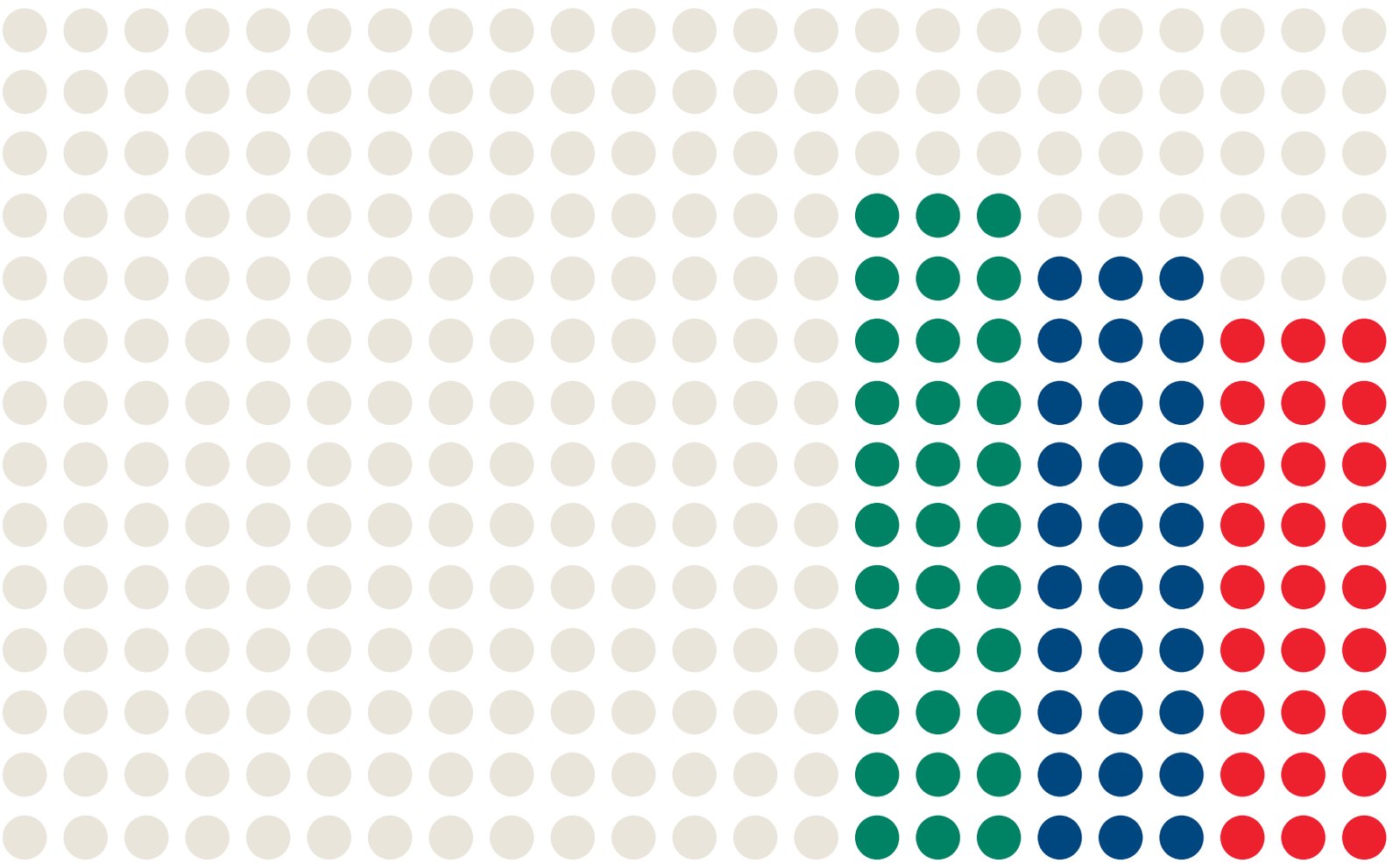
2014

Semester Report Second Half



Banesco
Contigo

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Economic Financial Position Second Half 2014

We are proud to present the performance results of Banesco Banco Universal over the close of the second half of 2014. This is a transparency practice that we present to our shareholders, workers, suppliers, and the community in general.

The growth observed in our 2014 business volume confirms our customers' preference, which has allowed us to maintain our top market share position among private banks in customers' deposits and gross loan portfolio.

Customers' deposits reached Bs. 340,029 million at December close, a 70.9% year on year growth, supported by six million five hundred thousand customers' deposits in current-, savings-, and fixed-term accounts.

In our commitment to the productive sectors, the gross loan portfolio increased to Bs. 173,046.5 million, which positioned us as the top private bank in this sector in Venezuela, for a total of 2,839,101 loans, 517,852 loans over 2013 close.

We granted a total of 740,619 loans in 2014 with the bank's own funding through the various range of loans. We maintained a high-quality portfolio with 0.32% default rate far below the market average (0.46%).

We channeled a significant amount of resources to financing priority activities for the country's development. Our manufacturing loans increased by 52.9%; the agricultural portfolio grew by 66.2%; placements in the tourism sector increased 80.4%, and microloans by 41.7%.

The mortgage loan management was particularly significant: over two thousand families were able to buy their homes thanks to the loans granted by Banesco with its own funding. Other 649 families purchased homes through the Mandatory Housing Savings Fund (FAOV).

Banesco Community Banking, the unit that provides banking services to the popular sectors of the population and particularly to the sectors without access to banking services, maintained its growth. At the close of the second half of 2014, Community Banking granted 21,069 Working Loans and a total of Bs. 2,514 million was granted in loans with only 0.77% default rate.

We reached 26 community agencies, 80 businesses with personal service modality (Barras de Atención), and 175 non-banking correspondents (NBC). Thus, we have 255 business allies in 8,346 neighborhoods in 16 states of the country.

Additionally, we provided assistance to 53,636 cases through our social networks, including enquiries and requests about our products and services. Banesco is active on Twitter, Facebook, Instagram, Google+, YouTube, LinkedIn, as well as the Banesco Blog. We have managed to build a web 2.0 community of nearly 800,000 users.

We closed 2014 with total assets for Bs. 381,204 million, which ranks us as the top private bank in the country in the banking market. This was possible due to an increase of over 122 thousand million bolivars in the second year half, the highest in the market.

We maintained our commitment to Venezuelan society. In the second half of 2014, we reported a social investment of Bs. 76.23 million. Of that total, Bs. 49.83 million (65.36%) were allocated to benefits for our Banesco people and their families; the remaining 34.64% was allocated to projects for the benefit of the community.

On account of its social impact, I would like to highlight the Microentrepreneurs Training Program, which is possible because of the cooperation of our allies and social partners throughout the country.

From 2008 to this date, we graduated over 18,800 microentrepreneurs, who attest the Venezuelan enterprising spirit.

These results are the product of our Banesco people's teamwork and mystique, based on our corporate values: Responsibility, Reliability, Quality, and Innovation. To them, we extend our recognition and gratitude.

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

Venezuelan Economy in The Second Half of 2014

According to the Central Bank of Venezuela (BCV), the Venezuelan economy showed a 3.97% recession as of the third 2014 quarter, thus maintaining the trend observed since 2013, when a 4.3% recession was recorded. Though the oil activity grew by 0.3%, non-oil activities as a whole decreased by 3.8%, the following being the most affected sectors: Trade (-10.8%); Construction (-10.0%). Manufacture (-9.2%), and Transportation and Storing (-8.2%). However, the remaining sectors showed favorable performances: Financial and Insurance Institutions (+14.2%), Communications (+5%), and General Government Products and Services (+1.7%).

This performance was the result of a decrease in real demand during this period (8.4%) and, particularly, of the 3.3% drop in private consumption, given that public consumption increased by 0.8%. Additionally, a significant decrease in fixed investment was observed (-18%).

Tax expenses are one of the most significant variables affecting demand. According to the National Treasury Office, tax expenses recorded a 57% nominal growth and 6.8% real growth in 2014. The expansionary tax policy was mainly determined by the three-time increase in minimum wage: in January (10%), May (30%), and December (15%), and its effect on the monetary aggregates contributed to the significant increase of money supply (M2) at year close (+64.6%), which was supported by the growth of the increased lending demand (+79.4%). Demand deposits recorded the highest variation (67.4%) among M2 components.

The decrease in banking liquidity excess pressured interbank rates, which adjusted upward averaging 10.6% in 2014 versus 1.7% in 2013 and boosting lending rates in the financial system. Therefore, the average increased to 18.24%, 2.2 percentile points over the level observed in the first year half.

The last price figures reported by the Central Bank of Venezuela (BCV) as to the National Consumer Price Index estimated the year-on-year inflation at 68.5% and the 2014 average inflation at 62.2%, mainly affected by the price increase in the food and non alcoholic beverage sector (102%).

As of the third quarter, the foreign sector recorded a positive trade balance of US$ 9,909 million. Oil exports in this period reached US$ 58,332 million, which signifies a 9% year-on-year decrease. This decrease was caused by the lower average price of Venezuela's oil export basket, which reached US$/b 92.4 in the third quarter and decreased to US$/b 67.7 in the fourth quarter, thus averaging US$/b 88.4 in 2014 versus US$/b 98.08 in 2013.

Oil imports reached US$ 5,685 million as of September, while non-oil imports recorded a balance of US$ 26,468 million, decreasing by 16% in relation to the same 2013 period. In the breakdown of this figure, non-oil public imports increased by 2.4%, while private imports decreased by 22.8%, reaching US$ 17,431 million.

"Though the oil activity grew by 0.3%, non-oil activities as a whole decreased by 3.8%, the following being the most affected sectors: Trade (-10.8%); Construction (-10.0%). Manufacture (-9.2%), and Transportation and Storing (-8.2%).

BANKING SYSTEM

The structure of the Venezuelan banking system in 2014 was exactly the same as the structure recorded at 2013 close. The period closed with a total of 35 financial institutions; 24 of which are private and 11 State-owned.

The number of agencies increased to 3,649, which denotes 75 additional agencies in 2014 with a workforce of 80,355 workers as of December close.

Regarding the consolidated results of the banking system during 2014, the upward trend has maintained in most sectors of the balance, observing a significant increase of assets corresponding to 63.22% (Bs. 965 billion) over last year close and 32.87% (Bs. 616 billion) in the last six months. This figure increased to Bs. 2,492 billion in December.

The performance of the sectors in the total assets caused the significant growth of 79.42% (Bs. 528 billion) in loans granted in 2014. The gross portfolio closed at Bs. 1,193 billion in December and achieved a significant quality improvement, as the average default rate went from 0.62% in December 2013 to 0.46% in December 2014, with Bs. 32.9 billion in provisions, i.e., 76.26% above the figure recorded in the same month in 2013. This allowed increasing the hedging level of the loan portfolio from 453% to 604% in 2014.

In relation to funds placement, 39.11% of the loans were granted to the commercial portfolio, which continued increasing its significance in the portfolio with a growth that exceeded 218 billion bolivars in 2014 and closed the period at Bs. 466.7 billion. Next are consumer loans, which include the credit card portfolio and represented 17.64% at December 2014 close, i.e., 17.64% (Bs. 210.5 million) of the system's total gross portfolio.

Lending portfolios showed a favorable growth in 2014 with a particular significance of agricultural loans. Agricultural loans grew by 76.79% (Bs. 83 billion) to reach Bs. 191 billion in December and placing a total of 35.52%. Manufacturing loans corresponded to 9.69% of the banking system's gross portfolio, accomplishing an 86.06% year-on-year growth and increasing to Bs. 115.6 billion, i.e., a compliance level of 17.38%. Loans to microentrepreneurs also showed a positive variation in this period, growing to Bs. 56.6 billion (+Bs. 20 billion) and closing the period with a 6.64% compliance level. Tourism loans increased by 78.16% (Bs. 11 million), closing the period at Bs. 25.1 billion placed in the

second half of 2014 and achieving a 4.68 placement percentage. The mortgage portfolio of the banking system exceeded 83 billion bolivars after a 39.4% annual growth (Bs. 23.6 billion).

At 2014 close, the banking system recorded 18,276,776 loans, an increase of 3,851,240 loans over the same period in 2013. The maturity of 58.1% of the loans exceeds 360 days.

Similar to assets, customers' deposits recorded a significant variation over December 2013 close (+64.93%) exceeding 2,184 billion bolivars, 77.3% of which correspond to sight deposits, 17.3% savings deposits, 1.2% fixed-term deposits, and 4.1% other customers' deposits, for a total amount of 38,746,518 customers' deposits.

Additionally, a significant equity increase exceeding 61.5 billion bolivars (+50.89%) was observed throughout the last twelve months. This figure reached Bs. 182 billion by December 2014.

Banking sector indicators recorded a favorable performance throughout 2014. The period closed with adequate equity level over risk weighted assets of 15.11% and a 53.12% intermediation ratio.

From 2014 transactions, the system obtained a net profit of Bs. 84 billion, i.e., a 64.08% year-on-year increase, thus achieving a 4.38% return on assets and a 65.18% return on equity.

Banesco Banco Universal

We closed 2014 with Bs. 381,204 million in total assets, which ranks us as the top private bank in the banking system, recording an increase that exceeds 122 billion bolivars in the second year half, which was the highest in the market.

We achieved 70.9% growth (Bs. 141,040 million) in customers' deposits and closed December 2014 with Bs. 340,029 million. We maintained our leadership among private banks with the preference of over six and half million customers who made deposits in current-, savings-, and fixed-term accounts —16.8% of the total market deposits.

Sight deposits were made up by 47.0% of non-interest bearing checking accounts. Banesco is the top private bank in this product, with a Bs. 132,868 million balance at the close of the second half of 2014 after a 76.2% variation in the same 2013 period. Interest-bearing checking accounts increased by 54.3%. The remaining sight deposits converged in 14.7% of sight deposits and certificates (Bs. 41,505 million), a sector lead by Banesco upon recording the highest market growth (213.1%).

A 40.9% increase was observed in savings deposits over last year's close, increasing to Bs. 51,328 million and ranking Banesco as the second private bank in this sector.

As of December 2014 close, the gross portfolio increased to Bs. 173,046.5 million (14.5% market share), ranking us first among Venezuelan private banks. To this date, Banesco Banco Universal has 2,839,101 loans (15.5% of the total system loans), which exceeds the 517,852 credit record observed at 2013 close.

We granted a total of 740,619 loans using the bank's own resources in 2014 through the various modalities and/or products, maintaining a top-quality portfolio with a 0.32% default rate, which is below market average (0.46%).

With our long history of support to the various productive sectors, Banesco Banco Universal allocated a significant amount of resources to financing priority activities for development in 2014. Below are some examples:

- **Manufacturing loans reached** Bs. 11.285 million (9.8% market share), with a 52.9% increase (Bs. 3,903 million) in portfolio as well as in number of loans, over 2,600 in 2014.
- **Agricultural loans reached** Bs. 27,564 million, with a 66.2% rise (Bs. 10,979 million) over 2013 close and a 14.4% market share, allocating 15.2% of the gross portfolio to agricultural-, fishery-, and forestry activities.
- **Tourism loans reached** Bs. 4,341 million (14.2% market share), increasing the portfolio by 80.4% (Bs. 1,935 million) in 2014.
- **Loans to microentrepreneurs reached** Bs. 9,779 million, which represents an increase of over 2,800 million bolivars (41.7%), thus maintaining the bank's top ranking in the financial system (17.4% market share) with over 13 thousand loans granted in 2014 for this purpose.

It is also relevant to mention the Bank's performance in financing other highly important activities, such as mortgage loans, which benefitted over two thousand families with the institution's own funds and 649 families with resources from the Mandatory Housing Savings Fund (FAOV).

Our customers were also able to finance vehicle purchases through Banesco. The Bank granted over 2,700 loans in 2014, thus maintaining the top market ranking with a 34.6% share as of December 2014 close.

The commercial portfolio, which represents 38.24% of bank loans, grew by 51.02% and closed 2014 in Bs. 66,179 million, thus leading this kind of financing with a 14.18% market share.

In the year, the Bank recorded a significant equity increase. At the close of the second year half, equity reached Bs. 29,844 million, ranking first in the Venezuelan banking system and achieving a 19.08% risk-weighted capital ratio. This figure is far above the minimum required in Resolution Nr. 305.09 issued by the Superintendency of Banking Institutions (12%).

Based on Banesco's Statement of Income for the second half of 2014, we obtained a net income of Bs. 10,245 million. In addition to the net income of the first six months of the year (Bs. 6,917 million), the amount totals Bs. 17,163 million, i.e., a Bs. 6,456 million increase over 2013.

The results above allowed us to achieve a 6.31% return on assets (ROA) and an 81.15% return on equity (ROE).

la obtención de un resultado neto de Bs. 10.245 millones, que sumado al del primer semestre del año (Bs. 6.917 millones), totaliza Bs. 17.163 millones, lo cual representa un incremento con respecto al año 2013 de Bs. 6.456 millones. Estos resultados permitieron la obtención de un rendimiento sobre activos (ROA) de 6,31% y sobre patrimonio (ROE) de 81,15%.

