



SOCIAL RESPONSIBILITY  
REPORT 2006

**Banesco**  
BANCO UNIVERSAL

# Summary

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### **President of the Board of Directors**

Juan Carlos Escotet Rodríguez

### **Chairman**

Luis Xavier Luján Puigbó

### **Main Directors**

Jorge Caraballo Rodríguez

María Josefina Fernández Maroño

Nelson Becerra Méndez

Gonzalo Clemente Rincón

Fernando Crespo Suñer

Salvador Cores González

Carlos Acosta López

Oswaldo Padrón Amaré \*

## TO OUR CUSTOMERS, WORKERS, STOCKHOLDERS AND SOCIAL PARTNERS

**A**t the moment we publish this Social Responsibility Report 2006, we are able to express our satisfaction for the experience we have gathered so far: the sum of different knowledge which have been tested and proven on the complex action field, an experience that enables us to show a corporate management model based on the coexistence of economic benefits and sensibility and a good understanding of Venezuela's reality.

From this combination of aspirations -where the necessary creation of wealth converge with the knowledge of the environment where we act and the development of initiatives aimed to improve this knowledge- has emerged an ethical response characterized by a strong commitment and an innovative spirit to fight poverty from the corporate front and foster the development of sectors which traditionally have been left behind. We are convinced that each step towards the eradication of this scourge will bring about advantages for the Venezuelan society as a whole. We want to guide our best efforts towards this response.

When we adopted for the first time the Corporate Social Responsibility, we started with educational projects linked to the health sector, having in mind the urgent need of this segment of the population of programs to meet its needs and opportunities to achieve its highest development. This led us to forge alliances with tested and proven institutions in terms of efficiency and exemplary performance, such as Fe y Alegría, Fundana, AVEC, UCAB, Red Cross and Fesnojiv. To this date, such a successful co-management has been translated into a figure of an extraordinary scope and social and human signification: with an investment of Bs. 10 billion in five years (2002-2007) we have helped to provide higher education to more than 4,000 young citizens at three Fe y Alegría institutes. With an investment of Bs. 3 billion distributed over a 3-year period and starting in 2005, we have provided musical education to over 300,000 children and young Venezuelans affiliated to the Venezuelan System of Children and Youth Orchestras. Through the allocation of Bs. 7 billion over a 3-years period and starting in 2004, Banesco supported the revamping and expansion of 128 AVEC schools.

Since 1998, our social investment has increased to Bs. 66.68 billion. At the same time, we have embarked on an exercise of transparency which not only has become a source of pride for our organization, but placed Banesco on a pioneer position, when we published our social balance and our Social Responsibility Report on an annual basis, as well as some indicators verified by external auditors under the Global Reporting Initiative, Version 3 (GRI-G3) and International.

Once all these experiences had been consolidated, we proceeded to align our Corporate Social Responsibility policy

with our business strategy and a project of banking massification, all this within a win-win environment that will create a virtuous cycle into our society. This series of purposes is based on a firm belief that the efficiency of these policies and their right implementation in our society will also inure in the strengthening of our organization and the soundness of its reputation. The brand value is the first asset we have to take care of as corporate citizens.

Along these guidelines we have been devoted to the design and implementation of Banesco Community Banking, an infant enterprise which walks confidently to the future and amidst high expectations by the communities and the organization itself.

What we have been able to confirm has become the source of a renewed enthusiasm in our institution: in tune with the governmental regulations and policies, we are offering products, services, as well as innovative and quality channels to customers who have been traditionally excluded. In the process, we have ascertained that Banesco Community Banking is helping to curve poverty through the economic development and social transformation; fostering the sustainable development by empowering entrepreneurs and dignifying the human being and communities and creating new opportunities and thrust.

To do so, in 2006 we developed four products: Loans to Work; Personal Loans, Community Account and Saving Step by Step. So far, 2,026 customers (out of 49% first-time users of the banking) have joined our bank through these products, with an investment amounting to Bs. 4.12 billion.

This first stage of a monumental process of transformation is already recording a huge impact and for this reason in 2007 we will count on 10 operating community branches.

