.



*Banesco
I Tower,
El Rosal,
Caracas.*

It is worth of mention our contribution of 52% to special financing programs addressed to various investments, such as railways and hydroelectric projects (17%), manufacture (24%), agro-industry (8%) and tourism (3%).

Public Sector Banking

The most important achievements of the Public Sector Banking in 2008 were the following:

- The development of a regional structure to serve the governmental and public service institutions in the countryside in order to offer an improved, closer and more specialized attention to the regional governments and mayoralties, their ascribed institutions, universities and water supply companies
- A wider use of the electronic channels by the services of payments means at the public institutions served. The Public Sector Banking gained 33 new customers both, in the Capital Region and the countryside. This, in turn, encourages the portfolio diversification and decentralization. Some of these customers are: Ministry of the Popular Power for Housing and Habitat, the Venezuelan Agricultural Corporation, Simón Bolívar Center and Cojedes State Regional Government, among others.

We expect to expand the market of regional public institutions in 2009, widening our presence as supplier of financial services for regional governments and mayoralties, their ascribed institutions in the fields of health, education, roads, housing and others; as well as other public institutions with a regional scope, such as universities and water supply companies. To do so, our organization will provide a services offer focused on tax and tariffs collection; management of concentration, collection and payments accounts and the extension of our offers of solutions in Trusts, FAOV, food bonus stamps and insurance in order

to contribute with a more efficient management of the financial and human resources of the regional governments.

Energy Banking

This is one of Banesco leader segments; the first segment in terms of credits and deposits taking from the electric and iron and steel sectors and a favorite ally of the oil sector contractors and service companies. We have maintained the diversification schema for the passive portfolio of the Energy Banking: around two thirds in the oil sector; a third in the hydrocarbons sector and associated services; and a third in the electric, iron and steel sector. We also concentrate similar proportions of operations in those sectors at the domestic market.

On the other hand, Banesco has achieved its consolidation as PDVSA first management bank.

Agricultural Banking

At 2008 year-end, the agricultural portfolio closed at BsF 2,701 million, turning Banesco into the most important actor in terms of the offer of financial products for agriculture in the country. The requirement of mandatory agricultural portfolio is 21% of the average gross portfolio corresponding to 2006. The amount achieved in 2007 recorded a gain of BsF 45 million, accounting for a total of BsF 21.3%.

This position was achieved thanks to a clear strategy focused on the main staples produced in the country: corn, rice, cattle farming, cattle farming milk, poultry and pigs farming; as well as the support to investment projects through long-term financing for activities which require longer maturity periods.

Enterprises Banking

In 2008, the Enterprises Banking consolidated its presence in the Trade, Health and Education sectors, meeting under an integral approach all their requirements of financing and services. The passive portfolio recorded an increase of 30% against 2007, with a mixture of 80% sight instruments and 20% term instruments. This allowed the consolidation of this segment in the market.

Likewise, we met the goals established by our Organization, with a special emphasis on the labor plan (FAOV and Trust).

■ Specialized Banking Branches						
Region	Private	Corp.	Public S.	Energy	Agricult.	Enterprises
Capital	1	1	1	3	1	5
Middle-The Plains	2	1	1	1	4	2
Western-Andean	3	0	2	3	3	3
Eastern-South	3	0	1	1	0	4
Zulia-Falcón	1	0	1	2	3	2
Total	10	2	6	10	11	16

These activities were addressed as proposals of added value, not only for the enterprises managed by our segment but also for our employees.

Banesco Community Banking

With two and a half years of operations, this initiative of our organization on the matter of micro-finance continues widening its presence all over the country, offering financial products and services adjusted to the needs of low income sectors. In this sense, Banesco Community Banking has been consolidated as a profitable business with social responsibility. Banesco is the financial institution leader in the granting of micro-credits, with a 17.0% market share at 2008 year-end.

Given the importance and development achieved by this service, we devote a separate chapter to the matter of Community Banking included in the present report.

TRUSTS

The trust portfolio closed at BsF 5,744 million at the end of December 2008, with a reduction of its assets of BsF 1,258 million against 2007 year-end, accounting for a -17.96% variation.

The composition of our trust portfolio is as follows: BsF 2,133 million for private sector assets (37%), and BsF 3,611 million for the public sector, centralized and decentralized entities (63%).

Likewise, 45% of the funds correspond to Collective Trusts (BsF 2,589 million), 23% to Administration (BsF 1,336 million), 19% to Guarantee Trusts (BsF 1,077 million) and 9% to investment, which amount to BsF 504 million. Trusts with Mixed Characteristics account for 4% of the portfolio (BsF 238 million).

935 new trusts were created in 2008, accounting for a 16% increase against 2007. The existent business in trusts covers 7,119 plans, 4,869 out of which are Administration Trusts, 1,206 Collective trusts, 999 Investment Trusts and 45 Guarantee Trusts.

For the total amount of the financial system, the trust assets closed at BsF 71,330 million by 2008 year-end, after a reduction of BsF 16,735.42 million (19%) during the same period. As a trustee, Banesco Banco Universal, maintained its second place among the private sector banks, while in

Trusts Portfolio			
Amounts in thousands BsF			
Banking	2007	2008	Variation %
Branches network	931,330.27	976,643.78	4.87
SMEs	0.00	719.57	100.00
Premium Segment	1,592.13	6,749.64	323.94
Private Banking	768.35	2,318.12	201.70
Enterprises Banking	673,762.17	686,766.81	1.93
Corporate Banking	89,148.69	113,046.90	26.81
Energy Banking	258,219.00	275,622.28	6.74
Public Sector Banking	3,443,068.61	3,677,703.35	6.81
Agricultural Banking	2,663.92	4,474.17	67.95
Non-assigned to segments	1,602,160.59	320.80	(99.98)
Total	7,002,713.73	5,744,365.42	(17.97)

relation to the financial market as a whole Banesco closed the year with 8.07% of market share.

INTERNATIONAL

In 2008 we conducted the diagnosis and updating of all the users with different profiles in relation to our technological platform, as these differences have an impact on customers' attention in this area. The purpose of this activity was to homologate the corresponding charges according to their functions in each application. In this way, we contribute to improve the attention levels and the services offered by our organization.

We have continued offering workshops nationwide about our Letter of Credit product. Besides the sales workshops offered by the bank, we also gave a special course to the lawyers ascribed to the VP of Credit Documentation and a workshop to reinforce the knowledge of all the employees of the International VP who interact with this instruments.

STRATEGIC MANAGEMENT

Transformation of the Corporate Business Model

During the second half of the year 2008, Banesco embarked on a renovation and re-adjustment process of its Corporate Business Model, with a key leverage for the achievement of a new long-term vision, focused on the sustainability of its business scale, under an efficient approach and preserving our leadership in terms of customers' preference thanks to our quality services and products.

This transformation effort goes hand in hand with a deep reflection about the way we develop our operations at all levels of our organization and how we materialize the delivery of our value proposal to the customer in order to identify opportunities to improve which, in turn, produce a consistent increase of our levels of efficiency and effectiveness in a business environment more and more demanding.

One of the driving principles of this transformation is to do what we do through procedures with higher quality standards, more efficiently and easier in order to remain the N° 1 Bank of Venezuela in terms of customers' preference, scale operations and technology.

This strategic initiative, which is still at its first stage of diagnosis, evaluation and design of early intervention actions, is expected to produce along the coming years a strong impact on our business configuration. Therefore, it has convened a widespread participation from all Banesco areas in an effort to reinvent the Banking in Venezuela again.

Corporate Projects Center (CPC)

In 2008, Banesco started to implant its Corporate Projects Center, formerly known as "Cluster Program". This is a management model for the initiatives and projects portfolio that seeks to increase effectiveness in the development and implantation of products and improved processes, taking advantage of the lessons learned during the Currency Reconversion process, which was successfully completed in 2007. Among the most remarkable achievements produced by this program outstands the attention provided to 161 projects included in our 2008-2009 portfolio.

A key to the goals achieved with the CPC is the significant improvement of the planning and follow-up processes of portfolio projects. This has allowed a significant reduction of re-planning (33% lower against 2007), as well as a lower volume and effort devoted to the execution and management of the portfolio. All this has produced clear advantages in terms of efficiency, effectiveness and profitability of our Bank.

For the CPC we have placed in a single space a multitasking team with representatives from the business areas, the Projects Bureau, Business Process, Technology, Security and Business Continuity, Risk, Auditing and Finance. Once it has agreed upon a common methodology of work based on the best practices and the knowhow we have developed in Banesco, the team receives the approved projects, prepares a detailed definition, plans, executes and controls the projects until their starting up.

The Corporate Projects Center reports directly to the Alignment Committee and Directive Committee.

Branches Autonomies (*Empowerment*)

By 2008 year-end a new model based on empowerment was implanted. Through this model our organization grants higher autonomies to the roles of our branches network in 191 attention points, 179 out of which are located in Caracas and 12 in Aragua Regional Management. The implantation of this model involved the following:

- 1) Activation of "Policies of Operating Autonomies", as a tool to control and assign autonomies in 191 attention points.
- 2) Reclassification of adjusted posts and tuning of attention models defined for the branches.
- 3) Redefinition and documentation of functions by role, handed out and shared works.
- 4) Incorporation of 11 additional marketing and sales managers (for a total of 21), who allow the mobile recruitment of new customers.
- 5) Adjustment of training plans in order to consolidate a general plan integrating fundamental soft aspects (coaching) and training workshops.
- 6) Standardization of permit paperwork of access allowed in the iSeries (AS400) system for each role.

In order to guarantee a successful implantation and permanence of this model in the branches network, we founded the Regional Committees as a control and follow-up mechanisms.

ISO 9001:2000 Certification, guarantee of quality service

In 2008, Banesco was the first institution in Venezuela's financial market to implement processes certified by the ISO 9001:2000 Standard to measure our customers' satisfaction. This certification applied to the Quality Management System is a guarantee that a company designs, prepares and provides its services and products following a management methodology based on the highest international standards.

As a part of our commitment to excellence in terms of the service we provide to our customers, we certified with this standard the programs of Services Auditing, Mysterious Buyer and Commercial Customers, in order to guarantee the required information and follow-up to be able to improve on a permanent basis. In this way, we guarantee a quality control system focused on our users' expectations.

The entity in charge of the certification process was Bureau Veritas, a firm accredited before Sencamer and UKAS (United Kingdom).

SECURITY, LOSSES PREVENTION AND BUSINESS CONTINUITY

Aimed to optimize the Management of Losses Prevention and Business Continuity, we remain committed to the continuation of actions and projects addressed to strengthening security at all channels, payment means and crucial procedures for the Bank, as well as guarantee our business operational continuity through a preventive approach and a vision guided to a quality customers' service.

During 2008 second-half, a series of optimizations were implanted in the management procedures and preventive monitoring. This has reinforced the effectiveness of the applied controls, as well as reduced phone attention times and faster solutions for our customers' requirements:

1. Progressive increase of our phone attention service levels, from a 69% at the starting-up of the management to 92% at the end of December, 2008.
2. A reduced percentage of abandoned calls, from 70% to 18% at the end of December, 2008.
3. Immediate attention as a call back in case of blocks placed by monitoring actions; SMS.

4. Specialize attention for customers, which allowed to clear the service and the optimization of the monitoring of warnings generated by our fraud detection system
5. Reduction of the average time of response to our customers' requirements, from 12 days by mid-year to 3 working days by November 2008.

Simultaneously, the application of a Customers' Operations Notification by SMS was successfully developed and implanted, as an early warning means allowing the optimization of the prevention management in electronic channels and payments means.

Regarding the regulatory aspect, our organization has continued with the actions and projects to align our procedures and systems to the rules established by SUDEBAN, (MasterCard, Visa) franchises, National Banking Council and the Suiche7B interbanking network.

Likewise, several awareness campaigns were carried out both, internally with the V Congress for Prevention and Continuity and the Awareness Program of Business Continuity, and externally with the development and production of different campaigns about topics related to Losses Prevention, particularly the safe use of the various electronic channels and payment means.

As far as Business Continuity is concerned, the strategies and design of the operational models were reinforced in order to ensure the availability of critical processes before any contingency. The same was true for the development of a Cycle of Integral Tests for the aforementioned processes, with the purpose of validation and verifying the recovery procedures before established situations.

It is worth of mentioning that in 2008, Banesco customers did not filed before the bank any supported claim related to leaks of their private information. Nor SUDEBAM neither INDEPABIS sent notifications to the bank in this sense.

McAfee Security Certification

This year, Banesco.com and BanescOnline received the *Hacker Safe* international certification, granted by the renowned company *McAfee* to the sites with the highest security levels against attacks in the Internet. Banesco is the only bank in Venezuela to receive this certification.

According to Computer Security Center (CERT/CC®), this certification means that the target system is free from any known vulnerability that can be scrutinized remotely and that it can prevent 99% of hackers' crimes.

McAfee carried out daily scans on our sites, applying the best security practices in order to identify weaknesses and new opportunities to improve that are crucial to make fast and effective decisions in order to guarantee the security and confidentiality of our customers' information.

Currently we are working to obtain the McAfee certification for our Web site www.banesco.com.

Strengthening of the Security Culture

In order to consolidate Banesco Security Culture, during 2008 second-half we offered specialized training to over 3,200 employees, as well as the traditional consultancy on business areas, which are aimed to a risk prevention management.

Automation of PIN creation

As of September 4th, 2008 we automated the process to generate PINs for our credit cards through ATMs. The customer requests by phone the replacement of the PIN; the system provides a provisional password which can be replaced by a permanent PIN 24 hours afterwards. This new option offers a higher security level for our users.

Additional Security Elements for Banesco Checks

As of 2008, Banesco started to make its checks with a paper improved with new security elements, as well as special physical characteristics and identification elements which improve the safety and reliability of our checks.

Another new security factor is the Control Code incorporated into the check. This is a new element represented by a format of numbers with 14 different positions and it is also the bar code through which the source of the paper is validated, as well as the consistency of the check data. The purpose of these measures is to reduce our customers' risk exposure to fraud in its different



expressions, as well as to optimize the control of printed security elements. To capture the Control Code, the ATMs are fitted with an innovative high-tech optical reader which makes easier and guarantees the right input of the code into the system.

BanescoOnline New Security Measures

When you go into *BanescoOnline*, you will see a message with the date and time of your last session in this portal, which allows the customer to confirm that he's going into the right site. Likewise, we displayed a campaign through the media to warn the public against false e-mail requests of data about their Banesco accounts. Both measures seek to avoid the

robbery of passwords and other private information, a practice well known as *phishing*.

FINANCIAL SYSTEMS AND INFORMATION MANAGEMENT

Management of Technology Demand

In 2008 we carried out the design and implantation of the Management of Technology Demand Process, which will allow the management of business requirements focused on benefits catch, saving capacities and resources through the establishment of synergies in the construction process of customized solutions.

New Products and Services for Natural Persons

In 2008, we incorporated as technological solutions the launch of our products My Electronic Account for natural persons, Sight Placements and promotions for massive products (48-hour Multi-credits, Extra-credits, Micro-credits, Payroll Credit, credit cards). We also implanted tellers with the ability to receive collections for 17 new companies, as well as the self-transfers service, which allows the automated search and verification of funds available in financial accounts belonging to the same holder in order to cover liabilities or guarantee funds for several operations, such as pay checks, checks received as deposit, bank checks issuance and tax payment.

New Products and Services of the Specialized Banking

In 2008, 17 new Electronic Collection Systems were developed and implanted through a reliable platform adjusted to the needs of each customer. This new system allows the customers to make his collections, services and suppliers payments, and it is addressed to private and public companies, particularly to Communications, Energy and Trade sectors. This measure accounted for a 40% increase of the amount of companies with access to this service and an improved penetration in our customers' chain of value.

Service to Stockholders

The Technology area focused on the development of an innovating solution to support the organizational process to issue Preferred Stocks. These technological enablers were crucial to achieve the established goals, by incorporating the sale in electronic stands, Web channel, Phone Attention center and our branches network and fulfilling in the process with all the required control for this important goal.

ADMINISTRATION, FINANCE AND INTEGRATED REQUIREMENTS SYSTEM

- Since 2007, Banesco works with the Administration and Finance Integrated System (SIAP), which has allowed the organization to achieve maximum efficiency in terms of costs and budgets control.
- In tune with the optimization of the business productivity and leveraging the quality services that differentiate our bank from our rivals, we implemented the Requirements Integrated System (SIRWeb), through which Banesco follows an automated administration of the requirements related to Credits, Mortgage Release, Credit and Debit Cards and FAOV. We also have a SIRWeb available in BanescOnline, which allows the self-management by our customers in order to make consultations of the state of their requirements through electronic channels. This, in turn, clears the branches and Phone Centers' workflow and favors a higher flexibility and control over the requirements.

ELECTRONIC MANAGEMENT SYSTEM FOR DOCUMENTS

- We integrated the workflow of the Web Commercial Credit with the electronic management system for documentation to obtain a single digitalized electronic file of the customer. This minimizes the use of paper in our business processes and speeds up the procedures related to credits.

EFFICIENT GROWTH OF THE IT INFRASTRUCTURE

- We expanded our capacities in all the technological platform, increasing the processing, storage and telecommunications links with a minimum of interruptions of our banking services. We replaced 2,000 work stations, 176 servers at branches and over 300 servers for our services and functionalities. This is a ratification of Banesco leadership in transactions and an improvement of the appropriate capacity to establish new records in processed operations.
- We have opened new technological spaces in order to optimize the tests of the systems which are about to enter into the production stage, guaranteeing in the process high quality solutions for our customers.

The fastest and more available platforms

- We installed a new and modern Phone Station which allows a higher flow of calls at our phone centers.
- We migrated the platforms supporting the *BanescOnline* service, Points of Sale and ATMs in order to improve the response time at the electronic channels.

Optimization of IT quality service

- The Monitoring Integral Center increased the preventive management of organizational critical services, curved the interruptions due to faults in the IT infrastructure and incorporated new services into the monitoring management, such as Credicarro, Compensation, Treasury and SIAE.
- In order to enhance our capacity to provide a better service to our internal customers, we established the Service Desk, a schema of “7x24 attention”, 365-day of the year, 24-hour a day, and keeping a 90% average level of calls at the Service Desk. The system also offers 65% of the solution at the first contact. Likewise, Banesco redefined the availability indicators for the main services in order to provide detailed information about the behavior of the technological components that support the whole system.

Multisourcing Software Factory Model (SWF)

In 2008, the maintenance of 26% of the bank's application portfolio was transferred to the *Software Factory Model*. This has allowed a flexible increase of the attention to the demand of new products, as well as a better service for existent products. *The Software Factory* implantation has made possible the optimization of our systems development process and the achievements of improvements in terms of quality applications and delivery times.

CORPORATE ARCHITECTURE IN LINE WITH THE LAST TRENDS

Going deeper into the Corporate Architecture discipline we have been able to implement, along with the *clusters* methodology for projects follow-up, the identification of early synergies in order to ensure the corporate use of the existent architectural components and those incorporated into the projects area.