Financial Highligths

Stated in million VEB	Second Half 2012	First Half 2013	Second Half 2013	First Half 2014	Second Half 2014	GROWTH II Half 2014 II Half 2013 Absolute	%	GROWTH I Half 2014 II Half 2014 Absolute	%
Total Assets	**123,582**	**148,962**	**223,889**	**258,700**	**381,204**	**157,315**	**70.3%**	**122,504**	**47.4%**
Cash and Due from Banks	28,317	24,894	54,315	55,716	108,423	54,108	99.6%	52,707	94.6%
Security Investments	26,237	43,724	60,276	72,597	88,963	28,687	47.6%	16,366	22.5%
Credit Portfolio	64,190	76,362	101,555	123,451	167,954	66,398	65.4%	44,503	36.0%
Deposits from Clients	**109,055**	**131,215**	**198,990**	**230,832**	**340,029**	**141,039**	**70.9%**	**109,197**	**47.3%**
Deposits in Current Accounts	77,631	90,434	158,610	188,948	282,530	123,920	78.1%	93,582	49.5%
Savings Deposits	21,112	25,462	36,420	38,235	51,329	14,908	40.9%	13,094	34.2%
Time Deposits	455	465	433	625	1,216	783	181.1%	591	94.6%
Other Deposits	9,857	14,854	3,527	3,024	4,955	1,428	40.5%	1,931	63.9%
Total Stockholders' Equity	**10,474**	**11,998**	**17,392**	**19,044**	**29,844**	**12,452**	**71.6%**	**10,800**	**56.7%**
Trust Assets	**9,231**	**10,817**	**11,813**	**13,867**	**15,287**	**3,474**	**29.4%**	**1,420**	**10.2%**
Debtor Accounts Due to Trust Assignments (FAOV)	**7,321**	**8,241**	**9,486**	**10,905**	**13,388**	**3,902**	**41.1%**	**2,483**	**22.8%**
Financial Revenues	6,707	8,509	11,634	14,876	20,118	8,484	72.9%	5,242	35.2%
Financial Expenses	1,369	1,843	2,321	3,178	5,200	2,879	124.0%	2,022	63.6%
Gross Financial Margin	5,338	6,665	9,313	11,698	14,918	5,605	60.2%	3,220	27.5%
Financial Intermediation Margin	6,547	8,051	11,338	13,557	17,431	6,092	53.7%	3,874	28.6%
Transformation Expenses	3,052	3,575	4,024	6,020	6,447	2,423	60.2%	427	7.1%
Income Tax	275	100	90	40	0	-90	-100.0%	-40	-100.0%
Net Income	2,908	4,016	6,691	6,917	10,245	3,554	53.1%	3,328	48.1%
Accumulate Agriculture Portfolio	**10,585**	**12,985**	**16,585**	**21,774**	**27,564**	**10,979**	**66.2%**	**5,790**	**26.6%**
Official Institutions Deposits	**3,572**	**5,396**	**5,360**	**8,877**	**9,963**	**4,603**	**85.9%**	**1,086**	**12.2%**
Micro Loans	**3,697**	**4,769**	**6,902**	**9,117**	**9,779**	**2,878**	**41.7%**	**662**	**7.3%**
Commercial Loans	**27,414**	**31,312**	**43,822**	**51,886**	**66,180**	**22,358**	**51.0%**	**14,294**	**27.5%**
Credits to Consumer	**14,405**	**18,788**	**22,185**	**26,610**	**44,942**	**22,757**	**102.6%**	**18,332**	**68.9%**
Vehicles	4,746	5,311	6,303	5,615	6,754	451	7.2%	1,139	20.3%
Credit Cards	9,659	13,477	15,883	20,995	38,188	22,306	140.4%	17,193	81.9%
Mortgage Loans	**5,932**	**6,394**	**7,907**	**9,209**	**10,960**	**3,053**	**38.6%**	**1,751**	**19.0%**

Ratios

Loan Portfolio Provisions / Non Accrual Loans	472.7%	364.2%	571.8%	924.9%	908.8%
Non Accrual Loans / Gross Loan Portfolio	0.5%	0.7%	0.6%	0.4%	0.3%
Net Results / Average Assets *	5.3%	6.0%	6.8%	5.8%	6.3%
Net Results / Average Equity *	60.2%	71.1%	82.9%	75.4%	81.2%
Liquidity	34.7%	30.7%	36.5%	30.8%	39.6%

** Annual Percentages*

Credit Risk Reports Pronouncement

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

The Default Index in Total Portfolio was 0.32% and the hedging level of the Provision for Loan Portfolio was 908.75%.

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

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

In the second half of 2014, the close monitoring of past due balances and the ongoing management between the business area and the monitoring areas involved in credit risk management of the loan portfolio, allowed strict control of its performance.

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

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

In compliance with article 31(3) of the Decree Law of Banking Institutions on lending transactions, at the half of year close, the Board of Directors approved ninety-nine (99) loans that individually exceeded two percent (2%) of the Bank's equity.

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

During the second half of year, in compliance with article 31(3) of Decree No. 8.079 of March 1, 2011, containing the Partial Amendment to the Banking Institutions Law (which provides that among other Powers and Duties, the Board of Directors is to "Decide on the approval of lending and borrowing transactions individually exceeding two percent (2%) of the Bank's equity"), this information was submitted on a monthly basis to the consideration and decision by the respective authority.

In that regard, during the second half of 2014, (25) clients were approved for borrowing transactions exceeding 2% of the equity and approximately five (5) clients have been renewed per month.

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

Banesco
Banco Universal

RIF: J-07013380-5

Chairman of the Board
Juan Carlos Escotet R.

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

Statutory Auditors
Gordy Palmero Luján
Igor Williams De Castro

Secretary
Marco Tulio Ortega Vargas

Stock Capital	**Bs.**	**1.250.000.000,00**
Capital Paid-in	**Bs.**	**1.250.000.000,00**
Capital Reserves	**Bs.**	**28.594.163.459,36**

Independent Accountants

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

BALANCE SHEET
December 31, 2014 and 2013 (Stated in VEB)

ASSETS	Dec-14	Dec-13
CASH AND DUE FROM BANKS	**108.423.064.940**	**54.315.336.175**
Cash	5.327.847.663	5.465.738.232
Central Bank of Venezuela	95.098.433.770	44.662.328.364
Local Banks and Other Financial Institutions	269.816.735	109.189.832
Foreign and Correspondent Banks	222.474.600	249.609.899
Head Office and Branches	0	0
Pending Cash Items	6.104.992.172	3.628.470.048
(Provision for Bank Accounts)	0	0
INVESTMENTS SECURITIES	**88.963.348.632**	**60.275.928.866**
Investments in Central Bank	9.434.982.000	2.797.748.100
Investments in Trading Securities	0	0
Investments in Securities Available for Sale	16.859.320.457	15.492.076.478
Investments in Securities Held to maturity	40.557.680.917	30.435.865.102
Limited Availability Investments	271.413.204	281.485.026
Other Security Investments	21.839.952.055	11.268.754.160
(Provision for Security Investments)	0	0
LOAN PORTFOLIO	**167.953.666.632**	**101.555.437.004**
Outstanding Credits	172.450.576.844	104.704.209.973
Restructured Credits	35.507.241	43.358.098
Past Due Credits	534.724.478	673.909.770
Credits in Litigation	15.696.295	2.629.912
(Provision for Credit Portfolio)	(5.092.838.236)	(3.868.670.659)
INTEREST AND COMMISSIONS RECEIVABLE	**3.640.955.497**	**2.233.226.724**
Interest receivable from cash and due from banks	0	0
Interest receivable from security investments	1.291.114.877	1.024.551.045
Interest receivable from credit portfolio	2.081.368.772	1.085.390.349
Commissions Receivable	478.882.108	194.461.528
Interest Receivable on Other Accounts Receivable	0	0
(Provision for Interest Receivable and Other)	(80.402.215)	(71.676.198)
INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND BRANCHES	**7.157.370**	**4.672.323**
Investments in subsidiaries and affiliates	7.157.370	4.672.323
Investments in branches	0	0
Provision for Investments in subsidiaries, affiliates and branches	0	0
PROPERTY RECEIVED IN LIEU OF PAYMENT	**1.058.403**	**11.929.310**
PROPERTY IN USE	**3.570.723.635**	**1.815.616.440**
OTHER ASSETS	**8.644.307.060**	**3.677.265.020**
TOTAL ASSETS	**391.204.372.169**	**222.889.411.952**

LIABILITIES AND EQUITY	Dec-14	Dec-13
DEPOSITS	**340.029.470.991**	**198.989.772.661**
Deposits in Current Accounts	282.529.552.839	158.609.915.381
Non-Remunerated Checking Accounts	132.868.140.099	75.391.936.413
Remunerated Checking Accounts	107.949.245.938	69.959.966.141
Current accounts under exchange agreement n° 20	207.270.733	0
Demand Deposits and Certificates	41.504.906.060	13.258.012.827
Other Demand Liabilities	4.955.360.328	3.527.030.837
Savings Deposits	0	0
Time Deposits	51.328.600.154	36.420.209.316
Restricted Deposits from Clients	1.215.957.670	432.617.127
Right of Ownership and Participation on Security Investments	0	0
Time Deposits	0	0
OBLIGATIONS WITH BCV	**0**	**0**
DEPOSITS AND OBLIGATIONS WITH BANAVIH	**4.026.625**	**453.109**
OTHER FINANCING OBTAINED	**2.898.535.451**	**2.770.966.915**
Liabilities with local financial institutions up to one year	2.363.441.957	2.039.257.472
Liabilities with local financial institutions more than one year	0	0
Liabilities with foreign financial institutions up to one year	535.093.494	731.709.443
Liabilities with foreign financial institutions more than one year	0	0
Other Liabilities up to one year	0	0
Other Liabilities more than one year	0	0
OTHER FINANCIAL OBLIGATIONS	**36.469.533**	**8.760.307**
INTEREST AND COMMISIONS PAYABLE	**91.414.424**	**16.842.937**
Expenses payable due to deposits from clients	89.248.344	15.335.000
Expenses payable due to obligations with BCV	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0
Expenses payable due to other financing obtained	2.166.080	1.507.937
Expenses payable due to other financial obligations	0	0
Expenses payable due to obligations convertible to capital	0	0
Expenses payable due to subordinated debt	0	0
ACCRUALS AND OTHER LIABILITIES	**8.300.291.684**	**4.710.441.595**
SUBORDINATED DEBT	**0**	**0**
OTHER LIABILITIES	**0**	**0**
TOTAL LIABILITIES	**351.360.208.709**	**206.497.237.514**
STOCKHOLDERS' EQUITY	**1.250.000.000**	**1.250.000.000**
Capital Paid-in	1.250.000.000	1.250.000.000
Paid-in Surplus	0	0
	0	0
Capital Reserves	**1.308.371.817**	**1.290.732.583**
Equity Adjustments	**96.941.622**	**97.250.526**
Accumulated Income	**27.645.350.086**	**14.725.819.950**
Non-Realized Gain or (Loss) on Available for Sale Security Investments	**(821.609.779)**	**563.261.665**
Treasury Stock	**(94.890.286)**	**(94.890.286)**
TOTAL EQUITY	**29.844.163.460**	**17.392.174.438**
LIABILITIES AND EQUITY	**381.204.372.169**	**223.889.411.952**
Contingent Debtor Accounts	**66.450.984.380**	**56.352.238.474**
Trust Assets	**15.256.547.682**	**11.812.664.530**
Other Trust Assignments	**161.355.713**	**177.159.715**
Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)	**13.307.024.574**	**9.485.694.729**
Other Debtor Accounts (Housing Mutual Fund)	**17.536.500**	**15.844.457**
Other Debtor Memorandum Accounts	**612.403.870.671**	**454.447.885.536**
Other Debtor Book Accounts	**28.537.963**	**29.557.899**

Statements of Earnings (Stated in VEB)

	Dec-14	Dec-13
Financial Revenues	**20.117.956.479**	**11.634.320.827**
Revenues from Cash and Cash Equivalents	2.952.868	2.460.263
Revenues from Security Investments	4.160.985.994	2.878.872.567
Revenues from Credit Portfolio	15.905.388.485	8.685.975.349
Revenues from Other Accounts Receivable	43.728.582	65.042.295
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0
Revenues from Head Office and Branches	0	0
Other Financial Revenues	4.900.550	1.970.353
Financial Expenses	**5.200.332.168**	**2.321.297.071**
Expenses Due to Deposits from Clients	4.791.956.246	2.288.806.959
Expenses Due to Obligations with BCV	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0
Expenses Due to Other Financing Obtained	116.853.994	17.298.681
Expenses Due to Other Financial Obligations	257.873.935	0
Expenses Due to Subordinated Debt	0	0
Expenses Due to Other Obligations	0	0
Expenses Due to Head Office and Branches	0	0
Other Financial Expenses	14.170.024	4.190.631
Gross Financial Margin	**14.917.624.311**	**9.313.023.756**
Income form Recovered Financial Assets	178.491.016	199.279.418
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	**528.048.000**	**1.375.332.033**
Provision for Loan Portfolio and Other Accounts Reacevable, Losses	528.048.000	1.375.332.033
Provision for Cash and Due from Banks	0	0
Net Financial Margin	**14.568.067.327**	**8.136.971.141**
Other Operating Income	4.473.957.480	4.023.999.752
Other Operating Expenses	1.611.279.975	822.528.605
Financial Intermediation Margin	**17.430.744.812**	**11.338.442.288**
Transformation Expenses	**6.447.458.160**	**4.024.178.154**
Personnel Expenses	2.281.262.404	1.449.569.282
Administrative and General Expenses	2.392.389.647	1.567.306.066
Contributions to Deposit Guarantee and Bank Protection Fund	1.629.008.244	925.546.723
Contributions to Superintendency of Banks and Other Financial Institutions	144.797.865	81.755.483
Gross Operating Margin	**10.983.286.652**	**7.314.264.134**
Income from Adjudicated Goods	98.469.127	81.013.469
Income from Special Programs	0	0
Income from Sundry Accounts	78.651.978	80.062.694
Expenses Due to Realizable Property	3.181.785	9.255.616
Expenses for Depreciation, Amortization and Devaluation of Miscellaneous Goods	0	0
Expenses Due to Sundry Accounts	903.978.767	844.871.020
Net Operating Margin	**10.251.247.205**	**6.801.213.666**
Extraordinary Income	0	0
Extraordinary Expenses	5.881.650	19.959.581
Gross Income Before Taxes	**10.245.365.555**	**6.781.254.025**
Income Taxes	0	90.000.000
Net Income	**10.245.365.555**	**6.691.254.025**
Application of Net Income	0	0
Reserva Legal	0	0
Statutory Utilities	0	0
Other Capital Reserves	6.250.000	6.250.000
Accumulated Income	**10.239.115.555**	**6.685.004.025**
LOSEP Contribution	110.100.480	73.364.019

Net Income Distribution		
Legal Reserve	0	0
Other Capital Reserves	6.250.000	6.250.000
Restricted Surplus	5.120.192.621	3.342.633.983
Surplus to apply	5.118.922.934	3.342.370.042
NET INCOME	**10.245.365.555**	**6.691.254.025**

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

CREDIT SITUATION	Outstanding	Restructured	Non-performing Loans		Total (Bs.)	Percentage composition
			past due credits	In litigation		
Activity Economic	CREDITS	CREDITS	CREDITS	CREDITS	CREDITS	CREDITS
Agriculture, Fishing and Forest	26,244,461,726	22,072,071	2,093,104	0	26,268,626,901	15.18%
Hydrocarbons and Mining Exploitation	321,537,756	0	0	0	321,537,756	0.19%
Manufacturing Industry	11,207,265,275	647,424	75,539,807	1,867,438	11,285,319,944	6.52%
Electricity, Gas and Water	366,850,451	0	0	2,988,407	369,838,858	0.21%
Construction	8,103,365,943	1,640,261	15,199,359	2,547,580	8,122,753,143	4.69%
Trade, Restaurants and Hotels	37,431,304,577	3,592,049	54,913,487	15,747,935	37,505,558,048	21.67%
Transport, Storage and Communications	2,460,210,411	614,518	5,539,297	742,287	2,467,106,513	1.43%
Financial Stablishments, Real State And Services Provided to Companies	82,819,050,668	5,496,397	371,265,862	1,550,969	83,197,363,896	48.08%
Community, Social and Personal Services	3,496,530,037	1,444,522	10,173,562	251,678	3,508,399,799	2.03%
Non Well-specified Activities	0	0	0	0	0	0.00%
SUB-TOTAL (Bs.)	**172,450,576,844**	**35,507,242**	**534,724,478**	**25,696,294**	**173,046,504,858**	**100.00%**

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

1. Banesco maintains a technological tool named SIR (Comprehensive Requirement System) that allows managing customers and users' requirements and complaints through the different service channels, such as BanescOnline, national agency network, call center and administrative offices, offering timely and efficient response in line with current regulations.

2. During the second half of 2014, 25,570 financial complaints were processed for a total amount of Bs. 320.334.824,17, of which (15,039 claims) resulted to be favorable to clients; hence, Bs. 80,505,824.63 was refunded to clients.

Financial Requirements Processed by Channel • II Half 2014

Channel	Numbers of Requirements	Customers	% of Req. for Capture Channel	Bs.
BanescOnline	17,519	14,914	68.5%	30,000,228.84
Agency Network	5,077	4,486	19.9%	181,202,676.31
Administrative / Specialized Segments	2,974	2,547	11.6%	109,131,919.02
Total	**25,570**	**21,947**	**100.0%**	**320,334,824.17**

3. During the same period, 737,951 service requirements (updating of customers' data, increase in credit cards limit, and replacement of credit cards, among others) related to the post-sale of our products and services were processed through the channels indicated in the attached charter.