As a conclusion for this summary, we can ascertain that the Corporate Social Responsibility is a key element in our corporation. It's the expression of our skills as an organization and proof of our strong commitment to the country.



Juan Carlos Escotet Rodríguez  
President of the Board of Directors

# FINANCIAL SUMMARY

In Bs Billion.	I Sem 2005	II Sem 2005	I Sem 2006	II Sem 2006	Growth II Sem 2006 - II Sem 2005		Growth II Sem 2006 - II Sem 2005	
					Absolute	%	Absolute	%
<b>TOTAL ASSETS</b>	9,443.6	10,475.4	12,555.1	18,366.8	5,812	46.3%	7,891	75.3%
Money stock	1,530.0	1,784.4	2,598.6	5,526.2	2,928	112.7%	3,742	209.7%
Securities Investments	4,472.3	2,621.1	2,652.8	2,923.3	271	10.2%	302	11.5%
Credit Portfolio	2,507.8	5,080.8	6,293.6	8,721.5	2,428	38.6%	3,641	71.7%
<b>DEPOSIT TAKING</b>	8,075.0	8,914.1	10,445.7	16,134.3	5,689	54.5%	7,220	81.0%
Check Accounts Deposits	3,255.0	4,917.9	6,196.1	9,729.3	3,533	57.0%	4,811	97.8%
Savings Accounts Deposits	1,489.9	1,957.7	2,401.7	3,580.2	1,179	49.1%	1,622	82.9%
Time Deposits	3,064.0	1,805.2	1,450.9	1,532.8	82	5.6%	-272	-15.1%
Others	266.1	233.2	397.0	1,292.0	895	225.4%	1,059	454.1%
<b>STOCKHOLDERS EQUITY</b>	1,073.3	1,201.9	1,244.6	1,618.5	374	30.0%	417	34.7%
<b>TRUSTS ASSETS</b>	4,387.1	4,433.9	4,909.0	6,112.4	1,203	24.5%	1,679	37.9%
<b>HOUSING MUTUAL FUND</b>	821.0	930.5	1,038.3	1,232.3	194	18.7%	302	32.4%
Financial Income	512.2	585.3	630.9	845.4	214	34.0%	260	44.4%
Financial Expenses	219.6	227.4	199.2	239.3	40	20.1%	12	5.2%
Gross Financial Margin	292.6	358.0	431.7	606.1	174	40.4%	248	69.3%
Financial Intermediation Margins	475.3	574.3	631.0	845.1	214	33.9%	271	47.2%
Transformation Expenses	301.7	376.2	439.9	519.6	80	18.1%	143	38.1%
Income Tax	0.6	0.6	0.6	0.6	0	0.0%	0	0.0%
NET RESULT	152.7	166.9	161.5	276.7	115	71.3%	110	65.8%
<b>INVESTMENTS HANDED OVER</b>	2,471.9	6,077.0	7,672.1	9,096.3	1,424	18.6%	3,019	49.7%
<b>ACCUMUN. AGRICULT PORTF</b>	347.7	448.2	835.3	906.5	71	8.5%	458	102.2%
<b>OFFICIAL ENTITIES DEPOSITS TAKING</b>	2,851.6	1,657.8	1,873.4	1,726.0	-147	-7.9%	68	4.1%
<b>MICRO-CREDITS</b>	105.7	153.6	230.7	371.6	141	61.0%	218	141.9%
<b>NET COMMERCIAL CREDITS</b>	1,872.2	3,380.0	3,587.7	4,355.2	767	21.4%	975	28.9%
<b>NET CONSUMERS CREDITS</b>	583.1	906.9	1,259.4	1,827.3	568	45.1%	920	101.5%
Vehicles	1.7	10.2	50.6	145.7	95	187.6%	135	1328.2%
Credit Cards	581.4	896.7	1,208.8	1,681.6	473	39.1%	785	87.5%
<b>NET MORTGAGE LOANS</b>	52.5	292.2	503.7	841.2	338	67.0%	549	187.9%
<b>NUMBER OF DEPOSITORS</b>	2,522,499	2,899,601	3,286,125	3,887,810	601,685	18.3%	988,209	34.1%
Depositors on Check Acc	912,498	1,131,613	1,274,019	1,462,595	188,576	14.8%	330,982	29.2%
Depositors on Sav Acc	1,608,957	1,766,968	2,011,152	2,424,127	412,975	20.5%	657,159	37.2%
Depositors on Time Acc	1,044	1,020	954	1,088	134	14.0%	68	6.7%
<b>NUMBER OF CREDIT CARDS</b>	1,633,612	1,747,685	1,958,840	2,162,672	203,832	10.4%	414,987	23.7%
<b>RATIOS</b>								
Credit Portfolio Provision/Gross Fixed Portfolio	317,83%	444,87%	407,15%	335,42%				
Fixed Portf/Gross Credit Portf	1.08%	0,43%	0,47%	0,56%				
Net Result/ Average Assets	3.58%	3,5%	2,80%	3,26%				
Net Result/ Average Equity	30.22%	29,83%	25,82%	33,21%				
Expanded Liquidity	53.98%	34,15%	36,65%	41,69%				