Likewise, the first steps were taken towards the implementation of a Services Architecture aimed to the business, with the selection and implantation of our Corporate Bus to supporting important organizational projects, such as the implementation of our new ERP (Central System for Planning/Resources Administration) and our new system of Human Capital, among others. The purpose of this Corporate Bus is to count on a services catalogue of our standardize business applications, allowing to reuse them and speed the pace of the development of new solutions.

The best performance in business process of the market

Aiming to approach the newest world trends in the matter of Business Processes, Quality Methodologies and Permanent Improvement, Banesco embarked on the transformation of the Executive VP of Quality Processes, hand in hand with *Expertia Consulting Group*. This effort led us to achieve an innovating model of activities that, no doubts, will continue positioning our organization as the leader in fast and effective business processes.

Redesign of High Impact Business and Last Generation Methodologies to Manage Quality

In 2008 a unit was created for the administration of the process architecture management, which is charge among other things of providing consultancies and training on impact analysis in order to create solutions in line with our business strategic objectives, implant standards that contribute to the identification of synergies and capacities reuse. This contributes to improve productivity and quality in terms of the building of new proposals which respond to our customers' needs.

New mechanisms of design coordination, custody and maintenance of the process architecture were implanted to give a fast and user-friendly response to the requirements and changes produced by corporate strategies and the need of fulfilling the legal framework, all this based on the best practices.

Likewise, new standards for the configuration of high level architecture for processes were created in order to provide the organization as a whole with a simple, global and logic vision of the business from the processes perspective. This allows an easy understanding and use of this architecture during the conduction of impact analysis to create value, for the decision making process and the processes prioritization aimed to a permanent improvement of our business.

The DAYDAY methodology, implanted along the year 2008, is based on the best practices and strengths of the *Lean*, *Six Sigma*, *Rup* and Organizational Architecture, and it was created for the development of projects and design requirements that guarantee a better customer service.

The purpose of DAYDAY is to guarantee the development of integral solutions for Banesco customers, improving services, reducing claims and complains, and making easier the employees' work, while at the same time it cuts costs and ensures the quality of our operations.

Following its key principles, DAYDAY focuses on the external customer, service orientation and excellence of the processes, as well as the creation of value for the customers and the organization, with an emphasis on a decision making process based on data and facts.



Innovation Macro-Process

The VP of Innovation is the unit of Banesco Group in charge of promoting, renewing and delivering innovating solutions that meet differentiated needs of our customers in relation to the business of financial intermediation and payment means and they are effective to produce growth and profitability.

Our team applies conceptual engineering methods, projects management and innovation creation to add value to its coordinating role. All this is targeted to the achievement of excellence and the creation of effective synergies between our supplying units and customers, so as the Group could perceive us as a source of managerial and technical talents.

Innovation as a Corporate Core Capacity challenged us to redesign the Macro-Process used for products development:

- Intelligence of "ideas" and identification of opportunities, transformation of ideas into new products and packages with proven success in terms of profitability, sales, customer satisfaction, time to market, operational quality and excellent support from all the involved areas.

The path to the Macro-Process Redesign included the identification of opportunities to improve and rethink our enterprise as an innovation area:

- Strengths and weaknesses
- A new vision
- Processes redesign.

From the methodologies currently in the market about innovation models, Banesco decided to compile the best practices and build a proprietary model.

These methodologies are the following:

- **Stage-Gate:** it's a conceptual map/operational plan for the development of new products. It divides the effort by separating it into controlled stages.
- **Innovation Diamond:** It is based on the Stage-Gate methodology. The difference lies on the fact that the diamond incorporates factors that make easier the success of the innovating processes (such as the weather, organizational culture, the strategic environment and portfolio management).
- **Prototyping:** At a very early stage, this methodology puts into practice a work model or pilot in order to test several aspects of the design and/or functionality, as well as to collect ideas or features exposed by the early use of the pilot to introduce improvements afterwards.

- **Lead User (LU):** it's a methodology that involves innovating customers in the definition and validation process of new concepts.

To reformulate the new Macro-Process, the fundamental criteria or design premises were the following:

- **Cycle** (speed in the development and launching of products)
- **Frequency** (annual launching of products)
- **Alignment with the customers** (Value Added)
- **Profitability**
- **Inter-Functional Integration** (integration and coordination of all the functional areas)
- **Structuring** (degree of structuring in the execution of tasks)
- **Alignment with the core business**
- **Competitiveness** (sustained differentiation, allowing a stronger resistance to imitation)
- **Variability** (management of different versions for different contexts)

All the organization's products or services are the result of market research both, internal and external and, once launched, the product is submitted to a follow-up to determine if it needs adjustments according to the customer's expectations.

A multidisciplinary team from the organization works on the design and creation of each product and service. This team evaluates in a systematic way their risks and operational feasibility.

Listening to our Customers

During this period a series of information contributions were made about the perceptions, needs and expectations of the customers. These data were the base for decision making processes and the definition of strategies such as the management evaluation through the conduction of market research on customers' satisfaction, communications effectiveness, brand value and evaluation of offers and products, among many other topics which allow the organization to get aligned with our customers' needs.

■ Dialogue with our Stakeholders			
Natural Persons			
Focus Groups /Interviews/ Surveys	Amount	Participants	Segments
Focus Group Advertising Campaign	8	64	C and D
Focus Group Brands Performance	17	136	C
Focus Group Internet Banking Credits	6	48	C
Focus Group Evaluation Year-end Promotion	6	48	C
Satisfaction Study Banesco			
Community Banking	1	1,560	Massive
Surveys Natural Segments	4	15,869	Massive
Survey Phone Banking	1	3,600	Massive
Survey Private Banking	1	382	Private
Trust Survey	1	300	
Survey the media and publicity	2	7,260	Massive
Brand Equity Study	1	1,530	Massive
Events Measurement	1	600	Massive
Survey Passive Natural Persons	1	606	Massive
Total	50	32,003	
Legal Entities			
Focus Groups /Interviews/ Surveys	Amo.	Particip.	Segments
SMEs Exploratory Study			Customers and non-customers, industry and commerce
	1	50	
Interview relation			
BCB-commercial allies	1	24	Commercial Allies
Focus Group Universities			Students and university teachers
Plan Project	12	96	
Brand Equity Study	1	1,530	Massive
Total	15	1,700	

"We are an organization of integrated financial services ...". These words compose our Mission, therefore, our commitment to the permanent improvement of an integral offer to the customer and the general public.

To measure the performance of the actions and understand how they are related and shape the image perceived by our stakeholders is a part of Banesco management. This understanding is the source of a high number of programs and follow-up indicators, aligning the intra and supra areas information. The result is a customers' perspective which describes the corporate balance.

CONFLICTS REDUCTION AND CONSUMER'S LOYALTY

Banesco counts on a Web tool for the administration and follow-up of the requirements made by our customers and the documentation needed to comply with those requirements (SIR-Web), through which they are funneled to the internal areas in charge of meeting the customers' needs (service or situation).

It's a communication channel through which the areas that serve directly the customer know the status of the requirements that are on the hands of the internal "solving" areas and can give an answer to the customer about their consultations.

Year after year, the bank has been investing in the improvement of this system. Very soon, the customer will be able to see, among other things, the status of his requirement at BanescOnline and some answers will be automatically generated without the need of sending them to a solving area, according to a decision tree. This, in turn, will allow faster solutions and more reliability.

Banesco has a VP of Customers Attention devoted to funnel and monitor the customers' needs in the bank and to improve on a permanent basis the organization's attention model, with an integral vision of all the actors involved in the organization.

Lectures for Information and Consultancy

In 2008, we made a special effort to offer cycles of educational lectures about financial topics, addressed to Banesco customers and non-customers. All over the

country, 82 invitations from private and public companies (55 and 27 respectively) were accepted. These companies coordinated meetings with their work forces so as they could receive information about mortgage credits. The great majority of their workers lacked of a house of their own just because they were not aware of the mortgage credit characteristics and they falsely perceived this financial instrument as unattainable.

Most of these lectures were directly demanded by the companies and institutions, as a consequence of the experience of some of the attendees to the lectures given the previous year. In other instances, the lectures were requested by the different banking and the Network,

The population served totaled 7,615 people; 70% out of which were members of the basic and workers levels. As a result of these meetings, around 38% of those who covered the requirements established to request a mortgage credit decided to materialize their expectations in relation to acquire their principal home. This was the first encouragement to improve their quality of life.

By way of example, in December 2008, the Energy Banking coordinated a meeting in Maturín city with the joint-ventures at Venezuela's eastern region to deal with different aspects related to the financial business. The employees were informed about the scope of our banking management and the way how they could use a mortgage credit. Around 20 people from the basic companies attended the meetings, including presidents and CEOs. This meeting was the source of other regional lectures which directly served the work force of these companies, with the aforementioned effects.

The quantitative results are similar to those produce by the public lectures. This is an important social task given the widespread ignorance among the public. In all instances, the attendees expressed their gratitude to Banesco as the only bank to provide a massive, clear and free-cost consultancy on this matters.

Regarding the general public, Banesco offered a two-day information and consultancy campaign about credit at Bailadores, in Mérida State, held on May 22 and 23, 2008. The topics treated were the following: credits for housing with FAOV resources, credits for the agricultural sector, and credit for the tourism sector, as well as other consultancies about our services and products portfolio customized to the public requirements and needs. Around 370 people attended the meetings, which were led by local education unions (Fundabit, Bolivarian Foundation of Informatics

and Telematics), the Mayor and the President of Bailadores Town Council, as well as representatives from the Commerce Chamber and agricultural/tourism associations and unions. This activity was a success and, in fact, Banesco received number of requests for the opening of a branch at this location.



NEW CONVENIENCES FOR OUR CUSTOMERS

Flexible Hours at our Shopping Centers' Branches

We have implanted a flexible schedule at our 43 branches located at shopping centers. In this way we assign work teams by shifts at these attention points, distributing our resources according to the customers' demands.

This represents an improvement in terms of the quality service we offer to our customers, reducing waiting time (from 38:51 to 14:48 minutes). The productivity of our staff has been optimized in the processing of daily transactions through a permanent service. The schedule for promotions and checkbooks delivery was adjusted from Monday to Friday with a double shift and half-day on Saturdays. Likewise, we improved the organizational climate at our branches, as the employees have more free time to carry out other activities of personal and professional development, that is, they enjoy a better quality of life.

Rearrangement of the branches network structure

With the purpose of optimizing the service for our growing customers' portfolio, the Executive VP of the Branches

Network conducted in 2008 the rearrangement of the VPs and Regional Managements of the Capital Region and Western-Andean Region.

First of all, the names of the Metropolitan Area VPs were changed, according to the attention geographical area. Additionally, the VP for Great Caracas-South was created to serve specifically the municipalities of Independencia, Simón Bolívar, Lander, Cristóbal Rojas, Urdaneta, Los Salias, Carrizal and Guacaipuro in Miranda State, as well as Coche, Santa Rosalía, El Valle and San Pedro parishes, which belong to Libertador Municipality.

After the changes at the Andean Regional VP, the attention points of Táchira, Mérida and Trujillo states are now located in Los Andes Regional Management.

Additionally, the former Portuguesa-Trujillo Regional Management has been renamed as Portuguesa-The Plains Regional Management and it covers the attention points located at Cojedes, Portuguesa, Barinas and part of Apure State (Guasdalito).

New Regional Center of Credit at Puerto Ordaz

In March 2008, the Regional Center of Credit in Puerto Ordaz (Ciudad Guayana) started operations in order to provide direct and timely attention to our current and potential customers at this booming region of the country. There are 19 points of sale between Bolívar and Delta Amacuro States, which will be directly supported by this Regional Center.

This is a strategic attention point for Banesco, given the industrial and commercial potential in the Guayana zone and the number of customers served. The region counts on important developments in the areas of mining and electricity, besides a booming population of 1,4 million inhabitants.

Full-color Bank Statements

Thanks to the implantation of a strategic project aimed to improve the efficiency of our services of printed documents and enveloping, in 2008 Banesco started to issue a new full-color Current Account Statement. This new format is more dynamic, easier to read, very user-friendly and contains interesting information for the customer.

Additionally, we incorporated the segmentation of messages through the optimal use of the Account Statement for timely information about our services, products, promotions and raffles, as well as the initiatives and advances in the field of Corporate Social Responsibility.

“Baneskín teaches you how to save”

saving”, a character created by Banesco to inform the customers and the general public about topics related to banking products and services. Under the motto “Saving I go”, Baneskín will make recommendations under a didactic approach.

In the framework of this program of banking education, Baneskín will give pieces of advice about how to save time and money when the user withdraws cash, what is the best option to request a financing, how to take the best advantage from your current account and how to use in a safe way the Electronic Banking, among other topics. The main purpose is to expose themes guided to improve the quality of life of our customers, saving time and money when they use Banesco products and services and creating in the process an emotional link between the Bank and its stakeholders.

New Service of *BanescOnline*

- On-line payment for pre and post-payment phone service provided by Movistar.

PROGRAM OF SERVICES AUDIT IN THE BRANCHES NETWORK

The ADS (Services Audit) is carried out each year at Banesco's branches. This is a program to measure the quality service and to watch over the fulfillment of the standards established by the organization in relation to the attention process at the branches.

The fundamental purpose of the ADS is to produce information addressed to the internal suppliers of the organization, so that they could apply certain indicators to the processes related to the service provided at the branch.

The ADS program is a part of the System of Quality Management, recently certified under the ISO 90001:2000

international standard, which is based on the fulfillment of the requirements demanded by the customer, through procedures developed and controlled under a permanent improvement schema.

The Services Audit is composed of two processes which are simultaneously performed: the evaluation of the branches (physical audit) and the Satisfaction Survey that seeks to know, among other things, what is the customers' perception about the service offered by the branches. These processes are carried out by the services auditors and an external supplier, respectively.

The Satisfaction Survey is a questionnaire designed according to specific objectives and applied to 50 customers at each audited branch who are randomly selected. The strategy is focused on getting the information relative to each contact made by the customer with the organization during the visits he makes to the branch. It is annually applied and its results are analyzed in two stages/six-month stages.

The physical audit and the satisfaction survey are applied to our branches network, with quarterly reports advances, in order to be able to apply timely solutions.

Dimensions Evaluated

Physical Aspect

- Look of the Branch
 - External look
 - Internal Operating Assets
 - Hygienic conditions
- Elements for Customers' Service
 - Customers' Service (public area)
 - Printers and tapes
 - *Q-Matic*
- Printed Material and Operative Forms
 - Stationary
 - Bankbooks, certificates and bank's checks
 - Checkbooks and forms
 - Operations forms
- Advertising Material
 - *Merchandising* / Show windows
 - Brochures

Service Staff

- Image and look
- Behavior and attention
- Business Management
- Knowledge
 - Institutional Information
 - Products / Plans
 - Technological procedures
 - Security procedures
 - Operational procedures

External Services

- ATM
- Cashier by shifts
- Automatic checkbooks dispensers
- Self-services

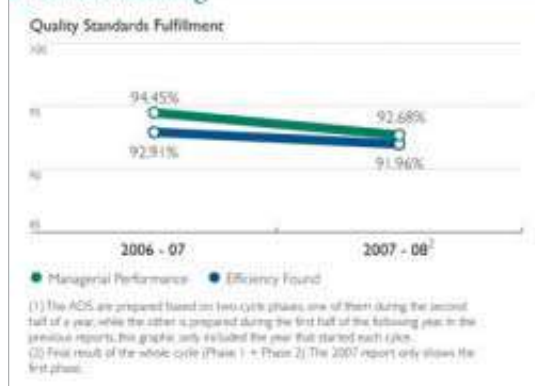
■ Performance and Quality Service Index (branches)

Indicators	They measure ...
Efficiency Found (E.F)	Service attributes available at a branch which are under ideal conditions for the development of attention process.
Efficiency/Managerial Performance (E.M)	Share of weaknesses reported by the branch staff to the internal areas of the organization in order to ensure the image and service provision of the institution.
Satisfaction (E.S)	Assessment reported by customers about the different service variables and attributes offered by a branch which could have an impact on satisfaction levels.

ADS Branches Rating

- I E.F (60%) + E.S (40%)
- II E.M (60%) + E.S (40%)

■ Service Auditing¹

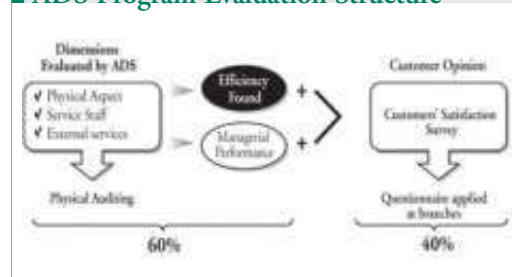


Structure of the Customer's Satisfaction Survey

Aspects considered for branch evaluation

- Current account (checkbooks delivery)
- Services
- Customized attention
- Look of the branch
- Information provided
- Operations made at cashiers
- Operations made during promotions
- Total Time

■ ADS Program Evaluation Structure



Responsible Products and Advertising

The VP of Innovation is in charge of the promotion, renewal and delivery of innovating solutions that try to meet differentiated needs of the customer in relation to financial intermediation business and payment means and they are effective enough in the creation of growth and profitability.

This team applies methods of conceptual engineering, projects management and creation of innovation to add value as a coordinator agent. All these efforts are targeted to excellence and the effective creation of synergies between our supplying units and customers, so as the Group could perceive Banesco as a source of technical and managerial talents.



Messages

In Banesco we make our best efforts to ensure that the messages we send could effectively reach to the final customer/consumer. To do so, we take into consideration the way we communicate with the customer and guarantee that we comply with what we say, avoiding false expectations. The development of our communicational strategy is based on the following steps:

- Review of the features attached to products/ services/ promotions
- Evaluation of the differentiating advantages: the “hook”
- Advantages and benefits for the customer and the organization
- Evaluation and distribution of human and financial resources
- Analysis of the media strategy/attention points
- Analysis of strengths and weaknesses
- Evaluation of social and legal environment
- Implementation and control
- Follow-up

Likewise, we are proud enforcers of the legal system in force

in Venezuela, in relation to advertising and communications:

- Law on Social Responsibility in Radio and Television
 - Law of protection to consumers and users
 - Regulations that rule the Administrative Process Related to the Issuance and Use of Credit, Debit, Pre-Paid Cards and the rest of the Financial or Electronic Payment Cards, which articles 23, 24 and 25 (Chapter I, Obligations of the Issuers) make reference to the cases of prize offers and promotions.
 - Reform of the technical rules established by the National Telecommunications Commission about definitions, time and conditions of publicity, advertising and promotions in the services provided by the radio, television and cable.
 - Organic Law for the Protection of Children and Adolescents
- Once the product has been designed, we send all the information required by the Sudeban within the five following days after the date when they are introduced in the market. This information shall include:
- Denomination, description and features of the new instruments or financial products.

- Type of modification of the previous product (if it is the case)
- Analysis of the economic-financial impact on the promoting institution.
- Benefits for the users
- Detailed report of the risk analysis for depositors and investors of the new financial instrument or product.