Service Requirements Processed by Channel • II Half 2014

Capture Channel	Number of Requirements	Customers	% Req. of Capture Channel
BanescOnline	403,610	298,586	54.7%
Agency Network	256,699	215,790	34.8%
Administrative / Specialized Segments	67,096	50,825	9.1%
Telephone Banking	10,546	9,024	1.4%
Total	**737,951**	**574,225**	**100.0%**

4. During the six-month period that just ended, the Compliance Level of the service supply in the Complaint and Requirement Management service was 93.47%.

Equity Sufficiency Coefficient Levels

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

- Accounting equity sufficiency index, obtained from dividing the accounting equity amount plus operating management by total asset value. The coefficient to be multiplied by one hundred (100) which should not be less than nine percent (9%).

Also, according to the schedule issued by the regulator, should not be less than ten percent (10%) at December 31, 2014.

- Total equity sufficiency index, obtained from the sum of primary equity value (level I) plus Supplementary Equity (Level II), divided by the total amount of contingent assets and operations, weighted by risk level. The coefficient to be multiplied by one hundred (100), which should not be less than twelve percent (12%).
- Total equity sufficiency index (Level I) is the primary equity ratio (Level I) divided by the total amount of contingent assets and operations, weighted by risk level, which should not be less than six percent (6%).

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

DESCRIPTION	December 2014	June 2014
Accounting Equity Sufficiency Index	9.76%	10.00%
Total Equity Sufficiency Index	19.08%	18.07%
Total Equity Sufficiency Index (Level I)	19.08%	18.07%

Electronic Channels And Bank Agencies

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

- 412 service points (agencies, satellites, Banesco Express) nationwide
- 91.521 Points of Sale
- 1.584 ATMs
- 328 Self-Service Equipments
- 68 Pavilions

External Auditor's Report

The financial statements of the Bank corresponding to the second half of 2014, included in this report, were audited by the external auditors of the Institution, "Márquez, Perdomo & Asociados", and confirmed the fairness of such financial statements.

Liquidity, Leverage, Efficiency And Profitability Indicators

PRINCIPAL FINANCIAL INDICATORS	DEC. 14	JUN. 14	DEC. 13	JUN. 13	DEC. 12
1. Equity					
(Equity + Operative Management) / Total Assets	9.76%	10.00%	10.17%	10.85%	10.22%
Non-Productive Assets / Equity + Operative Management	389.28%	294.12%	328.00%	218.37%	294.47%
2. Assets Quality					
Loan Portfolio Provisions / Gross Loan Portfolio	2.94%	3.74%	3.67%	2.55%	2.33%
Non Accrual Loans / Gross Loan Portfolio	0.32%	0.40%	0.64%	0.70%	0.49%
3. Managements *					
Personnel Expenses + Operative Expenses / Average Productive Assets	4.42%	4.87%	4.60%	5.16%	6.49%
Personnel Expenses + Operative Expenses / Financial Income	26.16%	30.11%	28.57%	32.19%	39.08%
4. Earnings *					
Net Results / Average Assets	6.31%	5.79%	6.80%	5.97%	5.32%
Net Results / Average Equity	81.15%	75.37%	82.87%	71.14%	60.23%
5. Liquidity					
Availability / Customer Funds	31.89%	24.14%	27.30%	18.97%	25.97%
Availability + Investment in Securities / Customer Funds	39.62%	30.78%	36.49%	30.70%	34.69%

** Annual Percentages*

Internal Auditor Report on The Assessment of The Internal Control Environment

Caracas, December 2014

Pursuant to the provisions of Article 28 of Decree Law of the Partial Amendment to the Banking Institutions Law, published in Official Gazette Nr. 40,557 on December 8, 2014, and the prudential regulation issued by the Superintendency of Banking Institutions (hereinafter SUDEBAN) on August 27, 2014, articles 1 and 16 of resolution 164.14 referred to "General Standards on the Internal Audit Unit of Banking Institutions", we present the summary of our management, the work accomplished, and the activities developed by the Internal Audit Unit in Banesco Banco Universal, C.A., in the period between February 1, 2014 and January 31, 2015, which was presented for the consideration of the Audit Committee and the Board of Directors Committee, as provided for and approved in the Internal Audit Operating Plan.

Banesco Banco Universal, C.A. has an Internal Audit Unit with sufficient independency to fulfill its functions in an effective, efficient, and timely manner. For this purpose, the unit has the necessary authority for the achievement of its goals. The Bank's Executive Vice-President of Internal Audit, who is responsible for this area, and his staff report to Banesco's Board of Directors both functionally and administratively.

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

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

- The Internal Audit Operating Plan was approved by the Audit Committee and submitted to the Board of Directors for ratification thereof. Progress reports regarding the Operating Plan were performed and submitted frequently to the Board of Directors Committee, the Audit Committee, the Committee, and the Comprehensive Committee for Risk and Interested Parties.
- The regulations set forth by SUDEBAN were taken into consideration, as well as the current regulations on banking activities and the guidelines of the Committee on Banking Regulations and Supervisory Practices of the Bank for International Settlements (Basel Committee).
- Auditing was mainly aimed at reviewing Procedures based on risks in the Central, Administrative, and Operative Areas, Agency Network, Information Technology, and Prevention and Control of Money Laundering and Terrorist Financing (PCML/TF).
- Audit tests were applied to evaluate significant risk exposures, follow up the corrective/preventive actions supported by strategies, and verify the Environment of Internal Control and efficient operation, thus contributing with the improvement of Banesco's effectiveness and efficiency, and providing perspective and guidance over the basis of analysis and assessment of its information and procedures.
- Samplings included statistical and non-statistical approaches, applying the professional criteria in the design and execution of the sampling plan and the assessment of results.

For the second half of 2014, the hedges set forth in the Internal Audit Plan were reviewed, with the prominence of the following aspects:

- Efficiency of the Internal Control Environment during evaluation of the different aspects involving the update, application, and operation of the Institution's internal controls.
- Review and verification of compliance with the legal provisions regulating the banking activity and, particularly, the provisions of the Decree Law of the Partial Amendment to the Banking Institutions Law, other resolutions, communications, and official letters issued by SUDEBAN, as well as other current regulations related to the banking activity applicable to the reviews made.
- Verification of the application of the provisions set forth by SUDEBAN's Accounting Manual for Banks, in the balances supporting the figures presented in Banesco's financial statements.
- For the close of 2014 Programming, the Audit Units in Banesco Banco Universal concluded one hundred thirty-eight (138) Audits, divided into: General Programmed Audits (80-58%), which include evaluations in the following aspects financial-, operational- and accounting evaluations, Prevention and Control of Money Laundering and Terrorist Financing, comprehensive risk administration and information technology; specials (49 36%), projects (7 5%), and consultancy (2-1%); as well as follow-ups to closing of gaps to certify the finalized corrective actions, including the review of 858 strategies.

- For these purposes, the following procedures were reviewed: cash in national and foreign currency, treasury, check clearing, electronic clearing (Interbanking), investment portfolio, loan portfolio, mortgage loan with BANAVIH (National Bank of Housing and Habitat), community banking loans, credit and debit card, operations with SICAD (Alternative Foreign Currency Exchange System), maintenance and infrastructure, other assets, deposits, human capital procedures, and trust procedures.
- Audits to monitor compliance with SUDEBAN Resolutions Nr. 487.10 and 083.11 related to services to customers, senior citizens, disabled citizens, and pregnant women and the Standards on the protection of financial service customers, respectively.
- Compliance with the Technology Law, SUDEBAN Resolution 641-10 for electronic banking, and the resolutions regarding electronic channels and services.
- The Audit Unit participated in the projects of means of payment, digitalization of clearance images, standardization of check images, financial core, card core, and issue and distribution of check books, as well as the implementation of audits to monitor compliance to certify the closing of gaps identified, plus consulting audits to the procedures relayed to the checks' value chain.
- Follow up of corrective measures on issues described in the audits. In this sense, reviews were made to verify gap corrections of risks, incidences, and findings revealed in the Internal Audit-, External Audit-, and SUDEBAN reports, as well as the Operating Risks assessments. For this purpose, Internal Audit provides ongoing reports to the Senior Management on the status of actions to close gaps and Action Plans for their management and control.
- The Institution's capacity to identify, measure, control, and mitigate risks in the six month period, verifying that Banesco has carried out efforts in order to implement the organizational structure set forth by SUDEBAN's Resolution 136.03 for adequate Risk Management. Additionally, we have been incorporating the design of methodologies to identify, measure, control, monitor, and value the different risks assumed, as well as developing policies established in the abovementioned regulation.
- Regarding SUDEBAN's Resolution 119-10 in the PCML/TF area, we performed audits and activities of verification of compliance with the provisions of the Standards on Management and Control of Money Laundering and Terrorist Financing Risks applicable to institutions regulated by SUDEBAN, reviewing the following areas: PCML/TF Committee, Compliance Officer, PCML/TF Unit, Compliance Managers in risk areas (Agency Networks and Central Procedure areas), training, control of unusual operations, risk matrices, follow-up of corrective action plans of regulatory agencies, and technological tools supporting the procedure. Based on our work, we conclude that the plans and programs designed to prevent and detect transactions presumed to be or which could be related to Money Laundering and Terrorist Financing work properly.
- We closed the Internal Control audit review of Banesco Banco Universal's Agency Network regarding all processes in sales activities, business, services, and regulatory aspects, including the review of 408 (100%) remote audits (agencies, satellites, teller windows, and express windows), and 107 (26%) of on-site audits with individual reports and summaries per regional management. These reports included the review of operating and general aspects of the agencies, as well as separate reports in the PCML/TF and Specials areas.

The results obtained revealed improvement over 2013, given the increase in the number of offices under the "Good" qualitative score.

- In Information Technology, we followed up the inspection reports on technological risk reported by SUDEBAN, external and internal audit, as well as the procedures, applications, and components, communications, links, and interfaces of: Banesco Online, Banesco Mobile, network and server management, information security, alert monitoring and management procedures, audit trail procedures, POS transactions for credit and debit cards, trust fund, technological procedures supporting transactions of SICAD services, access control, contingency tests and plans, ATM platform controls, technological platform supporting transactions of Prevention and Control of Money Laundering and Terrorist Financing (PCML/TF) and SAFE-Watch systems in the PCML/TF area.

As to the application of the Professional practices framework for Internal Audit, the Unit has adapted to specific factors in the legal, regulating, and cultural environments as well as the expectations of the interested parties. In this sense and according to current country regulations and the best practices of Internal Audit in the areas of assurance, we issued statements on Internal Audit Rules and Procedures to respond to SUDEBAN's requests regarding the Internal Audit activities.

Based on the results obtained in the reviews made by Internal Audit to the Units and Processes of Banesco Banco Universal, C.A., we observed a risk conscience consistent with corporate governance as well as ongoing and timely supervision, thus guaranteeing our integrity and ethical values, which are strategic goals based in operability, Management compliance, and control activities related to Policies and Procedures.

In view of the foregoing, we conclude that the efficiency and effectiveness in the management of the Internal Control System of Banesco Banco Universal maintains a reasonable security.

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

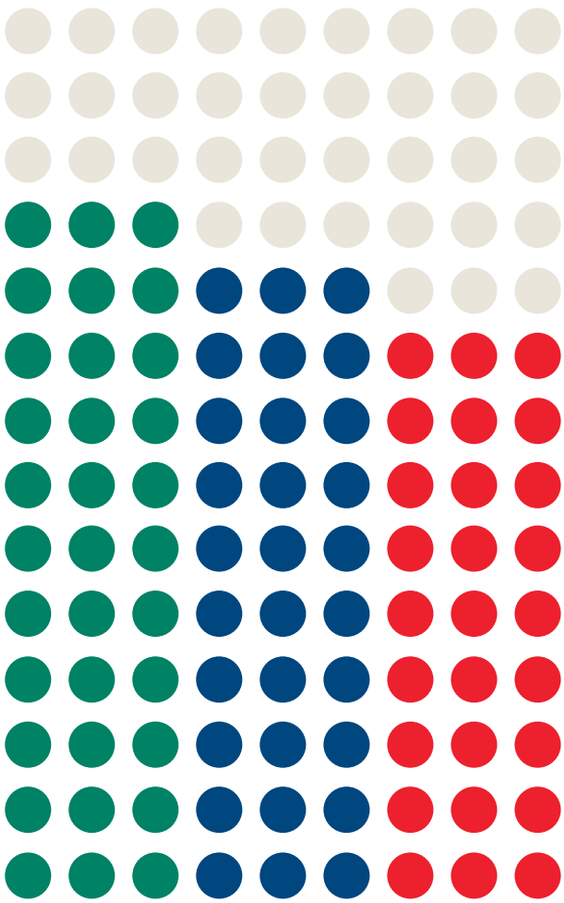
GENERAL REGULATIONS

DATE	REGULATION LETTERS
03/07/14	**SIB-DSB-CJ-OD-22760.** "Issues to consider in the operations performed through the Exchange Alternative Currency System (SICAD II)".
10/07/14	**SIB-DSB-CJ-OD-23689.** "Issues to consider in the operations performed through the Exchange Alternative Currency System (SICAD II)".
14/07/14	**SIB-II-GGR-GNP-24282.** "Aspects to consider when opening accounts or term to mobilize funds in foreign currency".
21/07/14	**SIB-II-GGR-GNP-25520.** Official Notice issued by the Central Bank of Venezuela on June 12, 2014, based on the exchange rate applicable to the transactions listed there made by individuals.
23/07/14	**SIB-II-GGR-GIDE-25928.** Technical Specifications: AT35 "Hundred Major Depositors Natural Persons and Legal".
12/08/14	**SIB-II-GGR-GIDE-27857.** "Foreign currency accounts and transfer destination (Exchange Alternative Currency System SICAD II)".
03/09/14	**SIB-II-GGR-GNP-30531.** Official Notice issued by the Central Bank of Venezuela, based on the exchange rate applicable to the operations of currency sales by non-residents in the country individuals.
11/09/14	**SIB-II-GGR-GNP-31510.** "Conditions for special credits to beneficiaries of the loan portfolio in the tourism sector".
11/09/14	**SIB-II-GGR-GNP-31509.** "Set by the Ministry of Popular Power for Tourism (Mintur) which should be considered to evaluate and finance tourism projects".
22/09/14	**SIB-II-GGR-GNP-32624.** "Exception granted to builders and property developers involved in the 0800-Mi-Hogar plan and the execution of works subject to some degree of intervention, presentation of the bond on behalf of the National Real Estate, SA.
06/10/14	**SIB-II-GGR-GNP-33792.** "Ratification Banking Security Standards".
09/10/14	**SIB-II-GGR-GNP-34258.** Outreach circular regarding the Official Notice issued by the Central Bank of Venezuela, based on the exchange rate applicable to the operations of currency sales by non-residents in the country individuals.
09/10/14	**SIB-II-GGR-GIDE-34347.** Update Technical Specifications: AT04 "Credit".
09/10/14	**SIB-GGR-GNP-34219.** Guidelines for filling in the form No. 13-006 "Calculation of Contributions of Banking Sector Institutions" Fund of Social Protection of bank deposits for the second half of 2014.
09/10/14	**SIB-DSB-CJ-OD-34215.** Issues to consider in the operations performed through the Exchange Alternative Currency System (SICAD II).
21/10/14	**SIB-DSB-CJ-OD-35636.** Request by the prosecution for the information required by the Agency to be transmitted in real time.
29/10/14	**SIB-II-CCD-36925.** Updating tables of items, uses, production and industry measures contained in the Manual Technical Specifications: Targeting System Portfolios.
30/10/14	**SIB-II-GGR-GNP-37505.** Overnight log of operations.
19/11/14	**SIB-GGR-GNP-40875.** "Accept the studies, reports and opinions signed by the administration graduates and Economists".
11/12/14	**SIB-DSB-CJ-OD-42351.** Limit after which it must count the days to submit for consideration by the SUDEBAN the Adjustment Plan on the occasion of the promulgation of Decree with Rank, Value and Force of Law on Banking Sector Institutions.