# BANESCO MISSION, VISION AND VALUES

BanESCO Universal Bank is a Venezuelan financial institution authorized to perform all operations established in the General Law on Banks and Other Financial Institutions for Universal Banks. It is submitted to the corresponding regulations for the Banking Institutions, as well as to those regulations related to the Capital Market, since it is a public company which stocks are quoted at the Venezuelan Securities Market.

Its headquarters are located in the city of Caracas and it is the bank with the highest underwritten and paid capital in the Venezuelan financial system: Bs. 554,372,983,000. This capital is represented by 5,543,729,830 shares with a face value of Bs. 100 each, distributed among a total of 5,995 stockholders.

## BANESCO MISSION

We are an organization of integral financial services, devoted to the knowledge of our Customers' needs and their satisfaction through a relationship based on mutual trust, ease of access and excellence in quality service.

We are leaders in the sectors of People and Commerce, and we combine tradition and innovation with the best human talent and cutting-edge technology.

We are committed to generate the highest profitability for our stockholder and wellbeing for our community.

## BANESCO VISION

Our vision is to turn BanESCO into a hallmark company in the field of Corporate Social Responsibility, maximizing the impact of the social investment and the recognition and trust of all our stakeholders.

We seek the best social investment balance based on its potential to create wellbeing and the development of policies incorporating all areas of the organization into the decision making process, always based on values, ethics and responsibility vis-à-vis society.

With international certifications and annual reports, along with effective communicational elements, we will be able to guarantee transparency and gain acknowledgement for our management.

We will be supported by the most proficient team in the field of Corporate Social Responsibility, along with promoters of social awareness within the organization, customers, suppliers, and society as a whole.

## BANESCO VALUES

### Integrity and trustworthiness

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

## BASES FOR OUR BUSINESS STRATEGY

- Cutting-edge technology
- Innovative Products
- Direct marketing
- Markets segmentation
- Products packing
- High quality service at our branches
- Continuous and innovative communication

### Individual and Social Responsibility

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

### Innovation and Quality of Service

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

### Undertaking

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

### Interdependence and Leadership

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

### Renovation and Personal Excellence

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

### Diversity and Adaptability

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

# BANESCO BRAND



## Brand and Differentiation

Today, competition among brands is not only seen at the points of sale, virtual or real. The true battle is being fought within the public mind, where the identification is made through a combination of differentiating advantages.

The aim of these competitive strategies designed by Banesco is to exhibit attributes which could make a difference in the consumers' mind, through benefits and offers exceeding those of its commercial rivals. The impression of this differentiation in the consumers' mind is the result of comprehensive studies of their needs, wishes and what they really appreciate. This means that our analysts work on the expectations of each segment of the population in relation to our products and brand.