The advertising employed for the introduction of products in the market shall be clear as for its purpose, description and benefits (interest rate, etc.). It shall be expressed with understandable terms and clearly readable. If the aforementioned notification is not made within the described period, Sudeban will be entitled to suspend or forbid the ads, according to the General Law for Banks. Once sent the information, Sudeban takes up to 15 days to issue an opinion. This institution is entitled to make observations or suspend the products, according to the law.

On the other hand, the advertising of products and services is submitted to the regulations established by the Law for the Defense of People in the Access to Goods and Services. The advertisements shall contain information in the official language. This information shall be truthful, accurate and understandable. It shall not incite to violence, discrimination or hurt environmental or moral values. INDEPABIS is entitled to apply sanctions to the suppliers of goods and services who break these regulations.

It worth to be mentioned that any advertisement of Banesco promotions contains an indication that it has been previously approved by the Institute for the Defense of People in the Access to the Goods and Services (INDEPABIS by its Spanish acronym) or SUDEBAN. Likewise, in the case of products and services, if applicable, the ad shall indicate that the product or service is under the protection of the Fund of Deposits Guarantee and Banking Protection (FOGADE).

“Mystery Buyer” Program

Banesco's Mystery Buyer program has been applied year after year as a mechanism to acknowledge the good performance and willingness of the network's staff to offer quality service. This program has also produced quality information about some aspects linked to the attention process, based on the result of a structured evaluation which is conducted during the interaction of a “supposed customer” and a financial promoter. The promoter is not aware that he is being submitted to an evaluation during this interaction.

Like in the previous year, the strengths still remain our customers' treatment and information about products and procedures. The dimension “Sales Management” shows a significant reduction, while needs identification, objections management and products mixture are the aspects to be improved.

Regarding the time spent at branches, in 2008 we observe reductions in the Capital Region, although in the rest of the country it is necessary to foster a wider use of the Electronic Banking and ATMs.

Time Spent at Branches

Region	Minutes	2007	Minutes	2008
Capital Center		41		39
Capital East		52		43
Capital South*				40
Capital West		54		40
Middle-The Plains		59		73
Western-Andean		76		74
Eastern-South		47		50
Zulia-Falcón		65		71
Banesco		56		54

* Did not exist in 2007

Results of the Mystery Buyer

Customer Treatment	
2007	84.0%
2008	87.7%
Information about Products and Procedures	
2007	72.0%
2008	81.0%
Sales Management	
2007	70.0%
2008	59.2%

The Code of Ethics of the National Advertisers Association (ANDA by its Spanish acronym), establishes the general ethical rules to be fulfilled by the advertisers and includes other regulations. Advertising shall be integrated into the process of economic, cultural and educational development of the population and shall not establish unfair competition, to be disrespectful to human dignity, shall not favor or encourage discriminations neither induce to illegal activities.

All these regulations are mandatory for the Bank in the diffusion of advertising messages addressed to inform the customers and the general public about characteristics and benefits of its products and services.

In 2008, we received observation from SUDEBAN to the following products:

- Points to withdraw cash: In this case, a Reconsideration Resource was filed before the Banking Control Organization and we are currently waiting for a final decision.

INDEPABIS issued observations in relation to the authorization requests for the following promotions:

- Winner Ticket for Cardholders from other Banks.
- Winner Ticket for Debit Cards.
- Real Madrid Promotion

The Bank complied with these observations and the involved promotions were later approved by INDEPABIS.

Up to now, Banesco has not been subject to procedures involving fines due to the observations aforementioned. SUDEBAN has only supervised the aforementioned promotions.

Additionally, the Bank is committed to send information to the Venezuelan Central Bank as a precondition to request authorization for the establishment of new fees and tariffs. This involves a justification of the increase and/or establishment of each fee, tariff or extra charges, structured as follows:

Qualitative Aspects

- Description of the fee, rate or additional charge
- Current and additional benefit (if applicable) for the customer

- The bank's opinion about the customer's perception in relation to the increase, which shall be classified as very sensitive, sensitive or not very sensitive.

Quantitative Aspects

- Number of customers who pay or will pay the fee, rate or additional charge.
- Number of monthly transactions with the bank's network and inter-banks networks.
- Number of monthly transactions (when the Internet and other channels are involved)
- Detailed cost structure for each fee, rate or additional charge, identifying: direct and indirect costs, as well as any other cost)
- Comparative information against the market of the fee, rate or additional charge.

All the new products are designed according to the rules in force and, in case of changes on the legal system, the product is adjusted. For this purpose, our contracts and general conditions include a clause that limits Banesco's responsibility in case of non-fulfillment in the provision of the service or product as a result of changes of the rules.

According to the requirements established by the regulatory body, a risk analysis for depositors and investors on the new financial instrument or product shall be sent. Banesco also prepares a study of the risks that Banesco could face as a result of the product provision. Although this study cannot protect Banesco from the risk involved, it helps to define mechanisms to reduce its impact.

As a financial institution, Banesco products and services have no direct influence on the users' health.

Anyway, as fraud cases are always a possibility, the security and monitoring areas are involved in the process. It is important to underline that Banesco defines and spreads all possible policies and mechanisms to prevent security risks over the information and potential fraudulent actions that could make use of the products and services offered as a vehicle to commit crimes. However, the application of these policies and mechanisms will always be the exclusive responsibility of the customer.

BANESCO COMMUNITY BANKING

MAIN ACTIONS LINES IN 2007

- **BANCARIZATION:** The number of bancarized people rose by 52%. Banesco granted a total of 13,377 credits; 52% of the beneficiaries received a credit for the first time in their lifespan and 27% opened a bank account for the first time.
- **COMMUNITY BRANCHES:** we opened new Community Branches at El Cementerio, San Martín, Guarenas, Los Valles del Tuy and Los Roques.
- **PRODUCTS AND SERVICES OFFERED:** We launched the Personal Credit and the Integral Life Insurance Policy.
- **ATTENTION CHANNELS:** The number of Attention Desks located at allied stores rose to 32. We also increased the number of PosWebs to 119.
- **HUMAN CAPITAL:** We closed the management at the end of the year with 215 employees.
- Our main action line in 2007 was the consolidation of Banesco Community Banking.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- **BANCARIZATION:** The number of customers served rose by 121%, 46% out of which received credits for the first time.
- **COMMUNITY BRANCHES:** We brought the services of Banesco Community Banking (BCB) to Puerto La Cruz, Higuerote and Valencia. It is worth noting that the start-up of Maiquetía branch was postponed due to procedural and utilities services delays and the opening of a branch expected for Santa Teresa is still pending due to similar reasons.
- **PRODUCTS AND SERVICES OFFERED:** We began a Training Program for Entrepreneurs.
- **ATTENTION CHANNELS:** We expanded our network of commercial allies. In 2008, we established 31 new allies, which will allow the installation of 23 PosWebs and 8 Attention Desks. These efforts were not enough to meet our expectations for the year as a consequence of a strategic reevaluation due to the economy slowdown.

■ **HUMAN CAPITAL:** Our Community Banking staff rose by 52.56%. We maintained our quality service and customers' satisfaction, an indicator which was measured through the Banesco Community Banking Satisfaction Study.

■ We conducted a social impact study in relation to micro-credits in the companies, the individual, at home, the family and the community. We also developed a methodology that will be integrated into the work carried out by the Community Advisor and will allow the permanent measurement of these indicators.

COMMITMENTS MADE FOR 2009

- To be recognized as a Banesco initiative on the matter of micro-finance which offers simple, customized and appropriate products, allowing the satisfaction of the majorities' the needs and producing a high social impact. This can be corroborated through the study Community Banking Impact Analysis, applied by external advisors.
- Offering new products to complement our services offer, such as the Maestro Debit Card, which allow our customers higher convenience to move their money.
- Implantation of a new mobile device, which will allow the improvement of time responses in the processing of credits; increase of the Community Advisor productivity and improvement of our quality service for our customers based on a 360% vision.
- Inauguration of two new branches at the Central Shoreline and Santa Teresa (Valles del Tuy) and provide service to Los Teques area.
- Expansion of our commercial allies network with incorporation of 28 new allies (13 Attention Desks and 15 PosWebs).
- Increase our quality service and satisfaction of our customers, indicators that would be measured through the study of Banesco Community Banking Satisfaction.
- To continue with the Training Program for Entrepreneurs of Banesco Community Banking. Conducting the measurement of knowledge acquisition and increase of the entrepreneurs' productivity through an external consulting.

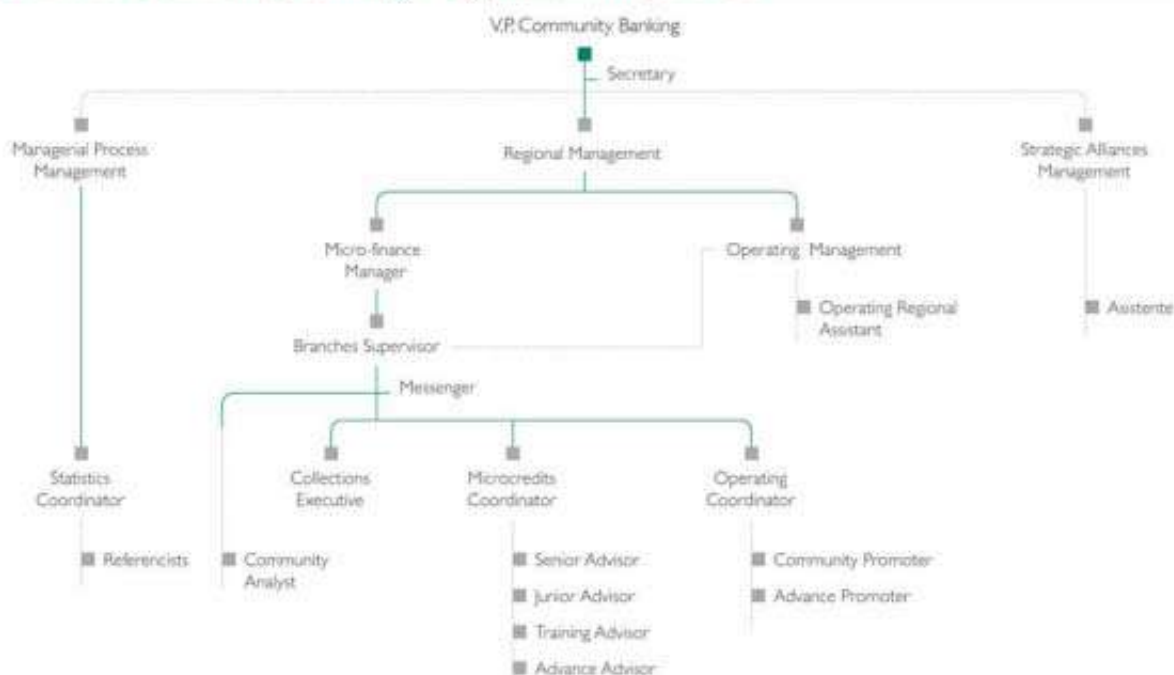
Banesco Community Banking

Main Indicators

	2007	2008	Var. %
Bancarization	52% of the customers received credits for the first time	46% of the customers received credits for the first time	--
	27% of the customers received credits and opened accounts for the first time	23% of the customers received credits and opened accounts for the first time	--
Customers served	25,943	57,440	121.41
Communities served	1,075	1,605	49.30
New Community Branches	5: El Cementerio, Los Roques, Valles del Tuy, San Martín and Guaremas-Guatire	3: Puerto Cabello, Higuero and Valencia Downtown	(40.00)
Attention channels: Attention desks	32	46	43.75
Attention channels: PosWebs	119	161	35.29
Human Resource	215	328	52.56

■ To continue with the measurement on micro-credit social impact on the enterprise, the individual, home, the family and the community through an methodology integrated into the Community Advisor's work.

Banesco Community Banking - Organizational Structure



Staff hired by branch

By December 31, 2008

Branch	Advisors		Promoters		Microcredit		Operations		Collections		Total
	Community	Adv.	Community	Adv.	Analysts	Superv.	Coord.	Coord.	Executive	Messengers	
Catia	11	2	7	2	4	2	1	2	1	1	33
Antimano	6	2	4	1	4	1	1	1	1	1	22
La Vega	3	1	2	1	2	1	1	0	0	0	11
San Martín	7	2	4	1	4	1	1	1	1	1	23
Los Roques	1	0	0	0	1	1	0	0	0	0	3
Cementerio / Valle Coche	11	2	6	2	5	1	2	1	1	1	32
Guaremas	6	2	4	1	4	1	1	1	1	0	21
Petare	10	2	5	1	5	1	2	1	2	1	30
La Isabelica	20	4	13	4	9	2	4	3	1	1	61
Valles del Tuy	10	1	8	2	6	1	2	2	1	2	35
Puerto Cabello	5	1	4	1	3	1	1	1	0	1	18
Higuerote	5	1	3	1	3	1	1	0	0	0	15
Total	95	20	60	17	50	14	17	13	9	9	304

Note: Does not include the Caracas headquarters staff (24), with whom the total amounts to 328 people.

OUR TEAM

Our team is composed of 328 employees who receive a specialized training provided by the Executive VP of Human Capital. This training allows the employees to develop micro-credit techniques, knowledge and skills to provide our customers with an integral consultancy and support

them to push the growth of their businesses. Our advisors established a close relationship with our customers, guide and encourage them to carry out actions and make investment decisions that could produce significant changes in their businesses and quality of life.

The Community Banking is based on the joint work of the Community Advisor and the Promoter. The Community Advisor provides individual visits and guidance to the micro-entrepreneurs at their workplace. After an economic and social evaluation, the Advisor ponders the micro-entrepreneur's potential, as well as his payment capacity. Once the credit has been approved and liquidated, the Advisor accompanies his customer all along the valid period of the credit in order to support and advise him.

The Promoter works at the Attention Desks located at allied stores. He manages deposits, withdrawals and balance consultations, makes affiliations to the plan Saving Step by Step and to the Integral Life Insurance Policy. Likewise, he gives information about our Loan to Work product, receives and funnels the visits requests from our customers.

Finally the Analyst, who is assigned to the Community Branches, informs about the different products, opens Community Account, liquidates Loans to Work, affiliates of our customers to Saving Step by Step, makes administrative paper work from the different cases or requests and files customers' files, among other tasks.

Total employees

By December 31

	2007	2008	Variation %
Gran Caracas and Miranda	185	249	34.59
Carabobo	28	77	175.00
Los Roques	2	2	--
Total	215	328	52.56

Certification Programs

Workshop	2007	2008	Var. %
Training program for advisors, coordinators and supervisors	109	67	(38.53)
Training program for promoters and analysts	97	66	(31.96)
Induction program for collection executives	--	6	100.00
Total participants	206	139	(32.52)
Workshop Topics	2	3	50.00



OUR PRODUCTS

Banesco Community Banking offers different products for the credit and passive portfolio areas. Its requirements and paper work are very easy and simple for all its products and it also offers very short response times.

First of all, we offer the Community Accounts, which can be opened with Bs. 0.00 and are exclusively managed with debit cards. They allow doing consultations, deposits, withdrawals and purchases through the different Banesco electronic channels: POS traditional, PosWeb (financial terminals), ATMs, Internet Banking, IVR, CAT, Self-service and SMS.

Likewise, BCB offer the Saving Step by Step Plan, with a mechanism simulating the popular saving tools, such as the san, bolso or cajita, as it allows the user to program his contributions based on his possibilities. The minimum amount to open this plan is Bs. 5,000, with a minimum duration of three months and weekly, 15-days or monthly saving terms.

On the other hand, Banesco Community Banking offers

Training Programs

Courses	2007	2008	Var. %
Quality Service	94	43	(54.26)
Development of competences for sales	109	89	(18.35)
Personal impact and influence	—	58	100.00
Effective Collection management	—	67	100.00
Development of supervisory skills	12	11	(8.33)
Development of managerial skills	—	30	100.00
Building competent leaders	—	3	100.00
Boulder Micro-Finance *	—	1	100.00
Micro-finance seminar	—	1	100.00
Excel	—	2	100.00
Access	—	3	100.00
Leadership to integrate teams focused on achievement	1	—	(100.00)
Time Management	51	—	(100.00)
Total participants	267	308	15.36
Courses Topics	5	11	120.00

* Workshop prepared by the Boulder Institute of Microfinance, non-profit organization located in Boulder, Colorado, USA, in order to create a platform for the critical dialogue and thinking on micro-finance.

Community Banking trailer in La Vega, Caracas, 2008

the “Loan to Work”, a plan designed to serve micro-entrepreneurs. It is a productive loan which grants amounts between Bs. 1,500 to Bs. 50,000. This product is traditionally known as micro-credit.

Finally, Banesco Community Banking, through Banesco Seguros, offers Vida Integral, an insurance policy specially adjusted to meet the needs of the non-bancarized segments belonging to D and E social economic levels, economically active and occupied both, from the formal and the informal sectors. This is an insurance policy with coverage for natural or accidental death, serious diseases and additional indemnities for death or accidental dismembering, with insured amounts of Bs. 5,000, 10,000 and 20,000 that the customer can chose according to his possibilities. The installments are fixed for a 5-year period, with monthly, six-monthly or annual payments. To have access to this insurance the user only has to fill a form and no medical tests are required.

At 2007 year-end, when this policy was created, 12 people were already affiliated. In 2008, 221 new policies were sold for an accumulated total of 233 policies.

Products			
By December 31			
Loan to work			
	2007	2008	Variation %
N° Loans Granted	11,600	28,118	142.40
Amount liquidated (M BsF)	55,600	167,979	202.12
Delinquency rate (%)	1.01	1.87	
Personal loan			
	2007	2008	Variation %
N° Loans Granted	1,777	5,416	204.78
Amount liquidated (M BsF) ¹	3,849	11,625	202.03
Delinquency rate (%)	0.23	6.10	
The product was launched in 2007 and eliminated in May 2008.			
Community Account			
	2007	2008	Variation %
N° Community Accounts	25,943	57,440	121.41
Account balance (M BsF) ¹	5,900	12,052	104.27
Saving Step by Step			
	2007	2008	Variation %
N° affiliations	12,802	39,629	209.55
Account balance (M BsF) ¹	804	1,508	87.56
⁽¹⁾ 2007 amounts differ from those recorded on the previous report, as the present amounts are more accurate.			

AN EXPANDING INNOVATIVE MODEL

Banesco Community Banking has continued expanding its attention network. Thanks to the establishment of new strategic alliances with important businesses located at their zones of influence, we have been able to reach to more shantytowns and expand our attention channels to low income zones.

By 2008 year-end, BCB counts on 13 Community Branches in Catia, La Vega, Petare, Antimano, San Martín, El Cementerio, Guarenas, Higuerote, La Isabelica (Valencia), Puerto Cabello, Valencia Downtown, Cúa and Los Roques. At our branches, we provide information to our current and potential customers and all the administrative operations are carried out.

On the other hand, we have been able to increase to 46 the number of Attention Desks and to 161 our PosWebs. The Attention Desks are tellers served by BCB staff and they manage banking operations, such as: Community Accounts opening, affiliations to Saving Step by Step, affiliation to Vida Integral Insurance policy, requests of banking references, deposits, withdrawals and balance consultations. Likewise, they provide information about Loans to Work, receive and funnel the requests for Community Advisors visits. On the other hand, the PosWeb or electronic point is a financial terminal served by the owners or supervisors of the stores, through which the customers can withdraw cash, make deposits, balance consultations and last operations consultations.