SPECIFIC REGULATIONS

DATE	REGULATION LETTERS
31/07/14	**SIB-DSB-UNIF-26886.** Results obtained in the Special Inspection dated June 30, 2014, related to the assessment of compliance with management measures and control risks related to the crimes of money laundering and terrorist financing.
13/08/14	**SIB-II-GGIR-GSRB-27886.** Observations from the Special Report of the Audited Financial Statements at December 31, 2013, in which the degree of compliance with the "Guidelines for Appropriate Risk Management" is included.
15/08/14	**SIB-DSB-CJ-PA-28088.** He was fined the Bank for the alleged cancellation of a savings account and transfer the balance to a current account without customer authorization.
19/08/14	**SIB-II-GGIR-GSRB-28374.** Observations from the Special Report of the Audited Financial Statements at December 31, 2014, in which the degree of compliance with the "Guidelines for Appropriate Risk Management" is included.
20/08/14	**SIB-II-GGIBPV-GIBPV3-28544.** Observations made at the Annual General Meeting of Shareholders held on March 24, 2014.
02/09/14	**SIB-II-GGIBPV-GIBPV3-30386.** Tracking the results of the General Inspections court date to November 30, 2011 and December 31, 2012, the latter the Trust area.
15/09/14	**SIB-DSB-UNIF-31824.** Results obtained in the Special Inspection Visit during the period from July 16 to August 31, 2014, related to the assessment of compliance with management measures and control risks related to the crimes of money laundering and financing terrorism.
16/09/14	**SIB-II-CCD-31898.** Considerations made to the revenues corresponding to the Ordinary General Meeting of Shareholders held on September 19, 2014.
16/09/14	**SIB-DSB-CJ-PA-31903.** The administrative act contained in Resolution N ° 042.14 dated March 21, 2014 whereby it was not authorized to capitalize on investment in Point of Sale (POS) and distribute their cost over a period of four years is revoked.
18/09/14	**SIB-II-GGIBPV-GIBPV3-32400.** Considerations made to the revenues corresponding to the Ordinary General Meeting of Shareholders held on September 19, 2014.
19/09/14	**SIB-II-CCSB-32493.** Results obtained in the Special Inspection practiced on Service Quality Bank, held during the months of July and August 2014.
26/09/14	**SIB-II-GGIBPV-GIBPV3-33076.** Revision made to the Balance Sheet Form "E" to the August 31, 2014, in which it is clear that consumer loans account for 20.14% of total gross loans.
30/09/14	**SIB-DSB-OAC-AGRD-33326.** The Bank is instructed to make a refund under an alleged mail fraud.
30/09/14	**SIB-II-GGIR-GSRB-33410.** Considerations made the Semi-Annual Report on Prevention and Control of Money Laundering and Financing of Terrorism "; and the "Report of the Internal Auditor on the evaluation of internal control environment, both for the end of the first half of 2014.
01/10/14	**SIB-II-GGIR-GSRB-33500.** Considerations made to the revenues corresponding to the Ordinary General Meeting of Shareholders held on September 19, 2014.
03/10/14	**SIB-II-GGR-GA-33672.** Approval of the resolutions adopted at the Annual General Meeting of Shareholders held on March 24, 2014.
30/10/14	**SIB-II-GGR-GNP-37465.** Special authorization to capitalize on investment in Point of Sale (POS) and distribute their cost over a period of four years.
13/11/14	**SIB-DSB-UNIF-39340.** Results obtained in the Special Inspection rip dated September 30, 2014, related to the assessment of compliance with management measures and control risks related to the crimes of money laundering and terrorist financing.
14/11/14	**SIB-II-GGIR-GSRB-39770.** Observations from the Special Report of the Audited Financial Statements at June 30, 2014, in which the degree of compliance with the "Guidelines for Appropriate Risk Management" is included.
19/11/14	**SIB-II-GGIR-GSRB-41227.** Considerations related to the results of the visit of Special Inspection conducted with cutoff date January 31, 2014, whose objective was the assessment of compliance with the provisions of Resolution No. 136.03 "Standards for Adequate Risk Management".
19/11/14	**SIB-II-GGIBPV-GIBPV3-41818.** Follow-up observations to bonds posted during the celebration of the Ordinary General Meeting of Shareholders held on March 24, 2014.
11/12/14	**SIB-II-GGIBPV-GIBPV3-42386.** Observations consigned to the revenues during the celebration of the Ordinary General Meeting of Shareholders held on September 19, 2014.
15/12/14	**SIB-II-GGIBPV-GIBPV3-42725.** Observations consigned to the revenues during the celebration of the Extraordinary General Meeting of Shareholders held on December 16, 2014.
17/12/14	**SIB-DSB-CJ-PA-42091.** He was fined the Bank in making the purchase and sale of securities with companies located abroad without prior authorization from the SUDEBAN.
18/12/14	**SIB-II-GGIR-GSRB-43314**. Observations from the Special Report of the Audited Financial Statements at December 31, 2013, in which the degree of compliance with the "Guidelines for Appropriate Risk Management" is included.
23/12/14	**SIB-II-GGIR-GSRB-43631.** Observations from the Special Report of the Audited Financial Statements at June 30, 2014, in which the degree of compliance with the "Guidelines for Appropriate Risk Management" is included.

Relevants Information to Stakeholders



Banesco
Contigo

Notice

BANESCO BANCO UNIVERSAL, C.A.

Stock Capital Bs. 1.250.000.000

By order of the Board of Directors and pursuant to articles 10, 12 and 27(2) of the Bylaws, the shareholders of Banesco Banco Universal, C.A. are hereby called to a Regular Shareholders' Meeting to be held on March 26, 2015, at 8:00 PM, in Auditorium Fernando Crespo Suñer, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, entre Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve on the following matters:

FIRST: Upon revision of the Board of Directors' report and the comptrollers' report, approval of the independent auditors' report on the Financial Statements for the six-month period ended December 31, 2014.

SECOND: Decree, allocation and payout of cash dividends.

THIRD: Appointment of the Members of the Board for period 2015-2016.

FOURTH: Appointment of controllers for 2015-2016, and determination of their remuneration.

FIFTH: Appointment of the Bank Client and User Defender.

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRIGUEZ

Chairman of the Board of Directors

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

Caracas, February 27th 2015

RIF: J07013380-5

BANESCO BANCO UNIVERSAL, C.A.

Stock Capital Bs. 1.250.000.000

By order of the Board of Directors and pursuant to articles 11, 12 and 27(2) of the Bylaws, the shareholders of Banesco Banco Universal, C.A. are hereby called to a Extraordinary Shareholders' Meeting to be held on March 26, 2015, at 8:00 AM, in Auditorium Fernando Crespo Suñer, Piso 3 (third floor) of Edificio Ciudad Banesco (Banesco headquarters), located in Avenida Principal de Bello Monte, entre Calle Lincoln y Calle Sorbona, of the city of Caracas, in order to discuss and resolve on the following matters:

FIRST: Reduction of the Bank's capital stock by Bs. 21,500,000 as a result of the buyback of 2,150,000 preferred shares in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008–II.

SECOND: Increase the capital stock by Bs. 21,500,000 through the decree, allocation, and payout of dividends in common shares.

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

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

On behalf of the Board of Directors

JUAN CARLOS ESCOTET RODRIGUEZ

Chairman of the Board of Directors

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

Caracas, February 27th 2015

RIF: J07013380-5

Corporate Governance Report

Banesco Banco Universal, C.A.

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

Shareholders' Meeting

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

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

BOARD OF DIRECTORS

The Board of Directors of Banesco Banco Universal, C.A. is to be comprised of at least seven (7) and no more than thirteen (13) Directors. The main role of the Board is the management and general administration of the businesses and operations carried out by the Bank, including corporate social responsibility policies. It is empowered with the broadest dispositive and administrative powers on the goods and businesses of the company, provided it is not about matters exclusively reserved to the Shareholders' Meeting or other bodies established by the Law or the Bank's Bylaws. It is responsible for defining and strategically managing the Bank, and approves the business principles and policies, thus regulating the autonomy of executive decisions to protect the shareholders' interest and the organization. Furthermore, the Board controls the performance of operating and functional areas of the Bank, and evaluates and compares business projections, as well as the results from previous years with the results of each year. The Board meets on a regular basis at least once a month and may be called to an extraordinary meeting upon request by the Chairman of the Board or by three (3) of its members.

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

Compliance Officer

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

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

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

Audit Committee

The Audit Committee has the duty to know the financial statements to be considered by the Board of Directors and subject to approval by the Shareholders' Meeting in order to verify that they comprise all the information required and show, completely and accurately, with no reserves or omissions, the financial situation of the company. Likewise, the Audit Committee assists the Board of Directors with the implementation of measures aimed at preserving the accuracy of the financial information of the company, cooperating with the supervision and follow-up of the bank's internal and external audit, approves the scope of the annual audit, and reviews together with the Board of Directors and the External Auditors all significant topics regarding litigations, contingencies and claims.

Risk Committee

Its main duty is the management, identification, measurement, and mitigation of the risks, which the Bank is exposed to, by fixing risk limits under the policies established for each of the activities carried out by the Bank in credit, market, legal, and business matters, among others, in conformity with the Bylaws and the best practices at an international level. In addition, the Risk Committee advises the Board of Directors and the different Credit Committees on the decision-making, and establishes the guidelines and policies they must comply with in order to maintain the established risk profile.

Shareholders' Meeting, and the Board of Directors. In addition, the Board of Directors has the responsibilities described in the Bylaws of the Bank.

Chairman of the Board of Directors

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

CEO

The Chief Executive Officer is in charge of the daily running, management, and operation of the Bank's businesses and on-site services, as well as of the administration, supervision, and monitoring of its businesses, accounting, financial statements, inventory, and accounts. In addition, the CEO has the authority to supervise, monitor, and coordinate the activities and tasks assigned to each executive office; chair the executive office committees of the Bank; as well as represent the Bank before third parties in non-legal matters, being empowered to enter into contracts, agreements, and covenants on the Banks' name, place, and stead.

Internal Auditor

In conformity with the Decree Law on Banking Institutions, is the person in charge of guaranteeing that the Bank's transactions and procedures are compliant to the Law, the prudential regulation, the bank's internal process manuals, and the accounting principles approved by the Superintendency of Banking Institutions. The Internal Auditor is also in charge of supervising the due operation of internal control systems; guaranteeing compliance with the resolutions issued by the General Shareholders' Meeting, the Board of Directors, and the Superintendency of Banking Institutions; endorsing the financial statements jointly with the legal representative and the general accountant; internally coordinating the analysis of the diverse operations of the institution and, together with the Audit Committee, informing the Board of Directors on the findings of the audits performed in order to improve the procedures and mitigate any potential deficiencies.

Credit Committees

The Board of Directors, reserving the execution of this right, has delegated to the credit committees the authority to grant credits under any modality provided by law, by assigning to each autonomy or credit committee an established individual borrowing limit. To this date, the Central Credit Committee, the Executive Credit Committee, the Delegate Credit Committee, the Regional Credit Committees, and the individual autonomies have been created.

Technology Committee

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

Committee of Prevention against Money Laundering and Terrorist Financing

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

Ethics Committee

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

QUALITY AS ETHIC'S VALUE BANESCO

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

CODE OF ETHICS AND CONDUCT OF BANESCO CITIZENS

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

Therefore, Banesco citizens must follow the values below:

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

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

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

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

Comptrollers' Report

Banesco Banco Universal, C.A. • Six-month period ended December 31, 2014

Shareholders of
BANESCO BANCO UNIVERSAL, C.A.

As Main Comptrollers of Banesco Banco Universal, C.A., and pursuant to the provisions of Articles 287, 309, and 311 of the Code of Commerce, we have reviewed the balance sheet of Banesco Banco Universal, C.A., as of December 31, 2014, and the related statements of income and appropriation of net income, changes in stockholders' equity and cash flows for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory information corresponding to such financial statements, attached to the independent auditors' report of the Bank, Márquez, Perdomo & Asociados (Member of Crowe Horwath International) of February 12, 2015, to be considered as part to our report for all intents and purposes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

The independent auditors of the bank believe that the audit evidence obtained is sufficient and appropriate to provide a reasonable basis for their opinion.

Comptrollers' Responsibilities

Our responsibility is to issue a recommendation on these financial statements based on our audit. The audit was conducted in accordance with the scope we deemed necessary under the circumstances. Such scope is substantially minor than that of an audit conducted in accordance with International Standards on Auditing, which aims to express an opinion on the basic financial statements, taken as whole. Hence, it is worth mentioning that both our review and our judgments and opinions in this report on the financial position of Banesco Banco Universal, C.A., as of December 31, 2014, are mainly based on the Bank's independent auditors' report, Márquez, Perdomo & Asociados (Members of Crowe Horwath International), of February 12, 2015, above mentioned.

Recommendation

In the opinion of the independent auditors, the financial statements present fairly, in all material respects, the financial position of Banesco Banco Universal, C.A. as of December 31, 2014, the statement of income and cash flow for the six-month period then ended, in accordance with generally accepted accounting principles established by the Superintendency of Banking Institutions (SUDEBAN) for the Venezuelan banking system. Therefore, and based on the scope of our audit, as stated above, we recommend approval thereof.

Emphasis on a Matter

As explained in Note 1, on November 13, 2014, the President of the Republic issued Decree Law on Banking Institutions, published in Extraordinary Official Gazette Nº 6.154 of November 19, 2014, reprinted in Official Gazette of the Bolivarian Republic of Venezuela N° 40.557 of December 8, 2014, superseding Decree Law on the Partial Amendment to the Banking Institutions Law, published in Official Gazette of the Bolivarian Republic of Venezuela N° 39.627 of March 2, 2011. Therefore, the banking institutions will submit for consideration by SUDEBAN a plan to adjust to the new Decree Law, if any, within thirty (30) consecutive days from publication in the Official Gazette. On January 7, 2015, Subsidiary Banesco Banco Universal, C.A. submitted such adjustment plan to SUDEBAN.

Accounting Base

Banesco Banco Universal presents its financial statements in accordance with accounting standards established by the Superintendency of Banking Institutions (SUDEBAN), which differ in some respects from Accounting Principles Generally Accepted, as explained in Note 2 to the financial statements of the independent auditors' report.

The accompanying financial statements were prepared in order to comply with the standards and practices established by that agency and not to be presented in conformity with Accounting Principles Generally Accepted in Venezuela VEN-NIF.

Other Matters to Report

The audits of the independent auditors were conducted for the purpose of expressing an opinion on the basic financial statements of BANESCO BANCO UNIVERSAL, C.A., taken as a whole. The supplemental information as of December 31 and June 30, 2014 and for the six-month periods then ended, which is included in Appendix I, is presented for additional analysis purposes and is not a required part of the basic financial statements. The foregoing does not modify the opinion of the independent auditors.

Based on the assessment of portfolios of Loan and Interest and Commissions Receivable as of December 31, 2014, presented in the Special Report of the Independent Auditors of February 12, 2015, which was issued to meet the standards for the preparation of the semi-annual external audit reports established by the Superintendency of Banking Institutions, respectively, the provisions of Bs. 5,092,838,236 for the Loan Portfolio and Bs. 80,402,215 for Returns Receivable and other, as of December 31, 2014 are, in our opinion, reasonable and sufficient for their purposes in accordance with the standards issued by the Superintendency of Banking Institutions.

In the six-month period ended December 31, 2014, we attended the sole Regular Shareholders' Meeting held on September 19, 2014, as comptrollers. In Extraordinary Shareholders' Meeting held on December 16, 2014, it was agreed to give broad and sufficient authorization to the Board of Directors of Banesco Banco Universal to decree a cash dividend as from January 15, 2015, and whenever deemed convenient, to the holders of common shares for up to a maximum of Bs. 2,000,000,000, with charge to surplus applicable at the end of the six-month period ended June 30, 2014. The dividend was paid in January 2015.

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

The dividends decreed and statutory sections are in accordance with the provisions of the regulations ruling the matter.

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

GORDY PALMERO
Statutory Auditor
C.P.C. 7.202

IGOR WILLIAMS
Statutory Auditor
C.P.C. 20.427

Caracas, February 12, 2015

Human Capital

Talent Development

The Organization requires having more and more talented, outstanding persons with high value-generation potential. Hence, in 2014, the strategy in the Development Unit of Banesco was focused of carrying out training activities aimed at the technical improvement of Banesco Citizens, so that they discharge their duties efficiently with high-quality results.

Following are our most important initiatives this year:

- Training activities focused on key areas of the business such as Credit, Sales, Operational Excellence, Project Management, Financial Logistics, Communication Techniques, and Effective Negotiation, and on strengthening the skills to lead and manage work teams related to leadership, through the Banesco Leader Program. In compliance with legal regulations, we carried out Bank Knowledge activities, such as Psychosocial Risk, and Prevention and Control of Money Laundering and Terrorist Financing.
- 44 young INCES (National Institute for Socialist Training and Education) apprentices joined the Organization permanently.
- At 2014 close, we had 443 INCES apprentices, 176 of which are in theoretical training in Auxiliary Training Institutions nationwide, acquiring technical knowledge and developing abilities that will allow them to incorporate to the banking sector; and 267 apprentices in the Hands-on Stage. Thus, we actively participate in the compliance with the Law.
- In order to promote the ongoing improvement of the business processes, the Operational Excellence Program was implemented with the training of employees from different departments, investing 4,480 man/hours in in-person training.
- In the second half of 2014, we began to implement the first Advanced Internal Audit Program (PABAI), led by the Executive VP of Internal Audit jointly with the Executive VP of Human Capital.
- In addition to developing the skills of People Leadership of our supervisory line, the Banesco Leader Program allows applying them to the reality of the role in Banesco, thus giving high added value. This year, 58 events were held nationwide, where 703 leaders of the Organization were trained, and 7,768 man/hours of training were invested.

During this period, many actions and programs were implemented, aimed at providing technical training and strengthening the skills required for the efficient performance of the human capital of the Vice Presidency of Community Banking.

We achieved more than 10,000 hours of virtual training for 485 workers and over 14,000 hours of in-person training, aimed at updating and strengthening the training of our staff. Under this program, we certified supervisors, coordinators, consultants, promoters, and community analysts in microfinance.

The in-person training activities allowed us to achieve the following results in 2014:

- 388,089 man/hours invested in training and development activities.
- 12,161 workers have attended at least one in-person training activity.
- 13,715 workers have developed their virtual training.
- 87,452 participations in in-person training activities.