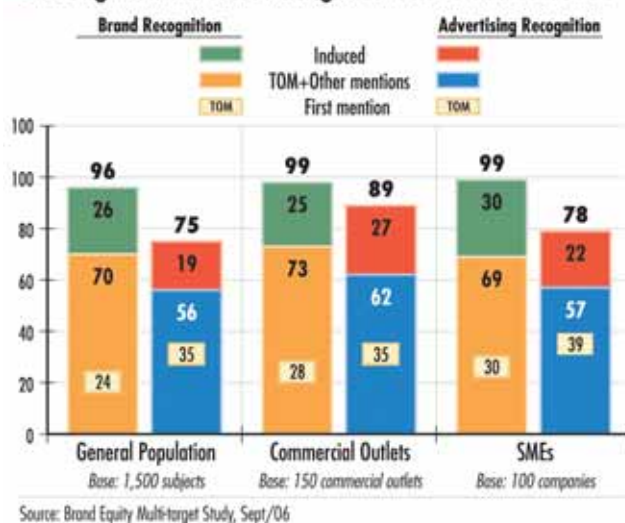
This alignment shall be applied not only to rational factors, but also emotional elements, such as safety symbols, strength and trust, which inure in loyalty towards Banesco and this is possible only by means of a solid differentiation.

Banesco's image results from a strong consistency between what is said and the facts, simplicity and emotionality in our speech and this image is stamped in all the impressions received by the public about the brand, no matter their source.

## Finally ...

For Banesco, branding is much more than an operating task focused on advertising, promotion and other communicational tasks. The brand has a fundamental strategic role. Therefore, the efficient investment on this asset guarantees a higher value in the future.

## Recognition and Advertising Recall Rate Banesco 2006



All our products and services show the Banesco stamp. We work with a long-term strategic vision, focusing our efforts on the positioning we seek and capitalizing on a constant investment on the brand.

## AWARDS AND ACKNOWLEDGEMENTS

### P&M Magazin Awards:

- First place in Insurance (Banesco Seguros).
- Second place. Banking and Financial Institutions category.

### ANDA Award:

- Third place (bronze). Financial Radio Services Category, with the ad. "Los Imposibles".

### FELABAN Award of Communication in the Financial Market:

- Finalist in the category "Products", with the campaign "Multi-credits 48 hours".

### Loyalty Awards

BekeSantos, a company specialized in Integrating Technological Solutions, with more than 28 years in the market, inaugurated an award to the experience and deep commitment to its customers. In this occasion, Banesco, a "successful company, leader of its industry and recognized for the high demands on its suppliers", was one of the winners.

# CORPORATE GOVERNMENT

**B**anesco Universal Bank is a Venezuelan financial institution authorized to perform all operations established in the General Law on Banks and Other Financial Institutions for Universal Banks. It is submitted to the corresponding regulations for the Banking Institutions, as well as to those regulations related to the Capital Market, since it is a public company which stocks are quoted at the Venezuelan Securities Market. Its headquarters are located in the city of Caracas and it is the bank with the highest underwritten and paid capital in the Venezuelan financial system: Bs. 554,372,983,000. This capital is represented by 5,543,729,830 shares with a face value of Bs. 100 each, distributed among a total of 5,995 stockholders.

Banesco Universal Bank keeps a government structure composed by the Stockholders' Meeting; the Board of Directors of the Institution; the Chairman; the Compliance Officer; the Internal Comptroller; as well as the Credit, Risk and Auditing Committees. The latter was created in accordance with the Recommendations about Corporate Government issued by the National Stock Market Regulatory Body.

## Stockholders' Meeting

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

## Board of Directors

The main objective of Banesco Universal Bank's Board of Directors is the guidance and general management of the businesses and operations of the bank, including its Corporate Social Responsibility policies. The work of the Board of



Directors is vital for the definition of corporate strategies, the determination of business policies, and to establish and control the corporate strategy. The Board of Directors controls the different operational and functional areas of the bank, and at the same time it evaluates by way of comparison with the businesses projections and results from previous years, the results of each fiscal year. Normally, it meets once a week, although it may meet extraordinarily as many times as necessary, after calling for it and in compliance with the formalities established in the Social Statutes

In accordance with the recommendations issued by the Stock Market Regulatory Body, as well as based on the best practices on Corporate Government, the Stockholders' Meeting decided, on September 30, 2005, to increase the Board of Directors' members to 10 members. This decision was passed by the Superintendent of Banks and Other Financial Institution, by official letter identified as SBIF-DSB-II-GGI-G13-00998, dated January 25, 2006 and registered at the Fifth Registry Office, Federal District and Miranda State on February 10, 2006. In this way, Banesco's Board of Directors is now composed of 10 members, a fifth of which are independent directors.