Besides, the BCB customer has access to Internet Banking to the IVR through our web page bancacomunitariabanesco.com, the traditional Banesco points of sale all over the country, the ATMs network and self-service machines located at Banesco branches. On the other hand, the customers have also access to the Phone Center at 0500-TUBANCO (0500-8822626).

It is worth of mention that the expansion of our network and attention channels has allowed the Bank to achieve a significant increase of our customers' base and to keep the excellent quality of our portfolio, which recorded a delinquency rate of just 1.87% at 2008 year-end.

A SUSTAINABLE INITIATIVE

With the purpose of complementing our services offer, to contribute with the growth of our micro-entrepreneurs and improve their quality of life, Banesco Community Banking along with the Executive VP of Communications and Social Affairs, launched in October 2008 a Pilot Program to Train Micro-entrepreneurs. Through this program our BCB customers were provided with new tools for their personal development, as well administrative, managerial and technological tools that would allow them to optimize their business performance. This is a free-cost program.

To design and execute this program, a series of alliances were established with renowned organizations of social development in charge of carrying out the different stages established in the project. In this sense, the program was divided into three modules: one focused on personal growth and human development, given by the Venezuelan Institute of Professional Education of the church (Invecapi); another one about financial and marketing training, given by the

community service students from the UCAB Administration and Accounting School and finally the technological induction sessions given by Microsoft Corporate Volunteers.

The benefits of this pilot program were 56 micro-entrepreneurs from the San Martín zone, devoted to several commercial businesses such as groceries and clothing, typographers, taxi drivers, seamstresses, hairdressers, pastry makers and a photographer, among others.

In order to verify the effectiveness of the acquisition and application of competences by the micro-entrepreneurs and the positive impact on the improvement of the productive capacity of their businesses, the consulting firm *Foco Sustentable* conducted a measurement to compare the knowledge of the beneficiaries on this matter before and after the pilot program.

Among the significant changes, the measurement identified some basic aspects of the business functioning:

- At the beginning of the course, only 79% of the micro-entrepreneurs involved had a business plan. At the end of the process, 87.5% of them were able to materialize a business plan.
- At the beginning of the course, only 43% of the micro-entrepreneurs involved had a marketing plan. At the end of the workshop, 71.7% of them had prepared a plan and all of them applied the plan at the end of the workshop.
- At the beginning of the course, only 37.8% of the micro-entrepreneurs involved conducted control activities for each one of the functional areas of their business. This figure rose to 71.4% once the course had ended.
- In relation to the entry of income and expenses for accounting purposes, it was observed an increase of those micro-entrepreneurs who record these staples, from 75% at the beginning of the workshop to 91.7% at the end.
- Finally, when the micro-entrepreneurs involved were asked if they were earning or not with the business, we observed a significant increase from 82.6% to 97.9%.

SERVICE SATISFACTION

As in previous years, at 2008 year-end we carried out a satisfaction study among the BCB customers. The study was conducted by a external consulting firm and through the VP of Tactic Marketing in order to determine our

customers' satisfaction level and identify opportunities to improve general processes and service offers.

The technical data of this study is as follows:

- **Universe:** 35,095 BCB active customers.
- **Sample:** 500 interviews with active customers (300 in Caracas and 200 in Valencia).
- **Scope:** 12 BCB attention zones.
- **Information Unit:** BCB active customers who use at least one of its products.
- **Instrument:** questionnaire structured according to the study objectives, with a maximum duration of 15 minutes.
- **Collection Technique:** phone interviews with BCB customers randomly selected.
- **Date of the field:** October-November 2008.
- **Firm:** Dakduk Consultores

Among the most relevant points we have the following:

- BCB is perceived as a brand that supports the communities. Some of its most outstanding strengths are the following: minimum requirements to get access to the Bank, products specially created for this specific public-target and quality service.
- The need of financing is still the main motivator to establish a relationship with the BCB. However, during this year the intention to save has recorded a significant increase which, in turn has duplicated the amount of customers (particularly those recently affiliated) who started a relationship with the BCB, basically to save. As a consequence, the demand rose against the previous year (26% of customers with less than 6 years as BCB customers).
- The preference of use for each channel remained unchanged against 2007: Attention Desks 37%, Branches 36% and PosWeb 7%. Proximity, easy access and fast responses are the main reasons mentioned by the customers as motivators to use the BCB.
- Like in 2007, the intention of purchase/repurchase of the Loan to Work is still high (70% of those who currently enjoy this instrument, particularly among customers with previous credit experience with the BCB).

This loyalty of the customers mirrors their satisfaction with Banesco Community Banking brand.

- In general, as in 2007, the level of satisfaction with the products portfolio (9.2 points over 10) is very positive, as well as with the transactions channels (8.0 points over 10).

Results of the satisfaction survey in 2007

- 50% of BCB customers only use Banesco products.
- The Banesco brand capitalizes the highest brand awareness level (92%).
- Attention and a customized treatment, quality service and easy access are recorded as the main attributes associated to BCB, all of them highly appreciated among our customers. Customized attention is the first advantage associated to the BCB.
- Fast operations, fair prices and appropriate fees are other characteristics of this brand. The main mobilizing element in relation to demand is the offer of credits.
- The performance over the different services/channels and the attention provided to our customers has been qualified as highly positive, with a special emphasis on the Community Accounts products and Loans to Work.
- In relation to the knowledge levels about our attention channels, the branches concentrate the highest value (88%).

- The intention of purchase/repurchase of BCB products reaches to 60% of the interviewed customers.

Study about the social impact of BCB micro-credit

In April 2008, a study about the impact of the community banking on the enterprise, the individual, homes, the family and the community was ended by the consulting firms *Advantis* and *Asunto Público*. The study was made with a sample of around 400 people. These subjects had received their first credit at least six months ago at the moment of the study. The results are summarized in the table below.

- The companies that receive micro-credits sell more and earn more.
- The individual are incorporated into the saving formal system (banks) and as a result they have access to more financial products and use them more frequently.
- The number of families with a house of their own is higher. But the beneficiaries are also able to improve their houses, hire communication and entertainment services, they enjoy a more balanced diet and higher security levels to avoid health problems.
- The amount of productive units paying local and Income taxes is higher.
- More and better employment opportunities for the community.
- A higher participation in the community activities.

Social Impact of the Banesco Community Banking

Measurement item	Control Group *	BCB Customers	Variation %
Average Monthly Sales of the Productive Unit (BsF)	8,250	14,331	73.71
Average Monthly Profit of the Productive Unit (BsF)	3,671	5,067	38.03
Access to Basic Education for Children	83%	87%	4.82
Access to health private services (HCM)	8%	13%	62.50
Employment creation (one or more employees)	15%	39%	160.00
Pay Municipal Taxes	5%	19%	280.00
Declare Income Tax	4%	16%	300.00
Participate in community activities	8%	14%	75.00
Save in a bank	41%	62%	51.22
Have revamped their homes during the last year	32%	40%	25.00
Internet access	13%	19%	46.15

* Have not received BCB credits.

Source: *Advantis / Asunto Público: "Análisis de Impacto de Banca Comunitaria"*, Caracas, April 2008.

TESTIMONIES FROM OUR MICRO-ENTREPRENEURS

MARTHA RAMOS
(SAN MARTIN COMMUNITY BRANCH)

Martha is a community leader. For Banesco Community Banking, Martha is much more than a mere customer. She is a key link towards expansion in this sector, as she knows a lot of people, has a high summoning ability and she is a very persuasive person. She is the main support of the advisor assigned to this zone and also acts herself as advisor for her neighbors, not only about personal but also economic matters.

Nowadays, Martha can be proud because she is an integral micro-entrepreneur. She has been able not only to improve her small grocery store but has also established a photographic study at her home. At the beginning, she only counted on a computer and a camera, but now she has a space where she can take photos of all kind and meet the demand of her customers: personal photos, requests from schools, family albums, t-shirts decoration, as well as POP materials.

Martha says: "Go to the Community Banking, let fly your dreams and do not be afraid as credit is the first step to a road of growth and development".

ANDRÉS RUMUALDO IBARRA
(LOS ROQUES COMMUNITY BRANCH)

"I have been working with artisan fishing since I was 10 years old. Although I lived in Caracas, I used to travel to La Guaira every weekend along with my friends and we fished just for fun. All of the sudden, I was in love with fishing and decided to adopt this activity for my life".

"Eight years later, when I was 18, I went to Los Roques in search of adventures with a friend who, like me was in the search of a better future. I fall in love with the island, with a girl of the island and I had kids. I requested a plot of land and built a house. Banesco Community Banking granted me a credit, with a just a few requirements and very fast. BCB trusted me and I repaid the credit. I have been okay because I have been able to produce with the fishing and tourism. This credit has been the best thing. Therefore, I have recommended my friends to go to Banesco Community Bank and they have been able to grow thanks to this banking. If you ask me what is the key to success, I

would say that it is the constant and sustained work. I do what I do for my family, to provide them with a comfortable life and wellbeing. My goal is to get another credit to revamp my house, to expand it, to change the roof, as I already have the engine I need and a big ship that provides me good earnings".



Citibank Award for Micro-entrepreneurs

On October 23, 2008 the Citibank Award for Micro-Entrepreneurs was handed out. The purpose of this credit is to contribute to enrich the knowledge about the important role played by micro-entrepreneurs in their local economies and the relevance of micro-finance as a tool to fight poverty. Andrés Ibarra and María Inés Pomareda, owner of small restaurant at Las Adjuntas (Caracas) and also a BCB customer, received acknowledgements for their efforts and were granted with the first and third places, respectively, in the category of Trade. Besides, a total of 7 micro-entrepreneurs affiliated to BCB received special acknowledgements.

Andrés Ibarra received the amount of BsF 8,000 and BsF 4,000 for POP material. María Inés Pomareda received BsF 5,000. Both micro-entrepreneurs were invited to a workshop given by *Acción Internacional sobre Ahorro e Inversión*.

During the ceremony, Citibank Venezuela granted an acknowledgement to Banesco Community Banking for encouraging the development of the small entrepreneurs allowing in the process more and more successful stories in Venezuela.

*María Inés
and Rosalba
Pomareda
received the
Citibank
Award for
Micro-
Entrepreneurs
for their
restaurant*

AGREEMENTS WITH SOCIAL DEVELOPMENT ORGANIZATIONS

In line with the UN Millennium Goals, the BCB staff makes efforts to develop a sustainable work for the benefit of society with economic and social conditions guaranteeing its permanence over the time.

Another contribution offered by BCB to the most vulnerable communities is the agreement with non-profit associations located around our branches in order to create common benefits which could be materialized in win-win alliances. Besides their institutional mission, these Social Development Organizations have rented spaces to BCB for the installation of Community Branches and Attention Desks to contribute to the bancarization of the low income sectors at these communities. Banesco, in turn, provides them with a financial support, so as they could fulfill some administrative obligations.

Community Management School (Antímano)

The vision of this non-profit organization is to accompany

the central participation of the excluded and neediest sectors, so as they could collectively built proposals for a sustainable development which ensure the fulfillment of all our human rights.

According to Raiza Bracho, administration manager, this alliance between her organization and BCB has allowed the shelter Casa Hogar Quebrada de la Virgen to take care of 10 children deprived of a family and cover their daily diet, clothing, as well as the operating costs of the organization.

Friends of the Elder Foundation

This is a non-profit civil association in charge of giving assistance to all the elder population of La Vega. Among the services provided by this organization we can mention the following: lunch for its affiliates, dances, bingos, courses and recreational workshops.

For Carmen Tovar, its director, "to count with the BCB presence at our spaces has allowed us to maintain our foundation and pay the administrative expenses, as this is the only fix income we have".

*Banesco
Community
Banking clients
who received the
Citibank Award
for Micro-
Entrepreneurs
in 2008*



OUR ENVIRONMENTAL COMMITMENT

MAIN ACTION LINES IN 2007

- Ciudad Banesco adopted the use of biodegradable cleaning products (toilette soap and floor disinfectant).
- The change from high consumption light bulbs to saving light bulbs had began at branches of old morphology (35 in total).
- We requested the painting maintenance companies to use only water-based paint at all our facilities.
- We classify Ciudad Banesco's waste. We separate the organic waste produced by our kitchen from those produced by our offices. The first portion is delivered to the municipal waste collection company, while the second is reclassified, separating papers and cardboards from the rest of the wastes. Papers and cardboards are delivered to the Rebirth Foundation and the rest is discarded.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- Demanding the contractors of air conditioning their certification in "Good Practices in Refrigeration" standard issued by FONDOIN.
- Fostering recycling campaigns for the branches.
- Incorporation of Gelecom to the TDC file and to the business area of Accounts Opening.

COMMITMENTS MADE FOR 2009

- Implantation of a paper recycling system, starting at our headquarters, Ciudad Banesco.
- Going forward with the replacement of CRT monitors by those with liquid crystal at all our branches and agencies.
- Implantation of the new e-mail tool LotusNotes 8.5, which provides audio and videoconference, instant messaging and other functionalities that can save time, efforts and printed documents.
- Increasing the number of teleconferences to replace personal meetings.
- Earlier deactivation of Ciudad Banesco's escalators in order to reduce electricity consumption.

- Turning off earlier the lightning system at our administrative offices.
- Starting with the replacement of obsolete air conditioning equipment for more energy-efficient equipment.
- Expanding the measurement of energy and water consumption, as well as residues and emissions, to the rest of our branches nationwide.
- Implantation of Cabanesco's requirements systems in the intranet in order to replace printed forms.

OUR POLICY

In Banesco we are aware of the need to protect and preserve the environment for the benefit of nature and future generations. From the point of view of our business, we have committed ourselves to go forward with a series of actions that guide our behavior towards the encouragement of a sustainable development.

Our main purpose is to curve the impact produced by our activities on the environment throughout the diagnosis, evaluations, establishment of new indicators and goals favoring a better use of natural resources, energy saving and waste recycling. Based on the nature of our activities, our environmental impact is limited to byproducts such as paper, used consumable office supplies (ink and toner) and the so-called electronic garbage (obsolete or crashed equipment).

By now, the only foreseeable way that the climate change could impact our organization activities would be a higher need of air conditioning at our branches and offices, which in turn would increase energy consumption and the subsequent emissions. However, the Organization is ready to start in the middle-term the replacement of its air conditioning equipment by new units with a more efficient technology.

OUR MANAGEMENT

We updated our indicators for 2008 based on the increase of the Bank's payroll, the calculation of the hired staff's effects, the increase of branches and expansion in square meters, the growth in the number of vehicles used in and for the Bank and the addition of the power plants.

■ Key Environmental Indicators

Indicators of direct effect: eco-efficiency	Consumption / emission per person				Consumption / total emission			Unit		
	Unit	2007	2008	Var. %	2007	2008	Var. %	2007	2008	Var. %
CO ₂ Emissions employees' vehicles ¹	kg	96.11	91.23	(5.08)	1,209,416.00	1,236,672.00	2.25	--	--	--
CO ₂ Emissions diesel equipment ¹	kg	1.46	11.24	669.86	18,455.00	36,768.00	99.23	--	--	--
Electricity consumed ²	Kwh	8,566.00	7,058.00	(17.60)	107,781,492.00	95,676,000.00	(11.23)	--	--	--
Water consumed ³	m ³	25.29	27.35	8.15	318,280.00	370,864.00	16.52	--	--	--
Paper consumed per employee ³	kg	2.51	2.82	12.35	31,489.00	38,270.00	21.53	--	--	--
Paper consumed per customer ³	kg	0.07	0.06	(14.29)	326,544.00	304,724.00	(6.68)	--	--	--
Discarded (donated) computers	N°	--	--	--	--	--	--	115	275	139.13
Recycled furniture	N°	--	--	--	--	--	--	2,492	171	(93.14)

(1) Only includes administrative offices at Ciudad Banesco and El Rosal (Caracas)

(2) Only includes administrative offices in Gran Caracas

(3) Nationwide Total

In the table above we can observe a significant reduction of the energy consumption at our branches located in the Capital Region between 2007 and 2008 both, in absolute terms and per employee. The records also show a reduction of paper consumption per customer, as well as of the CO₂ emissions of our staff's vehicles at our main administrative branches. However, during the last year we observe an increase of water and paper consumption per employee.

It is worth of mention that the office paper discarded at Ciudad Banesco is handed out to a charitable organization, Renacer, which sells the paper to recycling companies to get funds. However, Renacer does not prepare reports quantifying the weight of this recycled paper.

In the case of other emissions, such as the NO or SO, the nature of our activities does not imply production of these emissions.

Regarding the CO₂ produced by the diesel equipment, in 2008 Caracas experienced a series of generalized blackouts and other simulated exercises were conducted with the power plants of Ciudad Banesco and El Rosal, which produced a significant increase of these emissions.

Indirect Energy Consumption

Due to the nature of our organization, Banesco consumes solely electric energy. We count on back-up diesel generators in Ciudad Banesco, El Rosal and other branches which account for 15% of our facilities. These plants get activated if the voltage in the network falls.

Water Recycling

Our headquarters, Ciudad Banesco, is our only facility

that because of its dimensions could justify a system of gray or underground waters recycling. However, this is a preexisting building revamped by Banesco and because of this the construction of an infrastructure to recycle water would have implied a disproportionate investment to produce a very limited benefit. Therefore, nowadays we don't have a recycling system.

Environmental Sponsorship – Los Roques Scientific Foundation

The mission of Los Roques Scientific Foundation, one of our Social Partners, is to preserve the environment and the biological diversity at the archipelago, through research and the execution of solutions in order to guarantee its protection and the sustainable use of its resources.

In 2007, Banesco granted to this foundation the amount of BsF 142,202 aimed to carry out educational projects, as well as research works at Dos Mosquises Biological Station and a workshop on Submarine Pre-Hispanic Archeology. These funds were not completely executed due to administrative delays. Therefore, part of these resources were available for later investments (for example, the Educational-Environmental Program 2008-2009), plus BsF 13,339 granted by Banesco in 2008.

Banesco Operations with Environmental Impact

■ **PRODUCTS AND SERVICES:** In the feasibility studies we apply to the builder's credit we underline the following aspects related to the environment:

- We verify that the project has all the permits granted by the authorities, particularly those related to environmental impact, which are mandatory by the law for all the building projects: housing, industrial warehouses, hotels, factories, shopping malls, among others.
- In relation to the service of current water supply, it has to be sure that the project counts on the service capacities and the required stability in terms of delivery. If the project cannot ensure the service delivery and the builder proposes a deep well as a solution, it has to be verified that the well has been previously authorized by the Ministry of Environment and that the water is suitable for human consumption. Generally, the results are requested after the diagnosis: purity and mineral composition, among others.
- As for the treatment plants, they have to count on the required permits issued by the Ministry of Environment. A series of inspections are conducted to determine that the location will not cause future environmental damages and verify that the condo or field agreements include the maintenance commitments for deep wells and treatment plants.
- Generally, we support the traditional construction systems. When a project is presented with non-traditional constructive systems we verify that they have previously tested and adjusted to the Venezuelan regulations. Technical suitability certificates issued by renowned institutions (National Institute of Structural Models) or others are required. Likewise, the constructive elements should not include high contents of polymers, acetates or asbestos.
- The projects must comply with the standard distances in relation to tributaries, high tension towers and protection zones, as well as with the urban equipment rules for this type of initiatives both, for tourism or for housing.
- Last, but not the least, we try to ensure that the financed projects count on the fitness certificate before the sales process.