In May, we successfully activated the comprehensive contingency plan, mainly aimed at preparing the Organization for simultaneous events occurring in different critical services. We simultaneously activated the contingency environment in 13 platforms corresponding to critical Bank services in this period. These platforms coexisted for 24 hours in the alternate data center without affecting operability. A total of 160 employees in the technology and business areas participated in this activity .

Quality of Life

During the second half of 2014, we carried out sport, recreational, cultural, and voluntary service-oriented activities as part of the Quality of Life Plan, thus contributing to the retention of the best talent in the banking, and

promoting spaces to reconcile the professional and the personal life.

Some of the most relevant activities performed are as follows:

Sports, Leisure, and Prevention Activities against the Consumption of Alcohol, Tobacco and Other Drugs

Banesco 10K Run and 5K Walk: In its first edition, this activity was part of the Project of Comprehensive Prevention against the Consumption of Alcohol, Tobacco, and Other Drugs with its motto "Your steps may transform your life". Over 4,000 workers participated in this activity.

Social Tourism: Two activities were made as part of the Labor Amusement Project, with the participation of 948 workers and their close relatives.

Banesco Runners Club: With the participation of 298 workers and 2,336 attendees.

Ongoing training in different disciplines: Events carried out in Valencia, Maracaibo, Barquisimeto, and Caracas with 1,909 participants in softball, volleyball, indoor soccer, basketball, women's soccer, and kicking ball.

Banesco School of Soccer for Children: With 750 trainees, this school is aimed at children between 5 and 12 years old and is intended to provide a space of healthy living, leisure, and sound sportsmanship, instilling values of responsibility, perseverance, and discipline for the development of the children's potential.

Ciudad Banesco Recreational-Preventive Activity: We continued the 2014 World Cup activities. We performed the Home Club Banesco activity as well as a New Year celebration activity during Christmas time with 1,879 attendees.

Quality of Life at the Agencies: 176 agencies were provided spaces for leisure and prevention against the consumption of alcohol, tobacco, and other drugs at the national level, with the participation of 1,706 workers.

Cultural Activities

Theater/Presentation of Plays: Activity performed in Caracas by Banesco Theater Group, with 417 participants. There were 2 performances of the children's play *"Mátame de la risa"* and one show of the musical *"Mafiosical"*, in addition to two performances in Maracaibo in the Bellas Artes Theater of the plays *"El Principito"* and *"Marcelino Pan y Vino",* with over 2,200 attendees.

Choral Singing Workshops: Activity organized in Caracas with over 300 participants. The performances include the *"Bienvenida la Navidad"* (Christmas Welcome) in Ciudad Banesco's main hall and the awards ceremony to employees for their years of service.

Experimental Group: With 308 participants, Banesco Experimental Group focused on the gaitas music genre and made different performances in awards ceremonies for employee's years of service in Ciudad Banesco's main hallway and the Traditional games day in November and December.

Voluntary Service Activities: The most important activities performed in the second half of 2014 include:

- **World Beach Day:** 300 volunteers and their families participated in this activity and helped collect wastes in Playa Escondida (Vargas state), Playa Caimare Chico (Zulia state), and Bahía de Patanemo (Carabobo state).
- **Training of volunteers.** We trained around 231 volunteers nationwide in different areas, such as: development of institutional thinking and oratory, development of creative thinking, professional image and its impact on volunteers, designing the possible future, team integration, leadership, and laughter as a tool to handle stress.
- We recovered the Unidad Educativa Municipal Maria May school in El Calvario, El Hatillo municipality with the participation of 15 volunteers and benefitting 80 students and teachers.

Contractual Benefits

Among the most outstanding contractual and legal benefits granted to our workers in 2014 are the HSM policy, increasing the coverage to Bs. 80,000, which together with the excess plan, increased the coverage to Bs. 380,000 per pathology; the Unsecured Loans, whereby we supported the acquisition of homestead for an amount of Bs. 7,664,085; the Food Benefit for 14,521 workers for over Bs. 327,000,000; and the Nursery School Benefit that benefits 2,003 workers for over Bs. 28,000,000.

Corporate Social Responsibility

As a socially responsible company, during the second half of 2014, Banesco Banco Universal reported a social investment of Bs. 76.23 million. Of that total, Bs. 49.83 million (65.36%) was allocated to projects that benefit our staff, while Bs. 26.40 million (34.64%) to projects that benefit the community.

In the second half of the year, two projects stood out both because of the amount of the investment and its importance: the Microentrepreneur Training Program and the Participative Budget with communities.

Bello Monte and Maracaibo Community Participative Budget

Since 2008, Banesco established a dialogue with the community of Colinas de Bello Monte, Caracas sector where the headquarters of the Bank, Ciudad Banesco, is located. Through the participative budget, the Bank has invested Bs. 3,250,086 in health projects, care for the elderly, education, culture and infrastructure, among others.

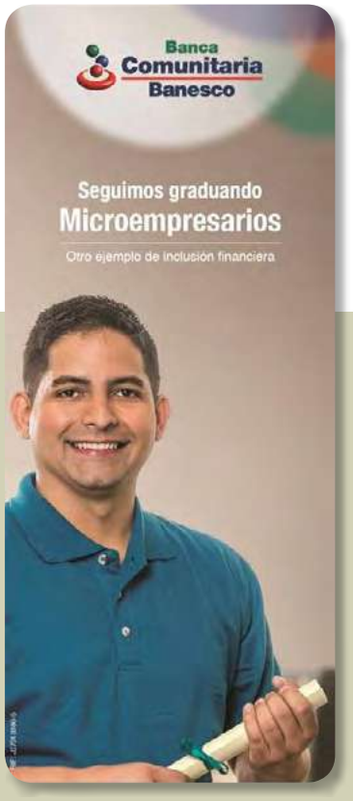
In order to make the contributions, the community organizations and authorities of the area are called: the Neighborhood Association, the Community Council, the Mayoralty of Baruta Municipality, the Technical Chamber of Local Public Planning Council, the Central University of Venezuela, the Municipal Council for the Rights of Children and Adolescents, the Parish Council, the Justices of the Peace, as well as private foundations operating in the area and private citizens.

The community representatives present their projects that benefit the area and a secret ballot takes place, in

which these representatives decide the priority of the works, which would result in the execution order.

Additionally, the communication with the community fosters a common ground and direct links between different organizations and social development parties in the area. This leads to greater coordination of their actions. Thus, Banesco Banco Universal has acted as a major catalyst to benefit the quality of life in the community.

In 2014, Banesco implemented in Zulia the succesful experience that the Participative Budget with the Community of Colinas de Bello Monte has mean for seven years. In the first experience, Banesco allocated Bs. 600,000 to four projects: the improvement of the infrastructure of Escuela Arquidiocesana San Rafael; two initiatives to improve the care provided at Hospital de Especialidades Pediátricas (Children's Specialized Hospital); and a values training project through dance of Fundación Hogar Santa Ana.



Microentrepreneurs Training Program

Since 2008, Banesco implements its Microentrepreneurs Training Program through Community Banking. The training course gives entrepreneurs a set of administrative, managerial, and technological tools. These tools help to improve their business productivity and their level of competition in the market.

During the second half of 2014, this program graduated 6,523 entrepreneurs. The course, created six years ago, expanded its scope by including more than 400 people with mobility, hearing and visual impairments, along with entrepreneurs related to the cultural sector.

From 2008 to date, Banesco has graduated over 18,899 entrepreneurs.

Education

Asociación Venezolana de Educación Católica (AVEC)

Approximately 113,462 children and adolescents enrolled in 225 schools member of *Asociación Venezolana de Educación Católica* (Venezuelan Association of Catholic Schools) has benefitted from the sponsorship agreement with Banesco Banco Universal. From 2004 to date, the financial institution has made a social investment in AVEC of Bs. 16,921,008.44. In 2014, –for the tenth consecutive year– the bank renewed its support to the association (one of its social partners), with a contribution of 1 million bolivars. The contribution is aimed to the recovery of areas of four schools located in San Antonio de los Altos, Los Teques, Merida, and Trujillo.

Health

Asociación Civil Red de Casas Don Bosco

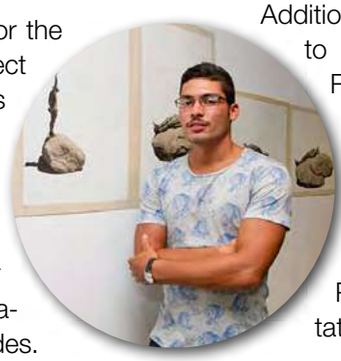
In 2014, the Bank allocated Bs. 1,054,240.65 for the ARIS (Social Services and Rehabilitation) project that assists homeless children and adolescents from 4-17 years of age. The program includes the BoscoBus (a mobile unit that brings multidisciplinary service to the streets of Caracas), and the Support Center located in Sarría [a poor neighborhood], where kids can have shelter, food, or supervision from different specialists. The association also offers training workshops in different trades.

Art and Culture

The 17th edition of the Hall *Jóvenes con FIA* [International Art Fair with young artists] had the support of Banesco and was held for the first time in Ciudad Banesco, the headquarters of the Bank. The Hall offered a collective and multidisciplinary approach that allows looking into emerging artistic proposals of new generations from various regions of the country (Caracas, Valencia, Maracay, Margarita, Coro, Maracaibo), as well as artists who are part of the migration to other cities of the world (New York, Santiago de Chile, Berlin, and Leipzig).

In this edition, they 20 emerging artists and five guests participated under the concept of *"Construcciones identitarias: cuerpo, memoria y lugar"* (Identity constructions: Body, Memory, and Place).

The winners of this edition were the artist from Margarita Island, Luis Mata, who won first place with his piece *Estimación Estética de las magnitudes naturales* (Aesthetic Estimate of natural magnitudes) (2014); Miguel Braceli with his piece *Área e intervención participativa en Plaza Caracas* (Area and Participatory Intervention in Caracas Square), in second place; Sol Calero, for his piece *Tupi or not Tupi,* in third place. All winners won a cash prize from the financial institution.



Additionally, the special prize was awarded to Residencia Artística CPPC (Artists Residence) in Pivô/ Patricia Phelps de Cisneros Collection (CPPC) and the duo of artists from Zulia State, Fabio Bonfanti and Raily Yance with their installation titled *Tren* (Train) (2014). They all won a one-week stay in Pivô (a space for artistic experimentation in the city of São Paulo).

Auction to Raise Money for FUNDANA (organization aimed to help children in need)

For the tenth consecutive year Ciudad Banesco hosted the event, with Elijah Bentolila as the hammer. This year over 130 pieces were auctioned and Bs. 15.14 million was raised, which will allow this NGO programs to continue being implemented.

The most sought-after pieces were *Esfera de Anillo* (Ring Sphere) by Héctor Ramírez (Bs. 2.2 million); *En Presencia con Espejo* (Presence with mirror) by José Antonio Dávila (Bs. 1.23 million.); *Dislocada* (Dislocated) by Rafael Barrios (Bs. 1.1 million), and *Induction Chromatique Navidad 1H* (Chromatic Induction Christmas 1H) by Carlos Cruz Diez (Bs. 650,000).

The silkscreen dated 1978 by the deceased master artist Oswaldo Vigas, entitled *La Gran Bruja* (The Great Witch), was sold at Bs. 500,000.

The 2014 figure represented a 61% increase over last year's auction.

Publishing Projects

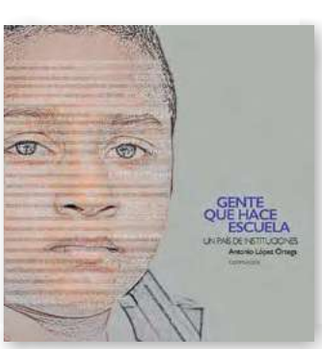
In the second half of 2014, we presented and launched two books for our publishing collection: *70 años de Humor en Venezuela* (Seventy Years of Humor in Venezuela) and *Gente que hace escuela: Un país de instituciones* (Pioneer People: A Country of Institutions).

The book *70 años de humor en Venezuela* is the fourth of a series dedicated to journalism and journalists.

This time, the book is about the relationship that has existed between the Venezuelan media and humor. In its pages appear from *El Sádico Ilustrado* and *El Camaleón* to *El Chigüire Bipolar* [Humor jounals and magazines]; from Aquiles Nazoa, Miguel Otero Silva, Otrova Gomas, Zapata, and Graterolacho, to more contemporary exponents, like Rayma, Weil, Edo, and Laureano Márquez. This book, like the others of the collection, is a joint publication of Banesco and Cyngular.

This time, Sergio Dahbar was the general editor; Roberto Echeto, the curator; Rafael Osío Cabrices, the editor; Jaime Cruz, the designer; Prologue by Francisco Suniaga.

In December, we presented the third edition of the collection *Gente que hace escuela: Un país de instituciones.* Thanks to the writing of renowned journalists and the eye of prominent photographers, the pages of the book are a tour through the stories of 45 institutions that have made teaching their reason to exist. The book was edited by Banesco Banco Universal and Artesano Group, and the coordination of Antonio Lopez Ortega.



Likewise, during the second half of year, Banesco made available to the general public digital versions of the books *Detrás del Mito* (Behind the Myth), *La Independencia de Venezuela 200 Años después* (Venezuela's Independence - 200 Years After), and *Simón Díaz. Obra Musical.* (Simon Diaz - Musical Work). The material, available for the moment on the Blog of the financial institution (http://blog.banesco.com/rse/), can be directly downloaded to computers or mobile devices in .PDF, .MOBI y .EPUB formats.

RECOGNITIONS

- The Microentrepreneur Training Program of Banesco Banco Universal Community Banking was the winner of the 18th edition of CODESPA Awards (Spain) in the category "Social Innovation of the Company". The award was presented by its Majesty the Kind Felipe the 6th, who chairs the awards.
- In the 447th anniversary of the city, the Metropolitan Mayoralty of Caracas recognized the work performed by the Community Banking through its Training Program.
- The publication *Los 100 Gerentes más exitosos 2014* (The 100 Most Successful Managers) in *Gerente* (Manager) magazine, recognized the work of Bertha Vivas, CSR Manager, and Aknatón Matute, Vice President of Human Capital Design and Development of the Bank. Vivas participated in the CSR Managers category and Matute in the Human Resources Managers category.

Social network

Eln 2014, Banesco addressed 53,636 cases through its social networks, from enquiries to product and service requirements. Banesco has official accounts on Twitter, Facebook, Instagram, Google+, Youtube, Linkedin, and our blog (blog.banesco.com).

Of the 53,636 cases addressed, 42.41% corresponds to Banesco customers' requirements and 35.69% were service and product-related enquiries from followers of the financial entity.

At 2014 close, Banesco followers on Twitter, Facebook, Instagram, YouTube, Linkedin, and Google+ represented a community of nearly 800,000 users.

Promoting Innovation among Banesco Citizens

Committed to continue instilling the value of innovation in our employees, Banesco carried out communication actions mainly aimed at involving our Human Capital in "open innovation" strategies. Our Human Capital had the opportunity to interact with the organization while their children shared their creativity.

Proof of this was the impetus applied in the children's portal *Espacio Infinito* (Infinite Space). This allowed us to continue promoting innovation in the youngest members of the family, who had the opportunity to participate in a challenge, share their holiday photos, and become young editors by proposing technological news relevant to their contemporaries.

Moreover, Banesco Citizens were encouraged to reconsider their workspaces. We invited them to find ways of saving through the "Cost Reduction Challenge", mainly aimed at presenting fresh ideas for saving different resources in the company, in addition to exploiting the creativity that lives within each employee.

Más de cien mil rectas conectadas (Over one hundred thousand fastball hits): Banesco HomeClub Promotion

With the beginning of a new season of Venezuelan professional baseball, the **Banesco HomeClub** promotion was launched for customers who are natural persons and holders of Banesco current accounts and credit cards.

To win prizes of Bs. 1,000,000, Bs. 600,000, Bs. 400,000, or various electronic devices, participants had to accumulate large amounts of "Hits" by increasing and maintaining the average balances in their current accounts, participating in the Bank's social networks, and recording consumption vouchers of Banesco credit cards on a microsite set up for this promotion exclusively.

The media strategy was focused on massive and high frequency communication. Therefore, this became our second multiplatform campaign for 2014.

In this campaign, we achieved a registration of 11,206 new participants in the microsite, reached over 500,000 views, and over 127,000 challenges were made throughout the promotion, which was valid from October 15, 2014 to January 15, 2015.