■ **PRODUCTS TRANSPORTATION:** Banesco does not cause measurable environmental impact for this activity, as the products transported by the bank to its nationwide agencies network are office stationary, printed documents, as well as technology equipment and consumables.

■ **PERSONNEL TRANSPORTATION:** Our staff uses their own vehicles as their transportation means to go to Banesco, return to their homes and reach different administrative facilities in the capital region. When the staff has to go to an event which has been organized outside the organization, Banesco covers the expenses incurred for that movement and, if it is necessary, it hires transportation services.

■ **BRANCHES OPENING:** Banesco does not carry out previous environmental impact studies in the areas where we open branches, unless they are required by the municipal authorities. We do design market feasibility analysis, as well as growth and takings evolution studies at the geographical area where the point of attention will be opened.

■ **PAPER CONSUMPTION FOR PRINTED DOCUMENTS AND PHOTOCOPIES:** We integrate the Commercial Web Credit Workflow with the Electronic Management of Documents system to obtain a single electronic and digitalized file of the customer. This allows a minimum use of paper in our business processes and a faster response for our customers' credit requests.

STEPS TAKEN TO REDUCE OUR ENVIRONMENTAL IMPACT

Our headquarters, Ciudad Banesco, is a smart building that includes various constructive and informatics elements, which minimize their environmental impact:

- Most of our building facade is a green curtain wall with a low reflectiveness, which compose along with other elements a comfortable labor environment and reduces the air conditioning consumption.
- The building is controlled by a software which manages all the commands of our CRT, the security and electro-mechanics access controls (air conditioning, elevators, escalators and lightning), producing a higher efficiency in terms of energy consumption.
- All the carpets are made of non-pollutant material, which can be recycled at the end of their service life.

- The building counts on “smart” elevators and they take the standby mode when they are out of use for a given period of time.
- The toilettes sets of faucets are automated, that is, the sinks, WC and urinals are automatically activated and only use the required amount of water.
- Our contractor for food services at Ciudad Banesco, Restoven, uses biodegradable cleaning products produced by Ecolab.
- If possible, all our furniture and electronic equipment discarded are donated to public charity entities and organizations. Likewise, our cartridges are donated to our Social Partner Fundana (see chapter “Our Social Partners”).

■ Donation of Discarded Furniture	
2008	
Institution	Nº Units
CICPC Div. Against Homicides	12
CEI J.L. José Gregorio Monagas	23
Educational Unit Luis Hurtado Higuera	17
Siembra de Venezuela Foundation	27
CICPC Sub-Delegation, La Guaira	20
Fire Fighter of Imbarren Municipality (Barquisimeto)	72
Total Furniture 2008	171
Total Beneficiary Institutions 2008	6
2007	
Fundabomberos	11
Canaima School	9
Andrés Bello Experimental University Institute of Technology (IUETAEB)	3
Tomás Vicente González School	14
Fire Fighter of Imbarren Municipality (Barquisimeto)	37
María Auxiliadora Popular Technical School	53
Casa Hogar Renacer	2,253
CICPC Banking Security Division	1
San José Community Council	19
Policarpo Krautle School	37
Metropolitan Firefighters	29
Barquisimeto Archdiocese	26
Total Furniture 2007	2,492
Total Beneficiary Institutions 2007	12

Since 2007 year-end we have developed a replacement process of informatics equipment, particularly CRT monitors for liquid crystal monitors in the Capital Region (Ciudad Banesco, El Rosal, Torre América), as well as in several branches in the countryside and nationwide. This process had reached to around 60% of our facilities by 2008 year-end. These machines are much more efficient in terms of energy consumption and the replacement process will continue all along 2009.

As a part of our policy we have urged our air conditioning contractors to get their certification in “Good Practices in refrigeration” granted by the Industrial Reconversion Fund (Fondoin). Nevertheless, most of these companies have argued that due to their high staff turnover is not profitable for them to embark on this process. We also expect to train our Conservation Managers, along with Fondoin, in the management of products that deteriorate the ozone layer. This was expected for 2008, but was postponed because of administrative delays.

In 2008 we began to replace the halon gas of the firefighting systems at our data centers for FM200, which has no impact on the ozone layer. This replacement process will conclude in 2009.

Banesco has encouraged the growing use of the electronic banking in order to reduce the use of printed forms for our customers’ operations, besides the convenience of being able to do their operations not necessarily at our branches. On the other hand, all our communications with our employees, as well as their consultations and bank operations are carried out through the Intranet, curbing in the process the consumption of paper, ink or toner. Along all these years we have worked to rationalize the location of our photocopiers and scanners at our branches.

In 2009 we will begin with the implantation of the new tool LotusNotes 8.5 for e-mail, which includes among its functions audio and videoconference, instant messaging and many others functionalities that reduce time, transportation efforts and printing. Although it is not possible to quantify the energy saved or reduction of emissions as a consequence of these measures there is no doubt that they will be crucial to save time and unnecessary transportation efforts.

On the other hand, in 2008 we began to prepare a rationalization project for the use and recycling of paper, which will be implemented in 2009 at Ciudad Banesco and will be progressively expanded to the rest of our administrative branches. Further on we will proceed with

the implantation of similar recycling systems for metal and plastic waste, as well as the so-called “electronic garbage” as a part of the institutionalization of a comprehensive environmental program for our organization as a whole.

It is worth of mentioning that the printer machines used at most of our administrative facilities nationwide have been certified with the ISO 14001 standard, that is, they meet all the international standards in terms of resources consumption and pollutants production.

Since 2007 we have been developing a platform called Gelecon (Electronic Management of Contents) in order to reduce the storage of documentation and speed up their availability. In 2008 we surpassed the expected goal of credit card files digitalized (215,279 files) when we were able to digitalized 292,394 files (136% above the goal established).

In 2009, the Accounts Opening business area will be incorporated into this platform. In the middle-term, Gelecon progressive extension to other areas of our organization will result in the reduction of paper consumption. In 2009, our employees' Savings Fund (Cabanesco) will also eliminate the use of printed requirements forms to implant the system in the Intranet.

In the short-term, Banesco will take a series of steps to reduce energy consumption at Ciudad Banesco and other administrative facilities, such as turning off the lights and escalators earlier. At the end of their service cycle, Ciudad Banesco air conditioning equipment will be replaced for more energy-efficient systems.

Banesco has not been fined or sued due to violations of national or local environmental regulations.

■ Donation of Discarded Computers

2008

Institution	N° Units	Institution	N° Units
Barquisimeto Archdiocese	5	Baruta Mayoralty	25
National Bolivarian School Arichuna, Caracas	2	UCV Journalism School, Caracas	40
CICPC Div. Against Homicides	2	Fe y Alegría School La Rinconada, Caracas	8
Bolivarian School Pedro Fontes, Caracas	10	Diego Renato Mejías Bolivarian School, Caracas	10
Educational Unit Nuestra Señora De Belén, Mérida	10	Baruta Mayoralty / Concha Acústica Module, Caracas	2
Pre-school Nursery Rafael María Baralt, Miranda	2	Cátedra Paulo Freire - UCV, Caracas	15
National Basic School Coquivacoa, Zulia	2	Obras Misionales Pontificias, Caracas	10
Individuals	2	Center of Initial Education Aminta de Manzanilla, Caracas	5
Caracas Pedagogic Institute	50	Champagnat Foundation, Caracas	20
Claret María Luisa de Ponte Private School, Caracas	15	First Infantry Division, Zulia	20
CEI J.I. José Gregorio Monagas, Caracas	10	Total Computers	275
Ministry of Defense, Caracas	10	Total Beneficiary Institutions Or Individuals 2008	23

2007

Institution	N° Units	Institution	N° Units
Autonomous Int. of Infrastructure, Works and Services (INFRAMIR)	4	Claret Educational Unit	10
EFOFAC	4	Madre E. Jaramillo Educational Archdiocesan Unit	10
Individuals	1	Los Roques Scientific Foundation	5
El Niño Don Simón School	8	Metrop. Council for the Rights of the Children and Adolescents	3
San José Parish Directory	2	Miranda Firefighters	1
Corazón de Jesús Institute, Augustine Sisters	5	María Auxiliadora Popular Technical School	5
Club of the Elder Civil Assoc.	1	Quebrada Seca Educational School	5
A.C.I.E. Casa Hogar San Fernando	1	María Teresa Toro Educational School	4
Unidad Psico-Educativa La Guaira	6	Tomás Vicente González School	8
Macario Civil Authority	1	Creación Caucagua Basic School	1
Franciscan Lay Order	20	Total Computers	115
U.C. Agustinián Divina Pastora	10	Total Beneficiary Institutions Or Individuals 2007	22

OUR SUPPLIERS

MAIN ACTION LINES IN 2007

- Implementation of the SAP system to give a 100% support to our organization's administrative and financial management.
- Updating of the following processes: procurement, payments, transportation logistics, inventories, fix assets, advances, as well as budget and costs control.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- Creation of a Responsibility Center addressed to the Operational Excellence aligned with the Strategic Planning program of the Bank, so as the 100% of our suppliers with important transactions and/or strategies could comply with the guidelines of the Procurement Committee.
- Execution of the project "Assessment Phase I" in order to determine the planning and execution of 2008 second-half and the two following years.
- The goals achieved by the Responsibility Center addresses to the Operational Excellence are the following:
 - a) The Gelecon manages 100% of the files corresponding to commercial credits of the highest 500 debtors with a balance over Bs. 750 and Bs. 500,000, 100% of the new files of commercial credits and 30% of the new files of TDC.
 - b) We carried out the training activities for the use of this tool in the areas which are being incorporated to the Gelecon platform (Agricultural and Energy Banking).
 - c) Reduction of the costs and response times of the service both, for internal and external customers.

COMMITMENTS MADE FOR 2009

- Creation of a new VP of Procurement.
- Consolidation of a Suppliers Single Registry
- Improving the use of the SAP modules related to the procurement management.
- Starting up the annual application of satisfaction surveys among our main suppliers.

OUR MANAGEMENT

In 2008 we advanced towards the implementation of the Gelecon platform (Contents Electronic Management), which aims to reduce the spaces devoted to documentation and speed up their availability.

In 2009 we will create a new VP of Procurement, with the mission of leading and managing the procurement and hiring model. The purpose is to optimize the efficient and transparent use of the Bank's resources through the design of each one of the processes involved in the management, from the planning to the acquisition follow-up, as well as suppliers' selection and procurement execution.

Likewise, next year we will consolidate Banesco Suppliers Single Registry, through the establishment of an evaluation standard process which operates as the base to select the most qualified and reliable suppliers for all our purchases and hiring processes.

To support our procurement process as a whole, we will begin to improve the use of the SAP system modules related to our management in order to leverage and speed up our corporate processes, increasing at the same time the transparency and control of our acquisitions.

OUR POLICY TO HIRE SUPPLIERS

All suppliers must consign the required documentation to be registered in our administrative system. Among these requirements are the following:

- Commercial Registry
- Audited financial statements
- IRS statement
- Mandatory Social Security Clearance
- Having an account in Banesco
- CADIVI
- Price list of services and products

Purchases over BsF 1 million go to the Procurement Committee for evaluation and recommendations, after being submitted to an analysis conducted by the Credit Division and the review of Operating Risk.

PTo make a purchase, at least three different budgets are required. Afterwards, the budgets are analyzed and the Bank selects the best offer in term of price, response time and quality product.

The analysis includes a visit to the factory or the company in order to assess its installed capacity and if it counts on enough inventories and stocks.

For 2009 we expect to conduct a new satisfaction survey among our main suppliers, as a part of a dialogue with our stakeholders. Likewise, we are studying the incorporation of commitment clauses related to social responsibility into



our future contracts with suppliers, particularly on topics such as human rights and environmental preservation.

■ Suppliers

Service	2007	2008	N° suppliers		% on total	
			Variation %		2007	2008
Hardware store, parts, material and other supplies	116	183	57.76		6.54	7.03
Stationary	31	31	—		1.75	1.19
Office equipment	14	16	14.29		0.79	0.61
Hardware and software	23	17	(26.09)		1.30	0.65
Furniture	9	11	22.22		0.51	0.42
Forms and value paper	20	20	—		1.13	0.77
Credit and debit cards	2	2	—		0.11	0.08
Cleaning articles	3	4	33.33		0.17	0.15
Fittings	8	7	(12.50)		0.45	0.27
Food stamps	2	2	—		0.11	0.08
Other equipment	16	25	56.25		0.90	0.96
Real Estate	3	17	466.67		0.17	0.65
Technology	44	35	(20.45)		2.48	1.34
Maintenance	151	134	(11.26)		8.51	5.15
Advertising and Marketing	250	258	3.20		14.09	9.91
Transportation, mail and courier	46	65	41.30		2.59	2.50
Hotels and travel agencies	102	208	103.92		5.75	7.99
Fees and consultancies	292	610	108.90		16.46	23.43
Real Estate renting	174	221	27.01		9.81	8.49
Equipment renting	13	17	30.77		0.73	0.65
Photocopies and printed papers	2	3	50.00		0.11	0.12
Notary and registry services	11	19	72.73		0.62	0.73
Surveillance	10	8	(20.00)		0.56	0.31
Affiliations and subscriptions	18	18	—		1.01	0.69
Telephone and telecommunications	10	11	10.00		0.56	0.42
Cleaning	7	12	71.43		0.39	0.46
Condominium and administrators	154	210	36.36		8.68	8.06
Training	60	45	(25.00)		3.38	1.73
Electricity	19	23	21.05		1.07	0.88
Other services	164	372	126.83		9.24	14.29
Total	1,774	2,604	46.79		100.00	100.00

■ Amount Paid to Suppliers

BsF	Amount Invoiced			% on total invoiced	
	2007	2008	Variation %	2007	2008
Hardware store, parts, material and other supplies	26,239,607	27,683,233	5.50	2.80	2.30
Stationary	15,659,288	15,286,133	(2.38)	1.67	1.27
Office equipment	29,122,865	37,133,049	27.50	3.10	3.09
Hardware and software	26,105,043	84,123,169	222.25	2.78	7.00
Furniture	11,332,243	2,552,535	(77.48)	1.21	0.21
Forms and value paper	14,901,931	46,898,735	214.72	1.59	3.90
Credit and debit cards	3,701,981	7,978,631	115.52	0.39	0.66
Cleaning articles	3,694,166	5,965,329	61.48	0.39	0.50
Fittings	4,735,295	1,778,457	(62.44)	0.50	0.15
Food stamps	11,586,382	6,915,572	(40.31)	1.23	0.58
Other equipment	4,198,677	1,263,853	(69.90)	0.45	0.11
Real Estate	21,520,680	30,794,161	43.09	2.29	2.56
Technology	87,322,846	96,135,689	10.09	9.30	8.00
Maintenance	142,867,986	175,987,230	23.18	15.22	14.65
Advertising and Marketing	75,951,565	120,333,275	58.43	8.09	10.01
Transportation, mail and courier	106,489,815	128,611,274	20.77	11.35	10.70
Hotels and travel agencies	13,600,959	12,253,147	(9.91)	1.45	1.02
Fees and consultancies	75,265,030	85,892,313	14.12	8.02	7.15
Real Estate renting	53,254,359	50,112,285	(5.90)	5.67	4.17
Equipment renting	55,129,107	59,234,798	7.45	5.87	4.93
Photocopies and printed papers	7,910,468	9,651,217	22.01	0.84	0.80
Notary and registry services	1,566,777	407,204	(74.01)	0.17	0.03
Surveillance	15,789,193	13,333,955	(15.55)	1.68	1.11
Affiliations and subscriptions	966,338	742,119	(23.20)	0.10	0.06
Telephone and telecommunications	33,098,596	51,138,741	54.50	3.53	4.26
Cleaning	12,904,361	19,185,464	48.67	1.37	1.60
Condominium and administrators	13,326,159	16,790,825	26.00	1.42	1.40
Training	8,988,985	9,099,495	1.23	0.96	0.76
Electricity	7,458,185	9,375,239	25.70	0.79	0.78
Other services	53,883,168	75,017,781	39.22	5.74	6.24
Total	938,572,055	1,201,674,908	28.03	100.00	100.00

ALLIANCES

We join efforts with our suppliers in order to reinforce our social action in the community. Our suppliers are aware about the importance of creating alliances to mitigate the community problems and offer a higher quality of life to the citizens. Together with them and our Social Partners, Banesco held the following activities in 2008:

■ Social Investment from our Suppliers

Supplier	Alliance	2007	2008
		Inversión BsF	Inversión BsF
Restoven de Venezuela	Snacks for events at Fundana	5,176.04	680.36
	Contribution to Fundana Auction	—	680.36
	Contribution to Zapata Auction	—	962.12
	Salesian Ladies Event	—	55,985.00
	Contribution to softball team	—	550.00
	Procurement of softball uniforms	—	2,160.00
Recrea Entertainment	Donation Asodeco event	—	5,000.00
	Transportation and recreation for Fundana parties	8,000.00	—
Total BsF		13,176.04	66,017.84

■ Most Significant Suppliers in the Capital Region

Type of service	N° suppliers	Average 2007 BsF	Average 2008 BsF	Variation %	% of the total	
					2007	2008
Couriers	3	680,000.00	750,000.00	10.29%	34.14	35.01
Printing and Copies	2	712,000.00	777,000.00	9.13%	35.74	36.28
Value Paper	2	600,000.00	615,000.00	2.50%	30.12	28.71
Total	7	1,992,000.00	2,142,000.00	7.53%	100.00	100.00

■ Most Significant Suppliers in the Western-Andean Region

Includes Zulia and Falcón States

Type of service	N° suppliers	Average 2007 BsF	Average 2008 BsF	Variation %	% of the total	
					2007	2008
Hotels and travel agencies	3	22,866.36	34,282.25	49.92	4.58	6.80
Electricity	2	68,433.09	80,090.44	17.03	13.69	15.88
Equipment Maintenance	5	62,799.03	137,429.47	118.84	12.57	27.24
Offices cleaning and conservation	1	345,599.05	252,697.59	(26.88)	69.16	50.09
Total	11	499,697.53	504,499.75	0.96	100.00	100.00

■ Most Significant Suppliers in the Eastern Region

Type of service	N° suppliers	Average 2007 BsF	Average 2008 BsF	Variation %	% of the total	
					2007	2008
Hotels and travel agencies	3	24,000.00	41,000.00	70.83	7.62	6.72
Real Estate Renting	14	118,600.00	338,197.18	185.16	37.68	55.44
Offices cleaning and conservation	2	38,601.00	54,000.00	39.89	12.26	8.85
Transportation, mail and couriers	1	26,000.00	43,000.00	65.38	8.26	7.05
Equipment Maintenance	4	61,800.00	113,000.00	82.85	19.63	18.53
Furniture	1	25,800.00	20,800.00	(19.38)	8.20	3.41
Fees and Consultancy	0	20,000.00	--	(100.00)	6.35	0.00
Total	25	314,801.00	609,997.18	93.77	100.00	100.00

■ Most Significant Suppliers in the Middle-The Plains Region ⁽¹⁾

Type of service	N° suppliers	Average 2007 BsF	Average 2008 BsF	Variation %	% of the total	
					2007	2008
Hotels and travel agencies	1	15,288.00	8,700.00	(43.09)	4.80	1.53
Offices cleaning and conservation	3	207,291.90	488,531.00	135.67	65.12	85.86
Transportation, mail and couriers	2	37,058.00	37,909.00	2.30	11.64	6.66
Equipment Maintenance	2	58,699.00	33,868.00	(42.30)	18.44	5.95
Total	8	318,336.90	569,008.00	78.74	100.00	100.00

(1) The data corresponding to this region was wrongly reported as "Falcón-Zulia" data in the 2007 report.

PROCUREMENT COMMITTEE

The Procurement Committee is an organizational body of coordination that shall foster the ideal design of the procurement operations that are the framework of any event involving goods acquisitions, input and/or services, or negotiation, even when it doesn't involve the immediate disbursement of funds.

Roles and Members of the Procurement Committee:

PRESIDENCY:	Executive Vice Presidency of Administration and Control
SECRETARY:	Legal Consultancy
APPLICANT:	An administrative or self-management area

Decision Making Team

- Administrative Vice Presidency
- Executive VP of Electronic Channels
- VP of Physical and Operational Infrastructure Conservation
- Management of IT Administrative Division

Support Team

- VP of Legal Consultancy
- VP of Commercial Credit Analysis
- VP of Operating Risk

Objective

Acting as a corporate mechanism of autonomy in the purchase processes in order to add value to them, so as to enable the organization to evaluate, endorse or question the design of the acquisition operations for goods and services in order to help the areas with self-management in purchases to optimize the value they deliver to the organization.

In the search of an efficient management of operations

—Creation of the Electronic Folder “Procurement Committee Operations”:

- Evaluation forms from the supplier and procurements operations forms: models and results.

- Historic registry of the Committee's resolutions.
- Management reports

—Creation of the Suppliers Corporate Registry

- -Ensuring purchases consolidated by supplier, simultaneous purchase in course, or even accumulated.
- Some suppliers create “consolidated risk” to place equal or different staples in one and/or several areas. In such a case, the analysis should be focused on the supplier rather than on the operation.

—Review of all the important contracts non-analyzed during the last year:

- Contracts that involve critical staples for the business continuity shall be carefully analyzed.
- Involves selection and review by each contract holder together with Legal Consultancy and Risk (to evaluate the impact on the business in case of non-fulfillment by the supplier).

—Scope of the Committee's purpose, which could be expand over the time:

- The committee can make strategic analysis to optimize costs and propose ideas and initiatives.
- The committee must watch over, on a permanent basis and particularly, the critical services contracts or critical staples.
- The committee is entitled to establish guidelines based on the best practices both in terms of know-how and its own experience.

Committee Powers

- The committee will process, endorse or question any Procurement Operation higher or equal to the minimum autonomy of the Procurement Committee.
- The exceptions shall be agreed-upon by the same committee in the case of high atomicity of suppliers or the specific market's dynamic, among others.
- The operations endorsed which amount is higher than the maximum autonomy of the committee will be validated by the Directive Committee.
- The operations questioned shall be reformulated

according to the issues and shall be informed and evaluated by electronic means.

- Every supplier, true or potential billing party one year after the minimal autonomy of the Procurement Committee, shall be endorsed under the modality of Operation of Procurement, even if none of the operations totalizes that amount and even if those operations are distributed among several Responsibility Centers.

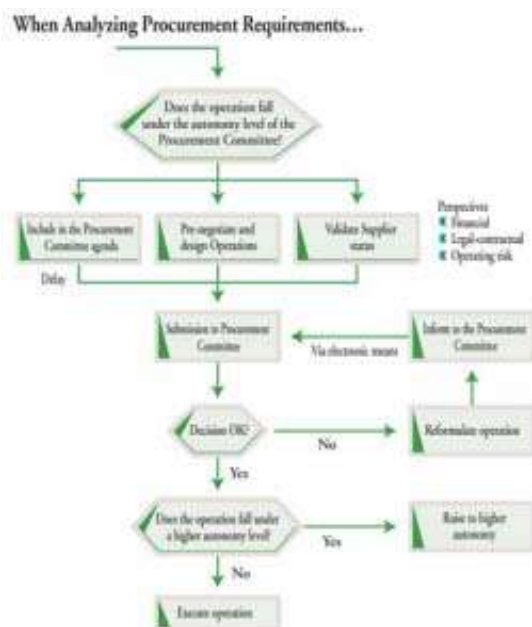
Self-Management in Purchases

- Administration-Purchases
- IT and Processes
- Marketing
- Physical Infrastructure
- Electronic channels (including Commercial-Cards requirements)
- Physical and Operational Infrastructure
- Cards-Operations
- Human Capital
- Security

Suppliers and Requirements

Previously to the activation of the Procurement Committee, the Self-Management Areas in Purchase shall request to their suppliers the following:

- RIF and NIT copies
- Charter copy, including their corresponding amendments or incorporations, if any.
- Card Identity copies of the company's binding parties
- Financial Statement closing the three last fiscal years, signed by a Public Accountant.
- Trial Balance updated, if it has been issued after the six months of its closing date
- Debt Table
- Workload Table, for those companies that work through contracts
- General information about the company's activity



The suppliers will be able to deliver or not the following documentation:

- Calculation of the revenues corresponding to one year, as of the beginning of the process. If the supplier presents cyclical sales, it shall indicate the quarterly sales percentage.
- Costs and expenses to be incurred for the present period, as well as potential investment or acquisition plan of machinery and equipment.
- Remodeling planned for the period
- Indicate the flow if the supplier is considering to cancel dividends in cash.
- Projection of debts repayment with the banking (capital and interests)

- If the supplier does not have cash flow, it shall indicate the following premises: sales estimated for the following year; monthly percentage of sales, estimation of benefit margin for the following year.

Optional documentation: Monthly projection of cash flow for a year, from the starting date of the process, in order to apply for Banesco supplier

- Beginning in 2008, the different areas shall request this information to their suppliers that have or cover the amount of Bs.F 1,000,000 and send it to the SME Management Division, where a Financial Evaluation will be carried out. They shall also attach the Evaluation of Operational Risk.

OUR COMMITMENT TO THE AUTHORITIES

MAIN ACTION LINES IN 2007

- Continuation of the BCV's initiatives to encourage the modernization of the National System of Payments which marked the beginning of the project second stage.
- Successful fulfillment of the Currency Reconversion process.
- We were the pioneers in term of fulfillment of the following regulations: Tax on Financial Transactions, Change of the time zone and Demands on Visa and Master Card franchises, as well as Cadivi.
- Fulfillment of the minimum levels legally established in relation to the specialized credit portfolios.

MANAGEMENT EVOLUTION AGAINST 2007 AND MAIN ACTION LINES IN 2008

- Strengthening our structure to solve our customers' claims which are remitted to the Bank by the Superintendent of Banks.
- Strengthening the areas that evaluate and analyze the different bills with an impact on the financial sector which have been introduced by the central government in the Enabling Law and considered by the National Assembly.
- Strengthening the structure of our Corporate Government.

COMMITMENTS MADE FOR 2009

- Strengthening the government structures of those areas which demand control and follow-up by the organization in order to guarantee to the authorities high levels of transparency and reliability, in accordance with the best practices of the Corporate Government and the strict fulfillment of the applicable regulations.
- Going forward with the working meetings allowing the signature of new and better service agreements which include the timely and efficient dispatch of all and any accounting and legal documentation requested by Sudeban in order to be able to respond the claims exposed.
- Including the Executive VP of Prevention of Losses Management and Business Continuity in the SCAV "workflow".

OUR POLICY

A fundamental factor of Banesco's philosophy is the efficient encouragement of social inclusion of the groups that remain outside the financial system, as an instrument to foster the fight against poverty and support the economic growth of the country. This, in turn, helps to achieve the central government's goals which are established in the Constitution.

We also work to be an active partner both for the central government and regional and local governments to encourage the development and diversification of productive activities.

Banesco's doctrine is based on a careful observation of its fiscal obligations, not only to abide by the regulations in force but also as an integral part of its social responsibility and institutional reputation. Therefore, as corporate citizens we respectfully observe the laws on fiscal and parafiscal matters, honor within the established period the commitments and legal contributions both, the national and regional ones, as well as the contributions to the banking sector regulatory bodies.

In 2008 our organization designed and implanted a new organizational and administrative structure for the management of our Corporate Government. It is composed of a series of Thematic Committees which support the work and responsibilities of the Board of Directors and represent the widest communication channels with the employees. This new schema strengthens and speeds up the functioning of our Corporate Government.

Taking into consideration the volume of claims managed in 2008, the VP of Legal Consultancy implemented a series of improvements into the attention process to manage the claims remitted by SUDEBAN, among which we can mention:

- Service agreement with the involved areas, including as a critical point a master processing of the documentation supporting the claim. This allows a more comprehensive analysis of the claims and improves response time.
- Strengthening of the internal structure, including layer full-time devoted to solve this kind of requirements.
- Review of written texts submitted before this body, adjusting then to the requirements of SUDEBAN.
- Unification of the criteria and arguments submitted to SUDEBAN.

Taxes on Own Operations

Thousands BsF	2007	2008	Variation %
Income Tax	76,600.00	74,710.35	(2.47)
Tax on Economic Activities ⁽¹⁾	42,892.00	78,267.71	82.48
Financial Transactions Tax ⁽²⁾	5,597.35	17,534.38	213.26
Value-Added Tax	78,590.00	85,270.72	8.50
Tax on Commercial Advertising and Urban Real Estate	579.00	775.70	33.97
Total	204,258.35	256,558.86	25.61

(1) In 2008 an increase of around 60% was recorded in the Gross Income perceived by Banesco Banco Universal branches against 2007. This is the BAE calculation base.

(2) This tax entered into force on November 1, 2007 and was in force until the first half of June 2008.

Contributions established in the Law of Science, Technology and Innovation⁽¹⁾

Thousands BsF	2007	2008	Variation %
Technology Projects	40,135.27	24,733.31	(38.38)
Training	1,801.41	472.78	(73.76)
Total	41,936.68	25,206.09	(39.89)

(1) Figures taken from the System for Declarations and Contribution Control, Investment on Science, Technology and Innovation (SIDCAI for its Spanish acronym).

Food Stamp Law

Thousand BsF	2007	2008	Variation %
Food stamp law	16,393.03	26,951.29	64.41

- Review, updating and improvement of the SCAV. This is a tool used to funnel letters, memos and any other requirement made by SUDEBAN.

In 2009, the Fraud Prevention area will be included in the SCAV tool's "work flow". This is the base of a digitalized file with all the supporting documentation issued by the area once the analysis has been conducted to solve the claims received.

On the other hand, our Legal Consultancy has assigned to the Corporate Legal Division Management the analysis of the different bills introduced by the central Government into the Enabling Law with direct or indirect impact on the financial sector. This analysis was successfully carried

Parafiscal Contributions

Thousand BsF	2007	2008	Variation %
Law of Housing and Habitat	10,472.64	10,300.03	(1.65)
Mandatory Social Security	18,602.42	28,696.03	54.26
Employment Law	4,104.50	6,423.64	56.50
INCES	5,241.56	8,312.58	58.59

Contributions to Fogade and Sudeban

Thousand BsF	2007	2008	Variation %
Fogade	87,026	105,921.14	21.71
Sudeban	30,346.00	34,220.74	12.77

out. Additionally, the study and analysis scope was widened to include any law or regulation with potential impact of this sector. Likewise, in order to ensure a permanent updating, we made daily reviews of the Official Gazette publication with an impact on the financial sector.

MODERNIZATION OF THE PAYMENTS NATIONAL SYSTEM

In 2008, Banesco has actively participated in the meetings organized by the Operations Committee and the Checks Sub-Committee of the Venezuelan Banking Association for the development and decision making process of the Checks Forged Projects proposed by the Central Bank and financial institutions aimed to the modernization of the Payments National System.

In the framework of these meetings, a series of agreements were made about the physical exchange of checks and the rules for Administration, Control and Custody of Checks and Images; the risks of the exchange were identified and an informative dossier was delivered with instructions for the images exchange. In July was submitted a project before the Legal Committee of the Venezuelan Banking Association for its review.

In November, our suppliers began with the review of the checks formats for their unification.

CURRENCY RECONVERSION

In January 2008, we closed the Currency Reconversion process: the "Zero Hour" was monitored, our tellers and branches nationwide were fed with Hard Bolivars; we started the exchange of Bolivars (Bs) by Hard Bolivars (BsF) in our network and we withdrew from circulation the family of old notes and currencies (BCV agreement). A number of public consultations were attended to by our Phone Center.

This allowed us to fulfill with an impeccable currency reversion process, with excellent results for our customers, regulatory bodies and our organization and to be the bank with the lowest service interruption time, the highest availability of Bs.F in the market in our wide network of ATMs and branches, without any incident caused by the currency reversion. For all this, Banesco received acknowledgements from the Central Bank and the Superintendent of Banking.

INFORMATIVE LECTURES

In 2006, Banesco began a nationwide cycle of lectures, opened to the general public, where experts on this matter gave detailed information about credits of the specialized portfolios and how to get this kind of financing.

In 2008 we continued with this activity through a series of informative conferences about financial topics and addressed to customers and non-customers of this organization. All over the country Banesco visited 82 companies (55 private companies and 27 public companies), which coordinated meetings with their work forces so as they could receive information about mortgages, as most of their workers were deprived of a house of their own.

Informative Lectures

	2007	2008	Variation %
Number of lectures given	60	83	38.33
Number of attendees	8,454	7,985	(5.55)
Number of cities served	24	n/d	—

Specialized Credit Portfolios

Portfolio	Amount achieved (thousand BsF)		% Required		% Maintained	
	2007	2008	2007	2008	2007	2008
Modality						
Tourism	270,676.50	249,173.44	3.00	3.00	3.05	1.52
Micro-entrepreneurs	765,590.02	881,170.19	3.00	3.00	6.59	5.03
Agriculture	1,581,644.00	2,700,887.06	21.00	21.00	22.48	21.35
Manufacture (*)	-	1,297,075.52	-	10.00	-	7.90
Mortgage - Own Resources (Long Term)	450,301.72	722,795.48	5.00	6.00	5.07	4.40
Mortgage - Own Resources (Short Term)	415,851.12	615,548.77	5.00	4.00	4.67	3.75

(*) Beginning in 2008

Most of these lectures were directly requested by the companies and institutions as a consequence of the experience of some of the attendees to the lectures offered the previous year. Different bankings and networks also requested these lectures.

We ensure that our regulatory bodies could have access to all the information related to the credits we offer if they require so.

SPECIALIZED CREDIT PORTFOLIOS

In 2008, because of the complex national economy situation, credit operations in all their modalities represented a huge challenge for all the financial institutions. It is important to mention the encouragement given by our organization to the specialized portfolios, which were treated as activities that foster growth and contribute to the productive development of our country. We emphasize the timely attention to our customers' requests providing them with services and products adjusted to the specific needs of each economic sector and always supporting the initiatives that involve the creation of direct and indirect jobs.

With the exception of the sectors of tourism and manufacture (2008) and mortgages (2007 and 2008), Banesco has excelled in relation to the minimum levels legally established in relation to the specialized credit portfolio. Our support to the tourism sector was always present; we meet its requests and strengthened the relations with the tourism and recreation service suppliers nationwide and, particularly those located at Center of Endogenous Development and zones of interest for tourism. We also financed important projects, fundamentally accommodation and tourism transportation, the main driving forces of this sector.

On the matter of mortgage credits to acquire a principal home, Banesco has achieved a progressive increase of our response level, financing each year a growing number of families nationwide. This means that many Venezuelans are able to materialize their dreams of having a home property thanks to Banesco, while at the same time we help to improve our customers' and their families quality of life.

EXTERNAL CAMPAIGNS

In order to address our varied audiences, in 2008 we develop the following campaigns:

- Publications at Banesco sites
- Merchandising at subsidiaries
- 0500-FUERTE, phone attention center exclusive for Currency Reconversion
- BCV leaflets related to the Currency Reconversion.

INTERNAL CAMPAIGNS

- Leaflets, bulletins and billboards about Currency Reconversion and other regulatory topics.
- Present relation with the regulatory body

OTHER REGULATIONS

Banesco adjusted its functioning in order to meet a series of regulations that entered into force or were reformulated in 2008, as follows:

- Law for Credit, Debit, Pre-paid and other Financing Cards and Electronic Payment.
- Law for the Defense of People in the Access to Goods and Services.
- Law of Credit for the Agricultural Sector.
- Law of Housing and Habitat Regime.
- Organic Law for Tourism.
- Law of Benefits and Conveniences for the Payment of Agricultural Debts and Strategic Staples for the Alimentary Security and Sovereignty.
- SUDEBAN decision establishing that Financial Institutions shall provide a Special Treatment to Disable People, the Elder and Pregnant Women.
- SUDEBAN decision establishing the conditions to record and control agricultural credits submitted the restructuring processes.
- Ministry of Housing and Habitat decision about Social Interest Rates/Financial Conditions which will rule the granting of mortgage loans with own resources and the funds provided by the Law of Housing and Habitat.
- Ministry of Housing and Habitat decision establishing the deadline for the conclusion of the work and formal notarization of the sale document, the sale-purchase documents or other equivalent documentation related to

the financing of housing projects under construction, granted by natural people or legal entities which are not regulated by banking or financial institutions.

- CADIVI ruling about requirements, controls and paper work to acquire foreign currency aimed to pay consumptions made abroad.

On the other hand, Banesco complies with the Organic Law on Science, Technology and Innovation (LOCTI), which establishes a 0.5% contribution of the annual gross income for innovation projects. In 2008, Banesco devoted BsF 25,206,090 to its own projects related to technological innovation.

Likewise, the institution complies with the Organic Law against Illegal Trafficking and Consumption of Drugs and Narcotic Substances (LOCTICSEP) and Article 96 linked to the corporate responsibility in drugs prevention, according to which private and public legal persons with 50 workers or more, will allocate one per cent (1%) of their annual net income to integral social prevention programs against drug trafficking and consumption for their workers and families. 0.5% out of this percentage shall be allocated to integral protection programs for children and adolescents, who will be the first and more important priority. The legal persons belonging to economic groups will be consolidated in order to comply with this provision.