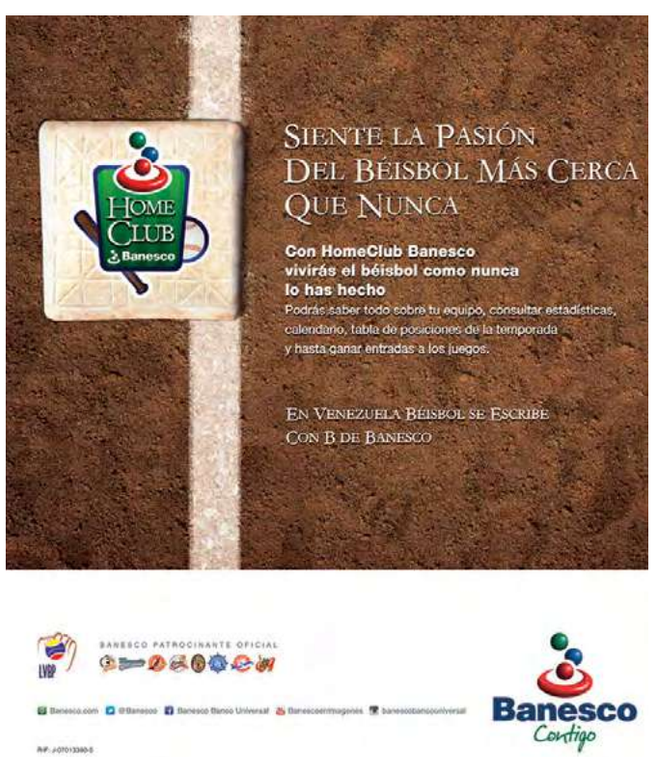
El béisbol venezolano se vivió más cerca que nunca (Venezuelan Baseball was closer than ever): HomeClub Banesco App

During baseball season, we re-launched our renewed mobile app **HomeClub Banesco**. We raffled tickets for all 2014-2015 season games, thus offering more chances for over one thousand fans to attend the stadium at no cost and support their favorite team.

The app also allowed checking all season's statistics, experiencing the live play by play broadcast of each game, and sharing content in our social networks. Once again, as the Official Bank of the Venezuelan Professional Baseball League, we had brand presence in all the country stadia, thus reinforcing our slogan *En Venezuela Béisbol se escribe con B de Banesco* (In Venezuela, Baseball is spelled with B of Banesco).

Batting Practices in Banesco.com

As an additional resource to harness the baseball passion of the Venezuelan people, we developed an interactive animation with content related to HomeClub Banesco promotion and application. This animated banner consisted of a fun batting game, which at the end of the session gave the user the opportunity to share their results on the Facebook wall.



Everyone became Santa to bring Christmas Cheer

For the third consecutive year, Banesco joined its customers in a joint effort to relaunch its *Dona un regalo* (Donate a Gift) campaign. This year, we invited customers and the community at large to donate gifts in order to become Santa Claus of thousands of children at Christmas.

The company made an initial contribution of 1,000 gifts to encourage donations, and for each gift made by the community, the Organization committed to donate another gift or the equivalent in bolivars. In addition, 1,000 gifts were donated on behalf of all Banesco Citizens.

The joint effort allowed us to raise a total of 4,986 gifts, which were distributed among *Red de Casas Don Bosco, Fundana - Fundación Amigos del Niño que Amerita Protección* (Foundation of Friends of Children in Need of Protection), *Fundación Paso a Paso* (Step by Step Foundation), and *Fundación Amigos del Niño con Cáncer* (Friends of Children with Cancer Foundation).

What Do You Think? Valuable Opinions to Improve

We created new opinion spaces to know the customer's opinion in www.banesco.com. This aims to have details of the most valued aspects of our website and different advertising campaigns. We published in the "What do you think?" section a total of six surveys (one on the webpage and five on campaigns).

Using this measuring and interaction channel with users has been easy to implement, and the data obtained from the analysis have been enlightening to build future solutions.

Business Management

Personal Banking

At the second half of 2014 close, the efficiency, profitability, default, and contribution margin indicators of the Executive Vice Presidency for Natural Persons continued a favorable evolution. Customers' deposits increased by 49% over the previous six-month period close, and 45% over December 2013.

At period close, the quantitative results for this segment show that we addressed over 95% of the requirements and needs of our clients. In addition, there is a 31% increase in loan portfolio over the close of the first half of 2014 and 68% over December 2013 close, as a result of focused loan management aimed at specific niche markets and product diversification.

Our performance improved due to the development of the specialized service model that led our actions during the period under review. Service quality, customized service, expert advisory, driven by the innovative and leading-edge development of Internet Banking and the wide range of alternative electronic channels increased the differential business value. Thus, we provided service to more than 64,000 customers nationwide through over 200 service points.

Legal Entities Bank

Corporate Banking

The performance of the Corporate Banking in the second half 2014 is the result of work focused on supporting our clients by addressing their transactional needs, by placing products and services designed to facilitate the administrative work in the companies. All this has been achieved thanks to a team dedicated to know each economic sector where our clients perform, providing financial advisory that has definitely turned Banesco into your ally.

Customers' deposits in Corporate Banking increased by 31% over the last six-month period, and 62% over December 2013.

Agricultural Banking

During the second half of 2014, the Agricultural Banking significantly contributed to the development of the country by granting financing to natural persons and legal entities focused on primary production, agro in-

dustrial, and service activities. We are proud to fulfill our commitments through a service system that allows us to give technical and financial advice to our clients. In the second half of 2014, we supported our clients by granting 1,620 liquidated loans, which allowed us to comply with the obligation established by law, including the mandatory subloans.

Our financial solutions enabled a 27% increase of customers' deposits over the previous six-month period, and 86% over December 2013. Loans in the Agricultural Banking increased by 37% over the previous six-month period, and 83% over December 2013.

We are really pleased of having significantly benefitted the food and agriculture industry in Venezuela.

Business Banking

In the second half of 2014, Corporate Banking reflected a very favorable business performance in terms of deposits, since it showed an increase of 70%. This was achieved through our support to the country's most productive sectors and through the placement of products that have ensured the sustained increase in the segment profitability and contributed to the results of the Bank.

In the second half of 2014, the loan portfolio increased by 17% leveraged in companies of the manufacturing, commercial, tourism sectors.

This business will continue maintaining national presence throughout the country to continue providing customized service and financial advice with a high-level sales team, whose proximity to clients has been the key to achieving these results.

Energy Banking

In the Energy Banking we maintained support to the industry and its value chain. The mining and oil services industry received full support in terms of loans, and we gave financial leverage to the steel manufacturing, which is the pivot of the oil plan. This action resulted in an increase in loans of 11.3% in the second half of 2014.

Liabilities increased by 28% in the same period, thus consolidating the leading position of the sector.

Public Sector Banking

In the Public Sector Banking we understand that the whole business is managed in two fronts: Central Government and Decentralized Administration, a perfect combination of investment and public expenditure budget execution by way of the *situado constitucional* (national budget funds allocated to the states). In addition, the banking and its trading platform have become a strategic partner of Mayoralties and State Governments with regards to tax collection. Through the provision of a distinctive and specialized service, we had an increase in liabilities of 66% in 2014.

Mass and SME Segments

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

In the second half of 2014, the implementation of the new agency model aimed to offer specialized service to our clients was concluded.

As a result of the ongoing effort of our sales staff, our loan portfolio increased by 15% with 25,469 transactions liquidated.

In addition, customers' deposit increased by 46%, particularly checking and savings account products with an increase of 154% and 120%, respectively.

Banca Comunitaria Banesco

(Banesco Community Banking)

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

At the close of the second half of 2014, we granted 21,069 Working Loans, with a total paid amount of Bs. 2,514 million. We opened 36,953 Community Accounts, with an increase in account balance of Bs. 668 million, and 39,326 clients affiliated to *Ahorro Paso a Paso* (Step-by-Step Savings), with a total account balance of Bs. 20.8 million.

At December 2014 close, we had granted a total of 228,092 Working Loans, with a total paid amount of Bs. 9,154 million, and a delinquency rate of 0.77%. We also benefited 354,431 clients by providing indirect service to 1,772,155 users.

At the close of December 2014, we had a total of 26 Community Agencies, consolidating our presence in La Vega, Antímano, San Martín, Petare, Catia, El Cementerio, Santa Teresa, Maiquetía, Higuerote, Guarenas, Barinas, Valencia (2), Barcelona, Puerto Cabello, Cúa, Maracay, Acarigua, Palo Negro, Maturín, Barquisimeto (2), Porlamar, and Maracaibo (3).

In order to provide a quality service to our customers, we have 80 businesses with Personal Service modality *(Barras de Atención)* and 175 non-banking correspondents (NBC). Thus, we have 255 business allies in 8,346 neighborhoods on 16 states of the country.

Distribution Channel

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

- 412 Service Points (agencies, satellites, Banesco Express)
- 91,521 Points of Sale (Physical, Merchant, Loteros (sellers of lottery tickets), and web-based POS.
- 1,584 ATMs
- 328 Self-Service Equipments
- 68 Stands

Agency Network Channel

In 2014, agency remodeling program continued, thus, 111 remodeling have been made since the implementation of the PIA program:

- The new service agency model was successfully implemented in all anticipated agencies to optimize the functionality of the channel and improve the client's experience. It also allows optimization of positions, cost savings, sales boost, and service standardization.
- To date, we have 119 lobbies built and transformed to offer our clients and users greater safety and comfort. This let us divert transactions to electronic channels. The 119 lobbies are distributed in the Metropolitan Area, Central Los Llanos (the plains), Western-Andean, Zulia-Falcon, and South Eastern, and increase the operational capacity with the addition of multifunctional ATMs to properly address our customers' operations efficiently and safely.

Electronic, Telephone, Virtual, and Mobile Channels

In the second half of 2014, transactions made through Banesco electronic channels increased by 26.71% over the second half of 2013. The share of transactions made through electronic channels closed at 96.66%. We achieved 101.20% of the goal.

Internet Banking Channel

At December 2014 close, BanescOnline had over 3.8 million affiliated clients, over 444 thousand new clients incorporated to the channel over the second half of 2013 –a 12.86% increase over December 2013.

In the second half of 2014, the financial transactions increased by 31% over last year's same period, which translates into 23 million transactions.

By activating the option for placing SICAD II orders in BanescOnline, we managed to have 94% of the placements be made through the Internet, which contributes significantly to savings in the operating time of the agency network, thus our clients can process this procedure in a convenient and simple manner.

Mobile Banking Channel

In the second half of 2014, over 26 million financial transactions were made through the Mobile Banking —a 33% increase over last year's same period, equal to 6 million additional transactions.

We published the BanescoMóvil application for Black-Berry, BlackBerry10, and Windows Phone, and included the direct billing option for Movistar post-payment telephone service.

As to Internet Banking transactions, we maintain effective service of 100% of requests received via Sir Web within the term established, thus ensuring quality of service.

Electronic Banking Channel

We closed the six-month period with 1,584 ATMs installed nationwide, through which nearly 96 million transactions were processed —a 25.61% increase over the second half of 2013.

Telephone Banking

During the second half of 2014, Banesco Telephone Banking answered over 22 million phone calls —87% were answered by the automated system (IVR – Interactive Voice Response) and 20% by our telephone agents.

Our clients made over 5.3 million transactions, 92% of which through the automated system (IVR).

In this last six-month period, the Service Level indicator was over fulfilled by 103.03%.

The migration to the IVR platform was completed. This allows clients to personally manage process related to BanesOnline platform automatically, thus improving the quality of service and the experience in the channel.

Non-Banking Correspondents (NBC)

We closed with 384 NBC service points, 175 NBC of the Community Banking, and 209 Banesco NBC, which provide service to clients of the Community Banking and other Banesco segments.

In the second half of 2014, 136 Non-Banking Correspondents affiliated together with Community Banking for a total of 382 (+97% over the close of the first half of 2014) with presence in 20 states nationwide.

During the second half of 2014, 107 NBC affiliated under the Diversion strategy and 29 under the Access to Bank Services strategy (Community Banking).

POS Channel

We closed the second half of 2014 with 91,521 Points of Sale installed in businesses nationwide, whereby over 205 million transactions were made —a 37.76% increase over the same period in 2013.

Debit and Credit Cards

Debit Card Issuing Business

In the second half of 2014, Banesco Debit Cards recorded a 122% growth in POS sales over 2013.

Banesco DC's leadership is framed in maintaining optimal levels of customer service for their convenience, speed, and security, boosting the use of electronic channels to improve the daily limits for POS, supporting decongestion of agencies and strategies that strengthen the preference.

Additionally, over 250,000 pensioners enjoy the convenience of moving their pension quickly, conveniently, and safely with their Pensioner DC in the Points of Sale, ATMs, BanescOnline, etc.

Credit Card Issuing Business

The credit card portfolio grew by 112% over the same period close in 2013. Sales with Banesco Credit Cards increased by 97%.

To complement our different strategies and recognition of loyalty and good credit record of our clients, different card issuance and maintenance processes were carried out to further strengthen the financial relationship with our clients and their loyalty.

Promotions

During the year we implemented a promotion program in order to provide additional benefits to our clients, including, among others:

Con Banesco y American Express ahorras comprando (Save when Buying with Banesco and American Express)

This promotion was aimed at natural clients of the Bank, holders of American Express Banesco Credit Cards, who will activate the cards and make purchases nationwide during the term of the promotion with charge to American Express Banesco Credit Cards; will make purchases abroad or through electronic commerce transactions with suppliers abroad. The benefit granted consisted of a reimbursement of up to five thousand bolivars and 00/100 (Bs. 5,000.00), credited directly to the American Express Banesco Credit Card.

Home Club

This promotion is aimed to all the clients of the Bank that are natural persons, of legal age, holders of a non-interest bearing checking account and/or Visa, MasterCard and American Express Banesco credit cards. More than 200 prizes were awarded in cash and consumer electronics.

Disfruta de este exquisito descuento (Enjoy this Delicious Discount)

The promotion entitled *"Disfruta de este exquisito descuento"* consisted of giving a 10% discount to our natural and legal clients on the value of orders/purchases made through www.PedidosToGo.com with Banesco Visa, Banesco MasterCard and/or Banesco Sambil credit cards.

Descuentos Caídos del Cielo (Discounts from Heaven)

Promotion with Hertz entitled *"Descuentos Caídos del Cielo en Margarita y Tierra Firme"* (Discounts from Heaven in Margarita Island and Solid Ground) consisted of giving a 10% to 15% discount to clients paying their car rental with their Visa/MasterCard Banesco credit card and/or Maestro Banesco debit card through our points of sale.

Regalamos a nuestros clientes más especiales Una Sonrisa de Entrada (We Gave our Most Special Clients a Big Smile)

Through this program, the clients of Premium and Private Banking received special treatment at no cost when paying at specific restaurants with their Banesco credit card.

Management of Payment Products, Means, and Services

Management of Products and Segments

Payment Products and Services

The results of Collection and Payment Services corresponding to the second half of 2014 are as follows:

- Payment to Suppliers, the amount processed grew by 82% over the same period last year, reaching a 77% increase in the volume of payments at year close.
- Collection Services, the collected volume increased by 118% over the second half of last year, reaching an 86% 2014 at year close over 2013.
- Electronic Deposit Service, 116 new collection points were incorporated nationwide to reach a total of 201 new points at the end of 2014.

As for collection services corresponding to Direct Billing, Teller Window, Remittance, Multifunctional, and Multipayments online, 54 new collection transactions were added, reaching 169 at year close.

Trust Fund

In the second half of 2014, we experienced a growth of Bs. 1,418.98 million (10.23%) in Trust Fund Assets because of Banesco's long and important trajectory as a trustee in Venezuela, thus reaching at December 2014 close a total of Bs. 15,286.54 million, which places us as the third private trustee bank of the country.

Of this total, 58.88% corresponded to Collective Funds (Bs. 9,001.11 million), 17.94% to Investment Funds (Bs. 2,741.87 million), 16.27% to Warranty Funds (Bs. 2,486.42 million), and 6.1% to Management Funds (Bs. 1,057.14 million). In this period, we established 92 new trust funds.

International Products

In the second half of 2014, there is an increase of 19.85% in the volumes of processed COMEX currency requests. During the period, we recapture and capture new corporate clients, representing an increase of 71.62%. The level of Natural Person currency requests increased by 72.90%.

Quality Management

Banesco is continuously searching and developing strategies aimed to improve the experience of its clients with all the products offered and in all the relationship and marketing channels available to them.

Banesco incorporates clients into the core of its business model. Banesco's main objective is to know its clients, provide the products and services they need, and establish lasting and trusting relationships with them. With around 6 million clients, Banesco focuses its efforts on generating positive experiences that can exceed their expectations.

Therefore, Banesco has developed a managing model named *Voz del Cliente* (Client's Voice), on the basis of knowing clients in depth and assessing their experience whenever they contact the Bank, according to the best practices and main international trends.

In this line of thinking, we conducted the Communicational Leadership research that allowed us to explore the opinion of experts of the main economic, social, cultural, religious, and political sectors of the country, where Banesco is recognized as the leading brand in the financial sector that conveys commitment values to the country.

The information obtained becomes the starting point for many transformation projects developed in all our service points, aimed to simplify the way our clients work and make their life easier.

Information Technology, Business Processes, and Transactions

In the areas of Information Technology, Processes and Operations, we want Banesco to be recognized as a Global Digital Corporation, by transforming the technology and processes in innovative business opportunities that enable and support the strategy to grow and develop new markets, thus ensuring a unique experience to our clients.

Therefore, we have planned to operate with high levels of innovation, competitiveness, transparency, commitment, and enthusiasm for service, by focusing our efforts on the optimization of processes with the ability to actively respond according to the business activity patterns, with effective risk management; and maintaining a comprehensive approach to our clients, through the implementation of the best international practices in the management of our chain of value.

Innovation

As to IT innovation, we continue promoting initiatives in line with the core strategy of the area, which consists of generating innovative business opportunities while optimizing the internal processes and encouraging a culture of innovation in our Bank.

Banesco's innovation approach aims to transform the technological advances in products and services that support the value chain of our clients. For this reason, we continue promoting the e-Commerce strategy by implementing it to our payment gateway in several national businesses, which have used this method as a mechanism for managing orders and takeout orders. With this new feature we generated a potential value from expanding this business and providing e-commerce services to make payments to hotels, travel agencies, and car rental, among others.

In addition, we continue expanding our presence in social networks through BanescoAmigos (Facebook application for money transfer), developing the feature Wishlist, which allows users to select their gift preferences for special occasions, publish them, and ask their friends to collaborate on acquiring them. Those willing to do it may send money through that application.

Also, during the second half of year we continue developing the Innovation Initiatives Plan, where explorations, prototypes, and pilots related to technological trends and meeting our clients' needs were completed and will be implemented and mass-utilized in 2015.

As part of our comprehensive approach to this discipline, we continue driving innovation as part of the Banesco Culture. Therefore, we performed the following activities:

- We completed the second series of *Los Embajadores de Innovación* (the Innovation Ambassadors) Program, with the participation of 162 Banesco's collaborators.
- In 2013, we gave Diploma course in Innovation Management in allegiance with Universidad Simón Bolívar with the participation of 29 prominent ambassadors.
- We organized *"El Rally de Embajadores de Innovación 2014"* (2014 Innovation Ambassadors Rally), where the participants teamed up to brainstorm and apply a process to evaluate the proposals. The finalists were five innovative and profitable proposals presented to the Board of Directors.

Architecture

We continue managing and optimizing the Technological Architecture through the assessment and selection of robust solutions for our business. In addition, we incorporated solutions that leverage themselves in the new cloud platforms.

At the same time, we conducted an assessment of the level of maturity of the Enterprise Architecture, which allowed obtaining the basic information to develop and implement the roadmap that will allow the maturity of our processes to evolve.

As part of our preventive analysis activity of platform capabilities, we conducted studies of the capabilities of the technological infrastructure that supports the business services. These studies allowed proactively sizing the infrastructure that supports them, based on the expectations of growth and the natural increase in demands on technological resources, which allowed leveraging the business growth and the level of satisfaction of the service provided to our customers.

Project Office

The Project Office, committed to the Organization to deliver value to our clients within the time, cost, and quality expected, focused its efforts on ongoing improvement and strengthening of the different areas of knowledge and processes of the Project and Portfolio Management.

We promoted activities to establish updated reports and processes in our portals, ongoing methodological training, incorporation of quality audits, implementation of different methodologies as per the type of project, incorporation of a more robust process for conceptualizing initiatives to manage exchange controls and create the portfolio aligned with the areas of architecture, finance, strategic management, procurement, risk, going concern, operations, audit, physical infrastructure, processes, engineering, and development.

During 2014, we included new perspectives in the monitoring and control system based on indicators measuring compliance with time frames to begin, execute and conclude projects; methodological compliance; and follow-up of milestones or critical path activities.

The indicators of quality, execution, and timely completion of projects showed a positive trend throughout the second half of year, thus exceeding the goal set and closing the year with satisfactory results.

We continue managing and optimizing the Technological Architecture through the assessment and selection of robust solutions for our business. In addition, we incorporated solutions that leverage themselves in the new cloud platforms.

Business Processes

As to Business Processes, we continue making significant efforts to improve the activities of our Organization, seeking effective implementation of processes to meet the needs of external and internal customers in a cost efficient manner.

During the second half of 2014, we have implemented initiatives that have generated major improvements, namely, the full deployment of the new agency model, which is allowing maximizing the sales process and improving the control of the operational activities of this important channel.

Similarly, based on our policy of ongoing improvement and operational excellence, we have optimized the processes associated with our services, products, and channels, which have generated significant savings and efficiencies, based on the operating model that is increasingly cost-effective that adapts to the needs of the market and attends the business strategy raised.

The needs related to regulations have also been addressed. In this item, it is worth mentioning the various adjustments to SICAD processes, Account in dollars and adjustments to effectively comply with the FATCA law, for its acronym in English, Foreign Account Tax Compliance Act.

Finally, it is worth mentioning the review and robust development of the process of service quality provided to our clients aimed to continue pushing the quality of our processes providing timely and quality service to our internal and external customers.

Engineering and Development

With the purpose of strengthening our applications architecture, we are currently updating the platform to manage ATM and points of sales networks. We can also highlight the implementation of the Customer Master Data Model, a system that allows us to provide better customer service due to the optimization and strengthening of information access.

As part of our compliance with regulations, we included the option to upload SICAD II orders through Banesco Online, we included the validation in CENCOEX lists for SICAD II requests, and we developed a system to control the required documents for SICAD II requests incorporating each document's validity and mandatory level.

We also adjusted the system to implement the new check image as provided for by Regulation Letter Nr. 100/104, thus fulfilling our obligation before the Central Bank of Venezuela (BCV) and mitigating our exposure

to risk and fraud by guaranteeing the validation of the areas stipulated to this effect in check controls.

Always committed to maintaining and innovating the applications that support the Bank's operability and business, the Engineering and Development department incorporated the modeling and design methodology for SOA applications (Service Oriented Analysis and Design) as the work framework for software development and as a work framework for implementation. We are currently laying the foundations for this methodology with the setup of common services, and in these six months, one hundred web services were launched, which will allow us to minimize development times and respond in a quick and efficient manner.

IT Operations

Because of the continuous improvements on the technological platform and the maturity of its processes, IT Operations managed to provide high service levels in platforms supporting the Bank's services, products, and channels in the second half of 2014.

Particularly relevant was our focus on the continuous improvement of POS services, incorporating wireless devices that guarantee swiftness in installation, mobility, and added value for our customers. For this purpose, we improved the infrastructure where this service is located.

Additionally, we finished installing new equipment for ATM services. This equipment included ATM, Self-service, and Internet kiosk devices in 104 agencies. We also worked continuously and successfully in the update of our technological and system infrastructure through the update of telecommunication equipment, new links that allow higher speed in internet banking services, replacement of computer equipment, and update and improvement of the applications supporting the services, among others. These efforts have allowed us to strengthen the reliability and security of customer services to support our business growth and strategies for migration towards electronic channels.

Comprehensive Risk Management

In the second half of 2014, the Organization continued focusing its risk management on global loss control and mitigation, the promotion and strengthening of continuity, and follow-up of the key risk indicators approved by the Board of Directors within the risk-profitability levels accepted by the shareholders, based on the identification of risks. This identification is achieved through the ongoing review and monitoring of presentations, evaluation of new and existing products, and the support corresponding to this analysis, supported by the continuity of Communication, Measurement, and Training processes that constitute the Risk Culture Plan, the main objective of which is to provide Banesco Citizens the necessary tools to manage risk in their processes.

AAt the second half of 2014 close, the Comprehensive Risk Management unit coordinated and gave (10) specialized training sessions in Comprehensive Risk Management, Risk Management Methodology, and the use of the operational risk enabler OFSOR for 99 qualified people, for both the in-house team of the unit and the Business Processes and Cards area.

In addition, the team of risk-certified facilitators of the Human Capital Directorate gave twenty-two (22) comprehensive risk talks to new employees and reinforcement in other areas of the Bank (469 trainees).

Likewise, in the second half of 2014, we offered seven (7) training talks specialized in credit risk, framed in the Credit Spread Project promoted by the Credit Area.

Back Office Transactions

In Back Office Transactions, we participated in Banesco's recognition for achieving the first place in the "Quality and Maximum Volume of Transactions as Acquiring Member" categories in the scale of banks with over 501 ATMs. Banesco also achieved the first place in the "Efficiency in Suiche 7B Claim Processing" "through the effective support in the compliance of service agreements, achieving 99% compliance in solving claims within the timeframes, thus contributing with the satisfaction of our clients.

Credit Risk

In the second half of 2014, we continued implementing actions to strengthen the credit risk management, based on the reinforcement of the criteria for granting and maintaining credits supported by the execution of training plans in credit analysis to the sales area for an adequate decision making process, extension of the technological tool consolidating the criteria to be considered in the selection of customers, as well as having highly predictive behavior patterns at our disposal.

In this sense, we reinforced the sessions of the Portfolio Quality Committee in all its modalities, extending its operating range to the regions with a focus on massive credits, and managing to carry forward actions for the cleanse of the evaluated portfolios, in order to find signs of alert in customers, both individually and as a group, and in the granting processes. A total of six (6) sessions of the Mass Portfolio Quality Committee and forty (40) sessions of the Business Corporate Committee were held.

These actions were complemented by the completion and delivery of reports and status reports for taking actions, and the close follow-up of due balances in the loan portfolio in the different areas of the Organization.

In addition to the application of collection strategies that are more effective and classified in credit modalities to maintain a comprehensive vision of the customer, these actions have allowed us to obtain indicators for due balances, default, and uncollectible accounts expenses below the limits established by the Organization.

Market and Liquidity Risk

In Banesco Banco Universal, the Market and Liquidity Risk is managed through common methodologies within the scope of international standards and practices.

In the case of market risks—as the contingency generated from price fluctuations, Exchange rate, and interest rate, the Organization mainly follows up both the value at risk (VaR) financial margin sensitivity to rate changes.

At the close of the second half of 2014, el VaR of the investment portfolio was 344 million bolivars, which represented a 10% increase over the result at the close of the same period in 2013. This is mainly due to the increase of both the positions held in portfolio and the increase of the yield volatilities of securities comprising the Institution's investment portfolio.

At the close of the second half of 2014, the financial margin sensitivity recorded vulnerability equal to ±0.75%

of the planned margin, thus meeting the established risk threshold.

As to Liquidity Risk, understood as potential equity losses due to failure to obtain funds to honor commitments to pay to creditors, the Institution follows up short- and medium- term liquidity indicators, liquidity gaps between assets and liabilities, in addition to the coverage indicator. The coverage indicator showed good performance in the second half of 2014, with liquid assets levels exceeding the volatility in liabilities, both in normal and in stress conditions, with average results in the second half of year for both scenarios of 203% and 135%, respectively.

Operational Risk

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

In 2014, the appointment of the "Process Owner", the "Comprehensive Risk Master Deputy (MDRI)", and the Comprehensive Risk Deputy (DRI) in the value chains and core processes was completed. That allows us to continue strengthening the end-to-end vision of the process to identify and assess the risks and controls, and establish mitigation actions to close the gaps, mitigate losses, and minimize the impact of legal and reputation-related risks.

The evaluations, analyses, and ongoing follow-up of the Operational Risk area, together with the Internal Audit area, and the process owners have constituted a key component in keeping risk levels within the established limits.

Loss Prevention Management and Business Continuity

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

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

Loss Prevention

Centered in our efforts to guarantee the integrity and safeguard of our customers' capital, we managed to reinforce our channels, products, means of payment and services, as well as our procedures to monitor security and anti-fraud actions, which allowed us to mitigate and contain high-risk modalities in 2014.

In order to strengthen security and, therefore, our customers' trust, we implemented the following technological initiatives in the second half of 2014.

- Implementation of "Anti-Phishing" security mechanisms for Internet banking (BanescOnline and Electronic Payment).
- Strengthening of authentication procedures in Electronic Payment website.
- We implemented the "Monitor Plus" anti-fraud control platform, which focuses on the customer.
- We activated new regulations for SMS and E-mail alerts to reinforce the variety of notifications to our customers associated with different types of transactions related to checks, debit/credit cards, and Online Banking, thus allowing us to validate customer's recognition of transactions.

Finally, it is important to note that our organization maintains an ongoing improvement procedure to permanently mitigate the impact of the different fraud modalities characterized by the constant technological changes. Additionally, we executed an ongoing induction and awareness plan for our users and customers related to security matters through social networks, websites, and customized notices for external and internal customers, and specialized sessions on information security issues with technical staff from our legal entity customers to strengthen joint actions of prevention.

Protection

- We executed the corresponding procedures with the Body of Scientific, Penal and Criminal Investigations (CICPC) to certify 150 agencies and comply with SUDEBAN's regulations.
- We continued updating security systems to access critical areas in agencies and safekeeping of cash. We replaced the old mechanical locks with security lock systems and digital combinations.
- We updated alarm systems, closed-circuit television (CCTV), and access control in 80 agencies for obsolescence reasons.
- In compliance with our corporate social responsibility, we maintained the emergency call service from administrative offices and agencies in the Master Control in coordination with the medical and ambulance services to assist customers and employees.
- We maintained continuous monitoring of videos and alarms triggered in different bank agencies to avoid robbery- or theft- related losses in coordination with the authorities.

Occupational Safety and Health

- We gave occupational safety and health talks to new employees on a monthly basis, in compliance with the law. We gave 26 talks to 483 new employees. In addition, we gave 13 training workshops on psychosocial risk factors in the Metropolitan Area, with the participation of 312 workers, and 26 workshops on workplace ergonomics nationwide (9 in the Metropolitan Area and 17 at a regional level), with the participation of 361 workers.
- We gave 22 workshops on the use of fire extinguishers to 206 workers nationwide. In addition, we gave 41 workshops on postural hygiene to 451 workers nationwide, and we made 55 environment assessments in order to supervise, analyze, and control the environmental conditions in the main workplaces (temperature, noise, light, etc.) to prevent appearance of diseases resulting from work or worsened at work, and occupational accidents. We developed two information campaigns on the Intranet, for approximately 11,000 workers, aimed at prevention of accidents, occupational diseases, and awareness of workplace laws, safety, and health.
- We carried out two partial evacuation drills and one full evacuation drill at the offices of TodoTicket.
- We published printed information on the "Occupational Safety and Health Update" board in September and December 2014, which was distributed in all the agencies.
- Regarding the health area and as part of Banesco Corporate Social Responsibility (CSR), in the second half of 2014, 3,966 individual actions aimed at preventing diseases in employees. In the second half of year there was an increase in viral diseases like Dengue/Chikungunya, and absenteeism due to medical causes was contained, allowing the reinstatement of the employee earlier. We also had 169 audiometries, 556 based tutorial, 42 executive tutorials, 1,201 pre-employment checks, 5,807 laboratory tests, 5,032 leaves were recorded, in addition to vaccination campaigns to prevent H1N1 for 50 workers.

Loss Control

In the second half of 2014, we continued implementing the failures and vulnerabilities control detection strategies of the technological platform and the processes, thus generating the investigations on aspects or relevant facts around a situation of loss or incidents that may affect the operational or administrative activity of

the business. We addressed 454 cases. Likewise, we supported the Human Capital in the recruitment of staff by conducting 3,378 pre-employment checks. We also complied with the judicial bodies by fully addressing 10,405 files.

Business Continuity

In the second half of 2014, we continued updating and preparing continuity processes based on recovery scenarios, as a result of environmental analysis, or business and/or technological needs or gaps.

In the third quarter, we conducted 15 drills aimed at guaranteeing the correct functioning of contingency services in the event of major failure in critical business services, in order to improve the actions to be carried out in major disruptive events.

Though no drills were scheduled for the fourth quarter, we carried out 22, 11 corresponding to actual activations and 11 corresponding to IT requests.

The Coverage Indicator was fulfilled by 104%, thus covering from a technological point of view, the Compensation and Trust services, and from a business point of view, the Cash Management Plans and the Alternate Mobilization Workplace in the areas of Security Operations Center (COS), Call Center (CAT), Operations Service Center (CSO), and Channel Operations.

Proposal Submitted by The Board of Directors For Consideration And Decision of The Regular Shareholders' Meeting Called For March 26, 2015, to Declare And Pay Cash (to Holders of Preferred Shares) And Share Dividends, Approved in Session No. 1.386, of February 25, 2014.

Cash Dividends

A proposal to declare a cash dividend is submitted to the shareholders for Bs. 20,648,986.32, to be charged to the surplus applicable at December 31, 2014, to holders of preferred shares corresponding to Issues 2008-I and 2008-II. This dividend covers the payment of the next three (3) periods due on 5/15/2015; 8/15/2015 and 11/15/2015, in conformity with the corresponding issue prospectus.

Should this proposal be approved, the Board of Directors will establish the payment term of cash dividends prior compliance with legal formalities.

Share Dividends

Should the redemption of 2,150,000 preferred shares be approved in conformity with the prospectus for the public offering of preferred shares of Issues 2008-I and 2008-II, and in order to maintain the Capital Stock of the Bank in Bs. 1,250,000,000.00, we will propose the meeting to decree and pay a share dividend for Bs. 21,500,000 through the issue of 2,150,000 new common shares.