FINES AND NON-FULFILLMENT

In 2007 and 2008, Banesco did not receive from the National Securities Commission, Central Bank of Venezuela or FOGADE, any kind of sanction due to non-fulfillment of the regulations established by these regulatory bodies. Banesco did not receive any sanction for non-fulfillment of the guidelines established by the rules in force in relation to free competition or anti-trust rules. In relation to the communications received from the Superintendence of Banks and Other Financial Institutions, no events were recorded with a significant impact on the Bank's financial situation and patrimony.

In 2008 Indepabis applied 45 sanctions to Banesco due to alleged non-fulfillment in relation to the information provided to customers, or because of faults in relation to security measures. All these sanctions have been appealed and are under the consideration of Indepabis at the end of the year.

Lawsuits, eventualities, contractual and fiscal commitments are half-yearly showed in the Financial Statements audited by the Bank, according to the requirements of the Regulatory Body and included in the Commitments and Eventualities Notice. The bank does not expect these lawsuits, eventualities, contractual and fiscal commitments to produce any impact on the financial statement as a whole, up to December 31, 2008 and December 31, 2007. These audited financial statements can be seen at the Venezuelan Banking Association webpage (www.asobanca.com.ve).

Likewise, we keep a close eye to the strict fulfillment of the legal provisions to which Banesco is submitted as a financial institution, such as: the Decree with Rank and Force of the General Law of Banks and Other Financial Institutions, the regulations and instructions established by the Superintendence of Banks and Other Financial Institutions, through its instruction manuals, announcements and official letters. It's worth mentioning that, due to the fast growth rate experienced by the Bank during the last years, we have considerably strengthened our organizational and functional structure, the internal control systems, supported by cutting-edge technology and a human capital committed to the Bank in order to face and meet on time the demands of the regulatory bodies, our customers and the general public.

THE MAKING PROCESS OF THE CORPORATE SOCIAL RESPONSIBILITY REPORT 2008



Principles for the definition of the report's contents

Since 2004, Banesco has published on an annual basis its Corporate Social Responsibility Report. The present report is the fifth edition and corresponds to the period from January 1 to December 31, 2008. The previous report, which covered the period from January 1 to December 31 2007, was published in December 2008. This report is made in Spanish and English (since 2007, the English version is published only in our website www.banesco.com). The structure of the present report follows the recommendation of the *Guidelines for the Elaboration of Sustainability Reports of the GRI*, version G3.

The strategic planning program of the Corporate Social Responsibility (CSR) is prepared by Banesco's Vicepresidency of Communications and Social Affairs, which leads the CSR practices and it is the contact point for the matters related to the content of the present report. This VP reports directly to the Board of Directors.

At the end of 2008, an induction activity was organized and addressed to our VPs of Human Capital, Administration,

Physical Infrastructure, Infrastructure Conservation, Community Banking, Customer Attention and Service and Legal Consultancy, in order to explain the importance of the sustainability reports, its making process and the way their contribution to the present report. This allowed a faster and more fluid reception of the required data than in previous years.

Likewise, this report analyses once again the needs and expectations of employees, stockholders, suppliers and customers, through an exchange with the related areas (Human Capital, Innovation, Marketing, Sales, Administration, etc.). The interest topics resulting from this analysis were the following:

- Actions to improve the employees' quality of life (for example, the *Tu Casa con Banesco* program).
- Training programs.
- Health and Safety campaigns for our employees.
- Fair wages over the minimum mandatory wages.
- Rules for the relation with suppliers in a Procurement Commitment.

*Ciudad
Banesco.*

- Dialogue opportunities (lectures on finance for our customers, meetings with the Colinas de Bello Monte community, among others).
- Mutual satisfaction (between employees and organization, customers and organization, social partners and organizations).
- More and better accessibility infrastructure, with availability and safety guaranteed.
- Joint actions to support the community through our Social Partners.
- Reduction of paper and energy consumption.
- Bancarization and leadership of our payments means.
- Value generation for all our stakeholders, who are defined as those who have an impact or received an impact from our organization: stockholders, Human Capital, Social Partners, our customers, our suppliers and the authorities, including the communities around our branches and society as a whole.

As in previous years, the Report has been organized around two areas: the internal and external dimension of our CSR, with specific chapters for each stakeholder group. We report the interactions developed with them during 2008, particularly statistics (surveys and focus groups).

This year, new indicators were incorporated following the expansion of Banesco's CSR activities, for example the organization of human rights courses for our staff, as well as in the environmental aspect.

In this report, Banesco adopts the premise of reporting its performance in the framework of sustainability. That is, its purpose is not only to inform about its individual performance, but also to report its work within a wider context, including:

- Financial inclusion (bancarization) to fight poverty.
- Emphasizing the support to our Social Partners who work to improve the coverage of education and health services.
- The value attached to the organization's human capital, which is reflected on wages above the minimum wage established, promotions, continuous training, support program to buy houses, among others.
- The organization's impact on the creation of direct jobs at the different regions of the country, indirect jobs through the regional distribution of its suppliers,



opportunities and regional services for the customers and regional donations.

Finally, the content of this report was guided by the **Principle of Exhaustivity** in terms of scope, coverage and time.

In relation to the scope, the report includes all the aspects that were deduced as relevant for each stakeholders group, based on the internal knowledge of them, as a formal consultation process was no opened. However, as it has previously mentioned, the organization has plans to establish and put into practice more formal mechanisms to raise these topics, so as we could reach to a wider scope and particularly focused on the stakeholders' reasonable priorities.

The **coverage** of this report only includes Banesco Banco Universal in Venezuela. When possible, it specifies the organization regional results corresponding to its performance. The *materiality* of the information is expressed by the indicators which reflect significant impact of our organization on the economic, social and environmental fields.

Principles for defining the quality of the report's content

In order to ensure the quality of the information displayed in this report, Banesco watched over the enforcement of the principles to define the quality of the report elaboration, which are established in the Guidelines for the Elaboration of the Sustainability Report of GRI. Fulfilling the principle of Balance, the report gives account of the unfavorable aspects, such as:

- In 2008, the percentage of employees trained was lower against 2007, as during the previous year we recorded a contextual increase due to the specific training given to the employees involved in the Currency Reconversion process (entering into force of the Hard Bolívar). Nevertheless, in 2008 we made a stronger emphasis on industrial safety (according to the Organic Law of Prevention, Conditions and Labor Environment LOPCYMAT), in relation to regulatory aspects, technology and information security.
- Regarding our Corporate Volunteers, there is a wide potential to increase the number of participants and activities they could support. We are working on joint activities with our Social Partners in order to increase both figures in the future.
- The frequency of health campaigns was lower against previous years. This is the result of a new preventive approach.
- Paper and water consumption has increased due to a higher number of employees, among other aspects. But the bank is already working on awareness and recycling campaigns, as well as technological equipment which should reduce these factors beginning in 2009.

Most of the figures reported were displayed into detail for 2007 and 2008, with their respective variation rates. This allows a comparative approach of the performance for the two periods. Some of the task we expect to treat in depth in the next reports in order to fulfill this standard are the

comparisons with the results obtained by other financial institutions in the variables of public nature (Benchmarking).

With a view to guaranteeing the precision of the information, this report has used the technical protocols of the GRI's guidelines in order to understand and formulate the quantitative and qualitative indicators presented in this report. In general terms, the quantitative indicators are reported together with the variables that allow their calculation. This, in turn, makes easier to understand how they are obtained.

The data reported correspond to the organization's registries at their different systems of information management or internal registry mechanisms. In general terms, the data corresponds to public information published and reported to the regulatory organizations, so they are perfectly verifiable.

The frequency of the report in annual, as it is clearly established in the report. The report is published during the second half of the year following the year reported.

Another premise of this report is clarity. For this reason, the present report includes the most relevant elements in a readable document in terms of language simplicity, the visualization of figures and graphic expression of the activities, and the volume of pages.

In order to guarantee the reliability of the information displayed and the procedures followed for the elaboration of this report, it has documented all its internal sources for each aspect reported and they have been submitted to the verification of External Auditors before its publication.

For the year ended on December 31, 2008, the Performance Indicators based in the GRI Sustainability Reporting Guidelines, version 3.0, have been submitted for review to our external auditors: De la Vega, Márquez, Perdomo & Asociados (Horwarth Venezuela), who also act as external auditors of the Bank and the companies of our financial group.

■ Profile, Strategy and Organization

Topic	Description	Pages
1. Strategy and Analysis	1.1 Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	3 - 4
	1.2 Description of key impacts, risks, and opportunities related to sustainability.	9 - 15
2. Organizational Profile	2.1 Name of the organization.	7
	2.2 Primary brands, products, and/or services.	73-74, 99-100
	2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	21-26
	2.4 Location of organization's headquarters.	7
	2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	122
	2.6 Nature of ownership and legal form.	7
	2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	72, 79
	2.8 Scale of the reporting organization, including: • Number of employees; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided.	16, 32, 73
	2.9 Significant changes during the reporting period regarding size, structure, or ownership including: • The location of, or changes in operations, including facility openings, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	29, 73, 77
	2.10 Awards received in the reporting period.	18 - 19
3. Report Parameters	REPORT PROFILE	
	3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	121
	3.2 Date of most recent previous report (if any).	121
	3.3 Reporting cycle (annual, biennial, etc.).	121
	3.4 Contact point for questions regarding the report or its contents.	121
	REPORT SCOPE AND BOUNDARY	
	3.5 Process for defining report content, including: • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report.	121 - 123
	3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	122
	3.7 State any specific limitations on the scope or boundary of the report [1][1].	122
	3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	122
	3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	123
	3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	(1)
	3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	(1)

■ Profile, Strategy and Organization (Cont.)

Topic	Description	Pages
	3.12 Table identifying the location of the Standard Disclosures in the report.	124 - 126
	ASSURANCE	
	3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	123
4. Governance, Commitments & Engagement	GOVERNANCE	
	4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	21 - 26
	4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	23
	4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	23
	4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	29 - 30
	4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	22
	4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	21 - 22, 25
	4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	22
	4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	7 - 8
	4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	9 - 10, 25
	4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	25
	COMMITMENTS TO EXTERNAL INITIATIVES	
	4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	9 - 10, 25
	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	8
	4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	27
	STAKEHOLDER ENGAGEMENT	
	4.14 List of stakeholder groups engaged by the organization.	122
	4.15 Basis for identification and selection of stakeholders with whom to engage.	122
	4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	10 - 12, 47 - 48
	4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	12, 30, 47, 57, 66, 88 - 89

(1) In this report there were no re-statements of information or significant changes from previous reports.

■ Information About the Management and/or Direction Approach

		Pages
Economic dimension	DISCLOSURE ON DIRECTION APPROACH	
	Economic Performance	16
	Market presence	72
	Indirect economic impact	15
Environmental dimension	DISCLOSURE ON MANAGEMENT APPROACH	
	Materials	106
	Energy	106
	Water	106
	Biodiversity	(1)
	Emissions, Effluents, and Waste	(2)
	Products and Services	106 - 107
	Law compliance	109
	Transportation	(1)
	Overall aspects	105 - 109
Social dimension	LABOR PRACTICES AND WORK ETHICS	
	DISCLOSURE ON MANAGEMENT APPROACH	
	Employment	31 - 32
	Company/employees relationship	42 - 43
	Health and safety at the workplace	41 - 42
	Training and education	36 - 40
	Diversity and equal opportunities	31
	HUMAN RIGHTS	
	DISCLOSURE ON DIRECTION APPROACH	
	Practices of investment and provision	111
	Non-discrimination	43 - 44
	Freedom of association and collective bargain	42 - 43
	Abolition of children exploitation	44
	Prevention of forced and obligatory labor	44
	Claims and conciliatory procedures	30
	Security practices	42
	Rights of indigenous peoples	(1)
	SOCIETY	
	DISCLOSURE ON MANAGEMENT APPROACH	
	Community	51
	Corruption	21 - 22
	Public policy	(3)
	Anti-trust patterns	94 - 95, 120
	Law compliance	21 - 27, 93
	RESPONSIBILITY ON PRODUCTS	
	DISCLOSURE ON MANAGEMENT APPROACH	
	Health and safety of customers	83
	Labeling of products and services	92 - 95
	Marketing communication	92 - 95
	Customer privacy	83 - 84
	Law compliance	94, 95

(1) Aspects considered as non-priorities in relation to the activities of the Bank, therefore are not covered by specific management approaches.

(2) The activities of the organization do not generate significant emissions or spills of hazardous substances.

(3) Absence of a defined policy. Rather the Bank analyzes each case on an individual basis, and always within the legal framework compliance.

To Give us All a Hand is The Best of The Balances

Social Balance 1998-2008



	1998	1998-2008
TOTAL SOCIAL INVESTMENT	29,920,891	119,306,418
CONTRACTED ENGAGEMENTS	4,778,244	4,778,244
TOTAL SOCIAL INVESTMENT PLUS CONTRACTED ENGAGEMENTS	34,699,135	124,084,662

Amounts in BsF

DIRECTORS

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

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

AUDITORS' REPORT

BANESCO BANCO UNIVERSAL, C.A.

Report on Applying Agreed-Upon Procedures for the Verification of the *Social Responsibility Report*
Performance Indicators included in Banesco Banco Universal, C.A. 2008. Corporate Social Responsibility Report
FOR THE YEAR ENDED DECEMBER 31, 2008



Av. Diego Cisneros, Los Ruices,
Edif. Centro Moraca, Piso 2, Ofic. 2-A,
Torre Sur, Apartado 899,
Caracas 1010A - Venezuela
(58) (212) 235.01.47 | 235.43.06 Central
(50) (212) 236.32.85 Fax
horwath@horwathvenezuela.com.ve
www.horwathvenezuela.com.ve

Report on Applying Agreed-Upon Procedures for the Verification of
the Social Responsibility Report Performance Indicators included in
Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report

To the Board of Directors and Stockholders of
BANESCO BANCO UNIVERSAL, C.A.

Scope of our work

We have applied the procedures listed in the following paragraph, agreed-upon with the Board of Directors of **Banesco Banco Universal, C.A.** with the sole purpose of helping you evaluate the accompanying performance indicators for the year ended December 31, 2008, provided by the Bank in report identified as Attachment I - "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**". The preparation of "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**" as well as the design, implementation and maintenance of its elaboration processes and the basis and criteria for its submission is the exclusive responsibility of the bank's management. Our responsibility is to express an opinion on the Performance indicators, based on the procedures applied in our limited review.

The scope of a limited review is significantly limited as compared to an audit or work of a reasonable degree of certainty. Therefore, we do not provide an auditors opinion regarding the "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**".

Verification Standards and Procedures

This agreed-upon procedures engagement was conducted in accordance with the generally accepted audit standards and the Sustainability Reporting Guidelines issued by "Global Reporting Initiative (GRI) version 3", and the review standards issued by the International Federation of Accountants for works of reviewing ISAE 3000 (International Standard on Assurance Engagements 3000) in regard to limited assurance, to perform works of a reasonably or limited degree of certainty on non-financial information.

Our review work consisted on asking questions to the management, as well as the different units of Banesco Banco Universal, C.A. involved in the preparation of "**2008 Corporate Social Responsibility Report**", and applying certain analysis and sampling review tests as described below:



- Meetings with **Banesco Banco Universal, C. A.'s**, staff participating in the compilation of information recorded in the report named "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**" and in the elaboration of indicators which are the object of learning management principles, systems, approaches used and our review in order to gather the required information for its.
- Analysis of the processes carried out by the Bank to obtain and validate the data submitted in "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**".
- Review of updates in connection with the identification and involvement of stakeholders throughout the period by analyzing in-house information and third party reports available.
- Ensure that the content of the 2008 Corporate Social Responsibility Report does not contradict in any manner significant information reported by Banesco Banco Universal, C.A.
- Analysis and verification that the indicators provided by Banesco Banco Universal, C.A. consider the aspects suggested by (GRI) in the Sustainability Reporting Guidelines issued by "Global Reporting Initiative (GRI) Version 3", and assure the importance of the information presented in regard to the Bank's situation.
- Analysis of the scope, relevance, and reliability of the information contained in the 2008 Corporate Social Responsibility Report, based on Banesco Banco Universal, C.A. understanding of the requirements of stakeholders regarding material aspects described in "The External Aspect of Our Social Responsibility Program" section.
- A verification process, throughout verification tests based on the selection of a sample of the calculation of quantitative and qualitative indicators included in "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**", corresponding to the year ending in December 31, 2008 and its appropriate compilation from the data provided by the Bank's information sources.
- Review through the analysis of the submitted internal information on updates carried out by the interested parties throughout the year regarding identification, collecting information, and existing relationships.

Conclusions

Based on the obtained results, from applying the procedures described in the "**Verification Standards and Procedures**" section, agreed upon with the Bank's management, in order to review Performance indicators of year 2008, provided by the Bank to be reviewed and included in "**Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report**", no significant deviations or omissions have been found in the reviewed information, and nothing different from the information contained in Appendix I, attached hereto, has been found that would suggest the "Banesco Banco Universal, C.A. 2008 Corporate Social Responsibility Report" has not been prepared based on the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 3.0, with GRI Application Level **A+**.



Recommendations

Additionally, we have presented to the Vice Presidency of Communications and Social Matters of Banesco Banco Universal, C.A. our recommendations on areas to improve to consolidate processes, programs, and systems in connection with the Bank's Social Responsibility performance. The main recommendation is to:

- Improve the reporting system of data to be disclosed in the Social Responsibility Report, particularly that of environmental performance indicators in order to be able to define global specific goals that can be regularly measured.

DE LA VEGA, MARQUEZ, PERDOMO & ASOCIADOS
(HORWATH VENEZUELA)



Samuel A. Marquez T.
Public Accountant
C.P.C. N° 21.318
SBIF. N° CP-569
C.N.V. N° 92-2003

October 16, 2009

ATTACHMENT I

Performance Indicators		Banesco Banco Universal C.A.	
ECONOMIC PERFORMANCE	Indicator	Verification	Pages
GRI Indicators / Version G3			
Aspect: Economic Performance			
EC1 Direct economic value generated and distributed, including revenues, operating cost, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Principal	Verified	13 - 14
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	Principal	Partially Verified	105
EC3 Coverage of the organization's defined benefit plan obligations.	Principal	Verified	46, 97
EC4 Significant financial assistance received from government.	Principal	(1)	
Aspect: Market Presence			
EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Additional	Verified	14 - 15, 32, 35
EC6 Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Principal	Verified	113
EC7 Procedures for local hiring and proportion of senior managements hired from the local community at significant locations of operation.	Principal	Verified	34
Aspect: Indirect Economic Impacts			
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial in-kind or pro bono engagement.	Principal	Verified	55 - 56
EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts.	Additional	Verified	39 - 66
ENVIRONMENT			
GRI Indicators / Version G3			
Aspect: Materials			
EN1 Materials used by weight or volume.	Principal	Partially Verified	106
EN2 Percentage of materials used that are recycled input materials.	Principal	(2)	105 - 109
Aspect: Energy			
EN3 Direct energy consumption by primary source.	Principal	Partially Verified	106
EN4 Indirect energy consumption by primary source.	Principal	Partially Verified	106
EN5 Energy saved due to conservation and efficiency improvements.	Additional	Partially Verified	105 - 109
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Additional	Partially Verified	105 - 109
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	Additional	Partially Verified	105 - 108
Aspect: Water			
EN8 Total water withdrawal by source.	Principal	Partially Verified	106 - 108
EN9 Water sources significantly affected by withdrawal of water.	Additional	(3)	
EN10 Percentage and total volume of water recycled and reused.	Adicional	Partially Verified	106 - 107
Aspect: Biodiversity			
EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Principal	(4)	
EN12 Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Principal	(5)	
EN13 Habitats protected or restored.	Adicional	(5)	

■ Performance Indicators

Banesco Banco Universal C.A.