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

Caracas, February 25, 2015

Balance Sheet

ASSETS

Stated in Million VEB	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013	Dec. 2012
Cash and due from Banks	**108,423**	**55,716**	**54,315**	**24,894**	**28,317**
Cash	5,328	4,539	5,466	2,360	3,714
Central Bank of Venezuela	95,998	44,224	44,662	18,237	21,465
Local Banks and Other Financial Institutions	769	482	309	326	159
Foreign Banks	222	320	250	435	121
Head Office and Branches	0	0	0	0	0
Pending Cash Items	6,105	6,150	3,628	3,536	2,859
(Provision for Bank Accounts)	0	0	0	0	0
Investments Securities	**88,963**	**72,598**	**60,276**	**43,724**	**26,237**
Investments in Central Bank	9,435	0	2,798	908	1,313
Investments in Trading Securities	0	0	0	0	0
Investments in Securities Available for Sale	16,859	15,342	15,492	14,487	8,197
Investments in Securities Held to-maturity	40,558	41,096	30,436	20,437	11,745
Limited Availability Investments	271	281	281	273	184
Other Security Investments	21,840	15,878	11,269	7,618	4,798
(Provision for Security Investments)	0	0	0	0	0
Loan Portfolio	**167,954**	**123,451**	**101,555**	**76,362**	**64,190**
Outstanding Credits	172,451	127,686	104,704	77,738	65,343
Restructured Credits	36	38	43	75	56
Past Due Credits	535	515	674	545	321
Credits in Litigation	26	3	3	4	3
Provision for Credit Portfolio	-5,093	-4,790	-3,869	-1,999	-1,533
Interest And Commissions Receivable	**3,641**	**2,822**	**2,233**	**1,721**	**1,292**
Interest receivable from cash and due from banks	0	0	0	0	0
Interest receivable from security investments	1,291	1,185	1,025	716	445
Interest receivable from credit portfolio	2,001	1,443	1,086	921	828
Commissions Receivable	429	266	194	149	96
Interest Receivable on Other Accounts Receivable	0	0	0	0	0
Provision for Interest Receivable and Other	-80	-72	-72	-66	-77
Investments in Subsidiaries, Affiliates And Branches	**7**	**6**	**5**	**4**	**4**
Investments in subsidiaries and affiliates	7	6	5	4	4
Investments in branches	0	0	0	0	0
Provision for investments in subsidiaries, affiliates and branches	0	0	0	0	0
Property Received in Lieu of Payment	**1**	**4**	**12**	**21**	**25**
Property in Use	**3,571**	**2,362**	**1,816**	**1,222**	**1,098**
Other Assets	**8,644**	**1,742**	**3,677**	**1,014**	**2,419**
TOTAL ASSETS	**381,204**	**258,700**	**223,889**	**148,962**	**123,582**

Balance Sheet

LIABILITIES

Stated in Million VEB	Dec 2014	Jun. 2014	Dec. 2013	Jun. 2013	Dec. 2012
Deposits From Clients	**340,029**	**230,832**	**198,990**	**131,215**	**109,05**
Deposits in Current Accounts	282,530	188,948	158,610	90,434	77,631
Non-Remunerated Checking Accounts	132,868	82,910	75,392	45,006	38,128
Remunerated Checking Accounts	107,949	80,042	69,960	45,428	39,502
Current Accounts under Exchange Agreement N° 20	207	582	0	0	0
Demand Deposits and Certificates	41,505	25,414	13,258	0	0
Other Demand Liabilities	4,955	3,024	3,527	14,854	9,857
Obligations for Money Desk Operations	0	0	0	0	0
Savings Deposits	51,329	38,235	36,420	25,462	21,112
Time Deposits	1,216	625	433	465	455
Securities Issued by the Institution	0	0	0	0	0
Restricted Deposits from Clients	0	0	0	0	0
Right of Ownership and Participation on Security Investments	0	0	0	0	0
Obligations With BCV	**0**	**0**	**0**	**0**	**0**
Deposits And Obligations With Banavih	**4**	**2**	**0**	**1**	**1**
Other Financing Obtained	**2,899**	**1,874**	**2,771**	**1,769**	**732**
Liabilities with local financial institutions up to one year	2,363	1,443	2,039	1,610	581
Liabilities with local financial institutions more than one year	0	0	0	0	0
Liabilities with foreign financial institutions up to one year	535	431	732	158	151
Liabilities with foreign financial institutions more than one year	0	0	0	0	0
Other Liabilities up to one year	0	0	0	0	0
Other Liabilities more than one year	0	0	0	0	0
Other Financial Obligations	**36**	**20**	**9**	**92**	**61**
Interest And Commisions Payable	**91**	**31**	**17**	**17**	**13**
Expenses payable due to deposits from clients	89	30	15	16	13
Expenses payable due to obligations with BCV	0	0	0	0	0
Expenses payable due to deposits and liabilities with BANAVIH	0	0	0	0	0
Expenses payable due to other financing obtained	2	1	2	0	0
Expenses payable due to other financial obligations	0	0	0	0	0
Expenses payable due to obligations convertible to capital	0	0	0	0	0
Expenses payable due to subordinated debt	0	0	0	0	0
Accruals And Other Liabilities	**8,300**	**6,896**	**4,710**	**3,870**	**3,246**
Subordinated Debt	**0**	**0**	**0**	**0**	**0**
Other Liabilities	**0**	**0**	**0**	**0**	**0**
Total Liabilities	**351,360**	**239,656**	**206,497**	**136,964**	**113,107**
Stockholders' Equity					
Capital Stock	**1,250**	**1,250**	**1,250**	**1,250**	**1,250**
Capital Paid-in	1,250	1,250	1,250	1,250	1,250
Paid-in Surplus	**0**	**0**	**0**	**0**	**0**
Capital Reserves	**1,308**	**1,299**	**1,291**	**1,283**	**1,275**
Equity Adjustments	**97**	**97**	**97**	**687**	**267**
Accumulated Income	**27,645**	**17,421**	**14,226**	**8,625**	**7,165**
Non-Realized Gain or (Loss) on Available for Sale Security Investments	**-422**	**-989**	**563**	**188**	**552**
Treasury Stock	**-35**	**-35**	**-35**	**-35**	**-35**
Total Liabilities	**29,844**	**19,044**	**17,392**	**11,998**	**10,474**
TOTAL LIABILITIES AND STOCKHOLDERS´ EQUITY	**381,204**	**258,700**	**223,889**	**148,962**	**123,582**
Contingent Debtor Accounts	**66,491**	**35,914**	**36,352**	**25,439**	**20,303**
Trust Assets	**15,287**	**13,868**	**11,813**	**10,817**	**9,231**
Other Trust Assignments	**161**	**152**	**177**	**263**	**279**
Debtor Accounts Due to Trust Assignments (Housing Mutual Fund)	**13,388**	**10,905**	**9,486**	**8,241**	**7,321**
Other Debtor Accounts (Housing Mutual Fund)	**18**	**17**	**16**	**15**	**14**
Other Debtor Memorandum Accounts	**612,494**	**505,085**	**454,448**	**365,238**	**298,739**
Other Debtor Books Accounts	**29**	**27**	**30**	**27**	**28**

Balance Sheet

Statements of Earning

Stated in Million VEB	Dec 2014	Jun. 2014	Dec. 2013	Jun. 2013	Dec. 2012
Financial Revenues	**20,118**	**14,876**	**11,634**	**8,509**	**6,707**
Revenues from Cash and Cash Equivalents	3	6	2	2	2
Revenues from Security Investments	4,161	3,616	2,879	2,009	1,207
Revenues from Credit Portfolio	15,905	11,201	8,686	6,445	5,449
Revenues from Other Accounts Receivable	44	53	65	50	45
Revenues from Investments in Subsidiaries, Affiliates and Branches	0	0	0	0	0
Revenues from Head Office and Branches	0	0	0	0	0
Other Financial Revenues	5	0	2	3	4
Financial Expenses	**5,200**	**3,178**	**2,321**	**1,843**	**1,369**
Expenses Due to Deposits from Clients	4,792	3,123	2,300	1,837	1,343
Expenses Due to Obligations with BCV	0	0	0	0	0
Expenses Due to Deposits and Obligations with BANAVIH	0	0	0	0	0
Expenses Due to Other Financing Obtained	136	24	17	4	3
Expenses Due to Other Financial Obligations	258	23	0	0	23
Expenses Due to Subordinated Debt	0	0	0	0	0
Expenses Due to Head Office and Branches	0	0	0	0	0
Other Financial Expenses	14	8	4	2	0
Gross Financial Margin	**14,918**	**11,698**	**9,313**	**6,665**	**5,338**
Income from Recovered Financial Assets	178	168	199	152	133
Expenses Due to Uncollectibility of Credits and Other Accounts Receivable	528	1,290	1,375	502	597
Provision for Loan Portfolio and Other Accounts Receivable, Losses	528	1,290	1,375	502	597
Provision for Cash and Due from Banks	0	0	0	0	0
Net Financial Margin	**14,568**	**10,576**	**8,137**	**6,315**	**4,874**
Other Operating Income	4,474	4,088	4,024	2,206	2,058
Other Operating Expenses	1,611	1,107	823	470	385
Financial Intermediation Margin	**17,431**	**13,557**	**11,338**	**8,051**	**6,547**
Transformation Expenses	**6,447**	**6,020**	**4,024**	**3,575**	**3,052**
Personnel Expenses	2,281	2,000	1,450	1,485	1,295
Administrative and General Expenses	2,392	2,479	1,567	1,254	1,195
Contributions to Deposit Guarantee and Bank Protection Fund	1,629	1,430	926	773	512
Contributions to Superintendency of Banks and Other Financial Institutions	145	111	82	63	50
Gross Operating Margin	**10,983**	**7,537**	**7,314**	**4,476**	**3,495**
Income from Adjudicated Goods	98	95	81	23	11
Income from Special Programs	0	0	0	0	0
Income from Sundry Accounts	77	123	60	37	49
Expenses Due to Realizable Property	3	6	9	10	7
Expenses for Depreciation, Amortization and Devaluation of Micellaneous Goods	0	0	0	0	0
Expenses Due to Sundry Accounts	904	771	645	406	358
Net Operating Margin	**10,251**	**6,979**	**6,801**	**4,120**	**3,191**
Extraordinary Income	0	0	0	0	0
Extraordinary Expenses	6	22	20	5	7
Gross Income Before Taxes	**10,245**	**6,957**	**6,781**	**4,116**	**3,183**
Income Taxes	0	40	90	100	275
Net Income	**10,245**	**6,917**	**6,691**	**4,016**	**2,908**
Application of Net Income					
Legal Reserve	0	0	0	0	145
Statutory Utilities	0	0	0	0	0
Other Capital Reserves	6	6	6	6	6
Accumulated Income	**10,239**	**6,911**	**6,685**	**4,010**	**2,756**
LOSEP Contribution	110	76	73	44	34
Other Accounts					
Third-Party Investments	0	0	0	0	0
Monthly Agriculture Credit Portfolio	1,342	1,317	2,150	992	213
Accumulated Agriculture Credit Portfolio	27,564	21,774	16,585	12,985	10,585
Public Sector Deposits	9,963	8,877	5,360	5,396	3,572
Micro-Credits	9,779	9,117	6,902	4,769	3,697
Credits to the Segment of Tourism in accordance to law in force	4,341	2,752	2,406	1,581	1,419
Mortgages according to the Special Law for the Protection of the Housing Loan Debtor	5,352	4,529	4,354	3,856	3,693
Financial Soundness Ratio	9.76%	10.00%	10.17%	10.85%	10.22%
Manufacturing Loans	11,285	8,516	7,382	4,225	4,306

Trust

Stated in Million VEB	Dec. 2014	Jun. 2014	Dec. 2013	Jun. 2013	Dec. 2012
Trust	**14,470**	**13,297**	**11,176**	**10,222**	**8,635**
Heritage Trust	**2,657**	**3,352**	**2,213**	**2,151**	**1,367**
Individuals	242	264	521	258	297
Corporative Entities	1,835	1,512	1,270	826	795
Central Administration	16	26	25	41	5
Public, State, Municipal and Central Administrations,	0	0	0	0	0
Descentralized Entities and Other Entities with Special Regime	564	1,550	397	1,026	270
Guarantee Trusts	**2,462**	**2,463**	**2,463**	**2,459**	**1,764**
Individuals	0	0	0	0	0
Corporative Entities	10	11	11	2,446	1,752
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Descentralized Entities and Other Entities with Special Regime	2,452	2,452	2,452	12	12
Management Trusts	**9,350**	**7,482**	**6,500**	**5,612**	**5,159**
Individuals	3,440	2,860	2,414	1,965	1,634
Corporative Entities	476	463	445	430	406
Central Administration	192	154	124	102	94
Public, State, Municipal and Central Administrations	0	0	0	0	0
Descentralized Entities and Other Entities with Special Regime	5,241	4,005	3,518	3,115	3,027
Features Mixed Trusts	**0**	**0**	**0**	**0**	**344**
Individuals	0	0	0	0	0
Corporative Entities	0	0	0	0	0
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Descentralized Entities and Other Entities with Special Regime	0	0	0	0	344
Other Trust	**0**	**0**	**0**	**0**	**0**
Individuals	0	0	0	0	0
Corporative Entities	0	0	0	0	0
Central Administration	0	0	0	0	0
Public, State, Municipal and Central Administrations	0	0	0	0	0
Descentralized Entities and Other Entities with Special Regime	0	0	0	0	0

Social Balance Accumulated 1998 • December 2014

DESCRIPTION SOCIAL INVESTMENT (STATED IN VEB)	YEAR 2014	ACCUMULATED 1998 -DICIEMBRE 2014
APPLICATION BANESCO RESOURCES	**124,159,670**	**493,863,172**
Fe y Alegría	300,000	23,539,550
Microentrepreneurs Training Program	17,210,554	23,654,717
Simón Bolívar Music Foundation	1,000,000	13,878,305
Association of Venezuelan Catholic Education (AVEC)	1,000,000	11,542,081
Social Undertaking Project with the IESA	—	7,050,000
Universities and Other Institutions	17,450,191	36,234,596
Banesco Life-Long Scholarships	72,500	2,330,628
Other Education Institutes and Organizations	279,900	3,011,661
Venezuelan Foundation against Child Paralysis	817,600	4,073,934
Other Health and Medical Care Organizations	1,080,000	4,396,378
FUNDANA	200,000	2,455,254
Civil Association Don Bosco Houses Network	1,354,240	5,269,933
Salesian Ladies Civil Association	350,000	2,454,441
Attendance to the childhood and people with special neccessities	428,400	2,935,840
Toys donation to the communities	10,000	3,396,673
Editorial Projects	5,297,076	15,063,116
Other contributions	949,116	10,445,469
Solidarity (Capital and Regional)	0	5,138,558
Events for the Community	4,307,030	22,509,237
Investment in works in Colinas de Bello Monte	600,000	4,920,987
Mayoralties, regional governments and other State Organizations	785,680	7,703,911
Non-Contractual Social Benefits for Banesco Employees	**69,273,760**	**278,846,053**
Dining Subvention	45,527,227	160,216,656
Medical Service	3,700,501	14,429,713
Parking Subsidy	8,650,773	17,760,232
Medical Assistance for Extreme Diseases	376,419	2,207,684
Unsecured Loans for Housing	11,018,841	84,231,769
Corporate Volunteering Contribution	**1,393,622**	**3,011,848**
Volunteer training	814,661	1,397,618
Special Projects	—	30,479
Additional training workshops	—	6,006
Cost Volunteer Hours / Man	218,979	845,274
Budget Amount executed Logistics Volunteer	359,982	732,471
APLICATION OF ARTICLE 96 (LOCTISEP)	**—**	**33,612,457**
Total Social Investment	**124,159,670**	**527,475,629**
General Total Social Investment	**124,159,670**	**527,475,629**

Board of Directors

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

Banesco Contigo

RIF: J-07013380-5

Main Correspondent Bank

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

AUSTRALIA ANZ Bank.

AUSTRIA Unicredit, Commerzbank Ag. Deutsche Bank.

BELGIUM Commerzbank Ag., Deutsche Bank.

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

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

CANADA Royal Bank of Canada.

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

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

CZECH REPUBLIC Deutsche Bank, Commerzbank Ag.

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

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

CURAZAO Maduro & Curiel's Bank.

DENMARK Nordea Bank.

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

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

EL SALVADOR Banco Agrícola.

ENGLAND Standard Chartered Bank, Deutsche Bank.

FINLAND Nordea Bank.

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

GERMANY Commerzbank Ag., Unicredit, Deutsche Bank.

GUATEMALA Banco Industrial, Banco GT Continental, Banco Agromercantil.

HOLLAND Commerzbank A.G., Deutsche Bank

HONDURAS Banco Atlántida, Grupo Financiero Ficohsa.

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

HUNGARY Deutsche Bank.

INDIA Standard Chartered Bank, Deutsche Bank.

INDONESIA Deutsche Bank.

ITALY Unicredit Group, Deutsche Bank.

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

KOREA Deutsche Bank.

MALAYSIA Standard Chartered Bank, Deutsche Bank.

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

NEW ZEALAND ANZ Bank.

NICARAGUA Banpro, Bancentro.

NORWAY Nordea Bank.

PAKISTAN Deutsche Bank.

PANAMA Banco Banistmo, Multibank, Credicorp Bank

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

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

PHILIPPINES Deutsche Bank.

POLAND Deutsche Bank

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

PUERTO RICO Banco Popular de Puerto Rico.

RUSIA Deutsche Bank

SAUDI ARABIA Deutsche Bank

SINGAPORE Standard Chartered Bank, Deutsche Bank, Commerzbank Ag.

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

SWEDEN Nordea Bank.

SWITZERLAND Commerzbank Ag., Deutsche Bank.

TAILAND Deutsche Bank, Standard Chartered Bank.

TAIWAN Deutsche Bank, Standard Chartered Bank.

TURKEY Deutsche Bank.

UKRAINE Deutsche Bank, Commerzbank Ag.

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

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

VIETNAM Deutsche Bank, Vietinbank.

MAIN OFFICE

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J-07013380-5