	Indicator	Verification	Pages
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.	Additional	(5)	
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Additional	(5)	
Aspect: Emissions, Effluents, and Waste			
EN16 Total direct and indirect greenhouse gas emissions by weight.	Principal	(6)	
EN17 Other relevant indirect greenhouse gas emissions by weight.	Principal	(6)	
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	Additional	Partially Verified	105 - 109
EN19 Emission of ozone depleting substances by weight.	Principal	(6)	
EN20 NO _x , SO _x and other significant air emissions by type and weight.	Principal	(6)	
EN21 Total water discharge by quality and destination.	Principal	(6)	
EN22 Total weight of waste by type and disposal method.	Principal	Partially Verified	59, 108 - 109
EN23 Total number and volume of significant spills.	Principal	(6)	
EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	Additional	(6)	
EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitat significantly affected by the reporting organization's discharges of water and runoff.	Additional	(6)	
Aspect: Products y Services			
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Principal	Partially Verified	107 - 109
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	Principal	(7)	
Aspect: Compliance			
EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Principal	Verified	109
Aspect: Transport			
EN29 Significant environmental impact of transporting products and other goods and materials used for organization's operations, and transporting members of workforce.	Additional	Partially Verified	107
Aspect: Overall			
EN30 Total environmental protection expenditures and investments by type.	Additional	Partially Verified	106, 109
LABOR PRACTICES AND DECENT WORK			
GRI Indicators / Version G3			
Aspect: Employment			
LA1 Total workforce by employment type, employment contract, and region.	Principal	Verified	32 - 34, 98
LA2 Total number and rate of employee turnover by age group, gender, and region.	Principal	Verified (8)	32 - 34
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Additional	Verified	44 - 47
Aspect: Labor / Management Relations			
LA4 Percentage of employees covered by collective bargaining agreements.	Principal	Verified	42 - 43
LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Principal	Verified	34, 43
Aspect: Occupational Health and Safety			
LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Additional	Verified	41 - 42, 45

■ Performance Indicators

Banesco Banco Universal C.A.

	Indicator	Verification	Pages
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Principal	Verified	41
LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Principal	Verified	41
LA9 Health and safety topics covered in formal agreements with trade unions.	Additional	Verified	41 - 42, 45
Aspect: Training and Education			
LA10 Average hours of training per year per employee by employee category.	Principal	Verified	37
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Additional	Verified	39 - 40
LA12 Percentage of employees receiving regular performance and career developments reviews.	Additional	Verified	35
Aspect: Diversity and Equal Opportunity			
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Principal	Verified	23 - 27, 33
LA14 Ratio of basic salary of men to women by employee category.	Principal	Verified	35, 44
HUMAN RIGHTS			
GRI Indicators / Version G3			
Aspect: Investment and Procurement Practices			
HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Principal	Verified	21
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Principal	Verified	21, 111
HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Additional	Verified	37
Aspect: Non - Discrimination			
HR4 Total numbers of incidents of discrimination and actions taken.	Principal	Verified	43
Aspect: Freedom of Association and Collective Bargaining			
HR5 Operation identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Principal	Verified	42 - 44
Aspect: Child Labor			
HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Principal	Verified	32, 33, 44
Aspect: Forced and Compulsory Labor			
HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Principal	Verified	44
Aspect: Security Practices			
HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Additional	Verified	37
Aspect: Indigenous Rights			
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.	Additional	(9)	

■ Performance Indicators

Banesco Banco Universal C.A.

	Indicator	Verification	Pages
SOCIETY			
GRI Indicators / Version G3			
Aspect: Community			
SO1 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and existing.	Principal	Verified	55 - 56
Aspect: Corruption			
SO2 Percentage and total number of business units analyzed for risk-related to corruption.	Principal	Verified	37 - 39
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	Principal	Verified	37 - 39
SO4 Actions taken in response to incidents of corruption.	Principal	Verified	43
Aspect: Public Policy			
SO5 Public policy positions and participation in public policy development and lobbying.	Principal	Verified	27
SO6 Total value of financial and in-kind contribution to political parties, politicians, and related institutions by country.	Additional	(10)	
Aspect: Anti-Competitive Behavior			
SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Additional	Verified	120
Aspect: Compliance			
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Principal	Verified	120
PRODUCT RESPONSIBILITY			
GRI Indicators / Version G3			
Aspect: Customer Health and Safety			
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Principal	Verified	92 - 95
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	Additional	Verified	92 - 95
Aspect: Products and Services Labeling			
PR3 Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Principal	Verified	92 - 95
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Additional	Verified	93 - 95
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Additional	Verified	92 - 94 101 - 104
Aspect: Marketing Communications			
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Principal	Verified	92 - 95
PR7 Total number of incidents of non-compliance regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Additional	Verified	95
Aspect: Customer Privacy			
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Additional	Verified	89, 120

■ Performance Indicators

Banesco Banco Universal C.A.

Aspect: Compliance	Indicador	Verification	Pages
PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provisions and use of products and services.	Principal	Verified	95

Pages: Indicator location within Banesco Banco Universal C.A. 2008 Corporate Social Responsibility Report.

(1) During the period covered in this report, no Government financial aids have been received.

(2) The organization does not use recycled materials; we develop donation programs for our used furniture, computers and cartridges.

(3) All the agencies of the Organization are located in urban lands. Therefore, water is taken from local aqueducts and wastewater is discharged through urban sewage networks.

(4) All the agencies of the Organization are located in urban lands. Therefore, they do not affect protected natural areas or high biodiversity value areas.

(5) All the agencies of the Organization are located in urban lands. Therefore, they have no impact on protected or restored areas.

(6) The activities of the Organization do not generate significant emissions or spills of hazardous substances.

(7) The activities of the Organization do not generate products recoverable at the end of their useful life.

(8) In the year 2008, information about employee rotation was not available by regions.

(9) The activities of the Organization are carried out in areas that do not compromise indigenous rights.

(10) The organization does not make this type of contributions.

Verified: Verification of both quantitative and qualitative data from information reported by the Vice Presidency of Communication and Social Matters, as well as statistics of the different areas of the Bank disclosed in this "Banesco Banco Universal C.A. 2008 Corporate Social Responsibility Report".

Partially Verified: It was not possible to verify all information disclosed in this "Banesco Banco Universal C.A. 2008 Corporate Social Responsibility Report" regarding the performance indicators of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, version 3.0.

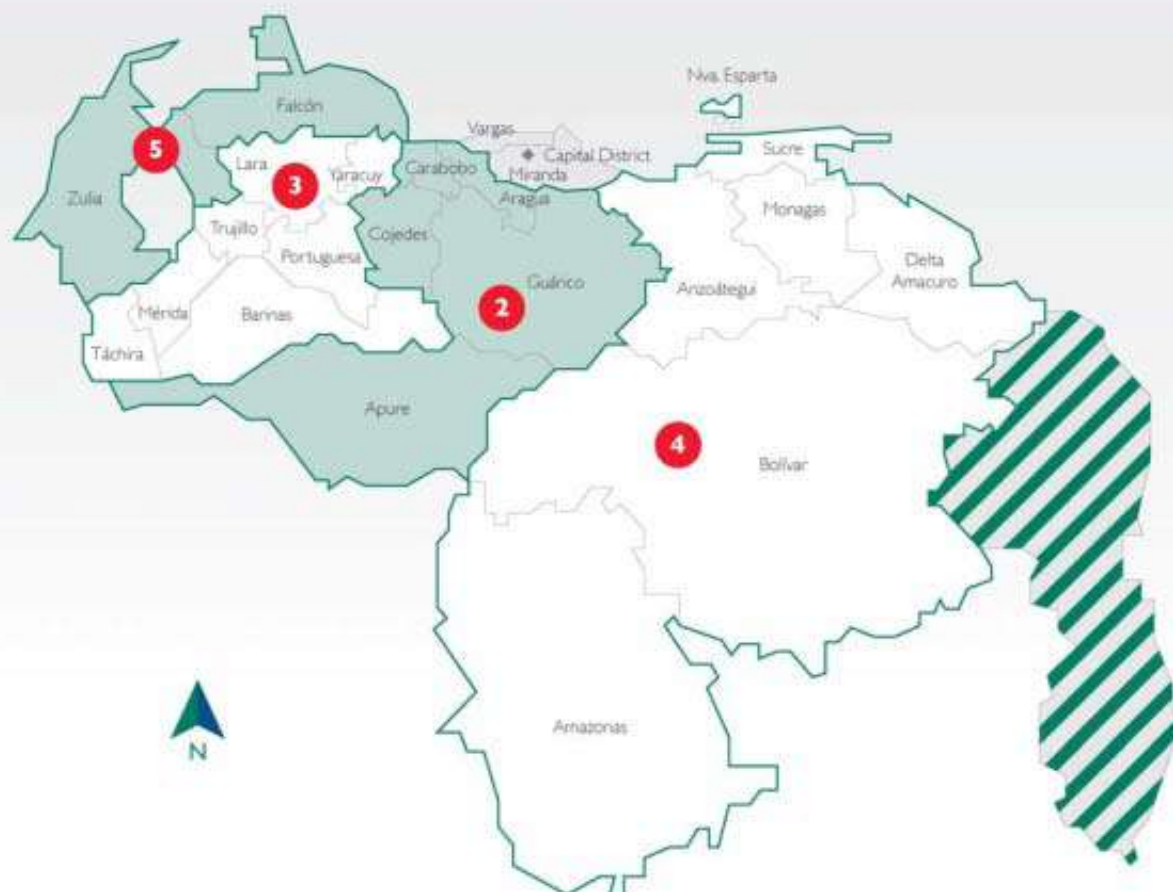
■ Banesco Social Action by Region in 2008 (BsF)

**I. CAPITAL REGION****Capital District, Miranda and Vargas states**

UCAB Servicios Civil Assoc.	68,526.00
Baruta Mayorality	457,161.00
Santa Teresa del Tuy Mayorality	5,000.00
San Ignacio School's Former Students Assoc.	10,000.00
Apoye Civil Association	42,950.00
Salesian Ladies Civil Association	295,525.00
Always Friends Civil Assoc.	40,000.00
ICARO Association	800.00
Venezuelan Association for Down Syndrome	15,000.00
Asoden Los Campitos Private School	3,000.00
Mother Theresa of Calcutta Home Shelter	7,014.00
Santo Domingo Savio Home Shelter	2,395.00
Francisco de Asís Educational Center for Blind People	500.00
CERSE	80,000.00
Santiago de León de Caracas Private School	10,000.00
Carmelite Sisters congregation	10,000.00
Venezuelan Red Cross	381,683.00
Últimas Noticias newspaper	310,000.00
Editorial C.E.C.	21,308.00
AVEC Schools	154,500.00
Community Events at Ciudad Banesco	195,415.69
Fe y Alegría	345,074.75

Venezuelan Federation for Intellectual Disability (FEVEDI)	1,200.00
Fesnojv	2,750,000.00
Foco Sustentable	16,212.00
Friends of the Elder	
Foundation	15,192.00
Friends of the Child with Cancer Foundation	119,940.00
Artesano Group Foundation	32,508.00
Autismo en Voz Alta Foundation	230,794.00
Cardioamigos Foundation	15,000.00
Los Roques Scientific Foundation	13,339.00
Simón Bolívar Latin American Symphony Circuit Foundation	763.50
The Good Samaritan Foundation	—
Mamporal Fairs Foundation	5,000.00
Children's Museum Foundation	3,000.00
Paso a Paso Foundation	15,071.01
Saludarte Foundation	52,806.37
Santo Domingo Foundation	205,035.00
Caracas Schola Cantorum Foundation	7,500.00
Teresa Carneño Foundation	150,000.00
Tricolor Foundation	—
Venezuelan Foundation against Infantile Paralysis	206,000.00
Humboldt School German-Venezuelan Foundation	10,000.00
Fundalusión	100,000.00

Fundana	315,318.87
I.Q. Historiadora	119,900.00
Sagrada Familia de Nazaret Church	50,000.00
Invecapi	70,910.00
Mano Amiga Civil Assoc.	50,000.00
Mother Theresa Church Charities	7,000.00
Saint Mary Mother of God Parish	101,370.00
Individual	13,975.00
Individual	20,000.00
Individual	4,360.00
Individual	66,490.00
Individual	45,076.24
Individual	9,418.00
Don Bosco Houses Network	407,175.00
Always Friends Civil Assoc.	65,461.97
Venezuelan Anti-Cancer Association	52,288.00
Venezuelan Society of Medicine History	7,650.00
Data Show Solutions	20,000.00
SO5 infantile Villages	1,000.00
UNEXPO	10,000.00
Andrés Bello Catholic University	153,000.00
Central University of Venezuela	8,000.00
Los Andes University (ULA)	9,530.00
Simón Bolívar University	389,645.51
Venamcham	4,463.00
Total BsF	8,407,244.91



2. MIDDLE-THE PLAINS REGION

Carabobo, Aragua, Guárico, Cojedes and Apure states

Señor de los Milagros Civil Assoc.	5,000.00
Asopica Civil Assoc.	30,000.00
AVEC Schools	85,000.00
Total BsF	120,000.00

3. WESTERN-ANDEAN REGION

Lara, Yaracuy, Portuguesa, Mérida, Táchira, Trujillo and Barinas states

Mérida Mayoralty	9,976.00
Turén and Santa Rosalía Mayoralty	16,063.00
AVEC	350,000.00
AVEC Schools	412,000.00
Archdiocesan Registry Foundation of Mérida	5,000.00
Lisandro Alvarado Middle-Western University	15,000.00
Los Andes University	40,000.00
Total BsF	848,039.00

4. EASTERN-SOUTH REGION

Anzoátegui, Sucre, Monagas, Bolívar, Amazonas, Delta Amacuro and Nueva Esparta states & Federal Dependencies

AVEC Schools	75,000.00
Los Roques Scientific Foundation	13,339.00
Dr. Luis Beltrán Prieto Figueroa Foundation	3,000.00
Cantaura Fair Foundation (Fundecan)	15,000.00
Los Roques Church	1,188.00
Individual	100,000.00
Total BsF	207,527.00

5. ZULIA-FALCÓN REGION

Assoc. to Assist Children in Need (ADAIN)	30,000.00
LUZ (CAPRELUZ) Savings Fund and Social Provision	3,000.00
Panorama newspaper	319,245.00
AVEC Schools	139,500.00

Fe y Alegría	5,346,749.00
International Fair of Arts and Antiques	27,470.00
San José de la Montaña Shelter Foundation	300.00
Zulia University Foundation	27,250.00
Museum of Contemporary Arts, Zulia State	20,000.00
CAPOJUD Magazine	5,000.00
Cecilio Acosta University	3,000.00
Dr. Rafael Belioso Chacín University	4,400.00
Total BsF	5,925,914.00

NATIONAL TERRITORY

AVEC (other contributions)	432,456.00
Scholarships	304,137.00
Donation of new computers	10,829.32
Christmas Toys	791,861.36
Total BsF	1,539,283.68

BANESCO BANCO UNIVERSAL C.A. PERFORMANCE INDICATORS

Last year, Banesco became the first Venezuelan organization to receive a certification of the *Global Reporting Initiative (GRI)*, the scheme of economic, environmental and social sustainability reports most frequently used in the world, for its *2007 Corporate Social Responsibility Report*.

GRI has now certified that the present 2008 Report meets the requirements for the Application Level “A+ GRI Checked”. BANESCO is one of few Latin American financial institutions to obtain this qualification for its 2008 CSR Report.

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		☒
	Third Party Checked							☒
	GRI Checked							

■ Survey

Please send your opinion about this report by fax (+58 212) 901-8356, or scan this page and send it to sami_rozenbaum@banesco.com. Thanks a lot!

Name: _____ Physical Address: _____
e-mail: _____ Telephone: _____

You are (Underline one of these answers):

- ☐ Stockholder ☐ Banesco Banco Universal Employee ☐ Customer ☐ Supplier ☐ Contractor
☐ Representative of the Authorities ☐ Other (please be specific): _____

1. What is your general impression about this report?

- ☐ Excellent ☐ Good ☐ So-So ☐ Negative

2. What is your opinion about the organization of the chapters included in this report?

- ☐ Excellent ☐ Appropriate ☐ Could Improve ☐ Inappropriate

If you wish, you can propose the modifications you deem necessary: _____

3. What is your specific opinion about each chapter? ☐ Excellent ☐ Good ☐ So-So ☐ Negative

Mission, Vision and Values	☐ E ☐ G ☐ S ☐ N	Social Action in the Community	☐ E ☐ G ☐ S ☐ N
Main Impacts, Risks and Opportunities	☐ E ☐ G ☐ S ☐ N	Banesco Corporate Volunteers	☐ E ☐ G ☐ S ☐ N
The Banesco Brand	☐ E ☐ G ☐ S ☐ N	Our Customers	☐ E ☐ G ☐ S ☐ N
Corporate Government	☐ E ☐ G ☐ S ☐ N	Banesco Community Banking	☐ E ☐ G ☐ S ☐ N
Our Stockholders	☐ E ☐ G ☐ S ☐ N	Our Environmental Commitment	☐ E ☐ G ☐ S ☐ N
Our Human Capital	☐ E ☐ G ☐ S ☐ N	Our Suppliers	☐ E ☐ G ☐ S ☐ N
Our Social Partners	☐ E ☐ G ☐ S ☐ N	Our Commitment to the Authorities	☐ E ☐ G ☐ S ☐ N

If you wish, you can propose the modifications you deem necessary: _____

4. What do you think about the clarity of the information displayed?

- ☐ Excellent ☐ Appropriate ☐ Could Improve ☐ Inappropriate

If you wish, you can propose the modifications you deem necessary: _____

5. What do you think about the clarity of the tables and graphics displayed?

- ☐ Excellent ☐ Appropriate ☐ Could Improve ☐ Inappropriate

If you wish, you can propose the modifications you deem necessary: _____

6. In general terms, what do you think about the Corporate Social Responsibility actions developed by Banesco?

- ☐ Excellent ☐ Good ☐ Acceptable ☐ Poor

Explain, if you wish: _____

7. Do you see any personal benefit from the publication of Banesco's Corporate Social Responsibility Report? Which benefit do you see?

8. What is your opinion about the international certification granted to these reports?

- ☐ Very important ☐ Important ☐ Indifferent

9. Do you consider that Banesco accomplishes a satisfactory accountability to its stakeholders? Please explain.

10. Do you deem necessary to publish these reports on paper, or would it be enough to display them at the Internet?

- ☐ Printed ☐ Only in the Internet