Likewise, and in order to guarantee the correct execution of the corporate policies established by the Board of Directors, the following committees were constituted:

**Auditing Committee:** In compliance with the recommendations on Good Corporate Government issued by the Stock Market Regulatory Body, the existent auditing committee was modified and it was adjusted to the re-

## CORPORATE GOVERNMENT

quirements established. Therefore, the committee is now composed mostly of Independent Directors, and its work is limited to know the financial statements to be considered by the Board of Directors, which are in turn subjected to the approval of the Stockholders' Meeting; it also assists the Board of Directors in the execution of measures with the purpose of preserving the integrity of the financial information of the society, collaborates on the supervision of the internal and external auditing of the Bank and makes the recommendations it deems as necessary to the Management Charter..

**Risk Committee:** Its main capacity is to fix the limits of risk exposure for each activity performed by the bank, so as it could exist a sound administration of operating risks and businesses according to the internal legislation and the best international practices. It also advises the Board of Directors and the different Credit Committees in the decision making process related to credits and establishes guidelines and policies that should be adopted in order to preserve an appropriate risk exposure.

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

### **President of the Board of Directors**

The President of the Board of Directors is subordinated to the Stockholders' Meeting and to the Board of Directors,

which deliberations the President presides over. Additionally, he represents the institution and grants contracts, agreements, deals on its behalf and, in general, all kind of documents of any nature. He also carries out any administrative task entrusted to him by the Board of Directors. Along with the Chairman and the Board of Directors he exerts the highest conduction of the bank's activities and represents the organization before any political or administrative authority.

### **Chairman of the Bank**

The Chairman is in charge of the guidance and general management of the Bank. The Chairman is also in charge of submitting the policies, objectives and strategies to the consideration of the Board of Directors, as well as the decisions that would be significant for the Organization, and at the same time executes the resolutions related to such decisions that would have been made by the Board of Directors.

### **Internal Comptroller**

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

### **Compliance Officer**

In accordance with the applicable regulations, Banesco Universal Bank, C.A., counts on a Compliance Officer in charge of supervising and controlling the Unit of Prevention and Control of Capital Legitimation at the Bank. He shall preside over the Capital Legitimation Prevention and Control Committee and inform the Board of Directors about the results of his activities and the investment of the resources allocated for training and education of Banesco staff in this matter. He also advises the Auditing Committee and the Board of Directors on the areas under his competence and represents the institution before the regulating organizations in the area of Capital Legitimation Prevention and Control.

## REPORT ON THE ENFORCEMENT OF THE GOOD CORPORATE GOVERNMENT RULES

Finally, we wish to emphasize that for Banesco Universal Bank C.A., the enforcement of the corporate government tenets involves the continuation of our activities based on the following standards:

1. **Efficiency:** to produce the maximum value with the minimum resources available.
2. **Equality:** firm respect to the right to an equal treatment for stockholders, workers and suppliers, as well as any person related to this society.
3. **Respect** to our stockholders' economic and political rights.
4. **Transparency and communication:** to create the highest level of confidence and credibility in the public through the whole and truthful divulgation of all the information required to have an appropriate knowledge of the company.

Therefore, in Banesco Universal Bank C.A. we follow the principle of "One share, one vote". We recognize the proportionality that should be guaranteed between the capital share percentage to build the institutional will, always through the documented exercise of our stockholders' political rights. Because of this, Banesco Universal Bank C.A. counts on a Stockholders Unit, a department in charge of making circulate the corporate information, in a timely, whole and truthful way, from those who manage the institution downwards to the stockholders. The Stockholders Unit is a means by which the investor can pose his questions about his investment, gather relevant corporate information, analyze documents related to the management and the activities carried out by the Bank and could be able to clarify any doubt through a fast channel.

In summary, embracing the practices of the Good Corporate Government, the Board of Directors of Banesco Universal Bank C.A. has taken the following steps in order to preserve the appropriate standards of transparency and trust in order to support a higher efficiency and soundness in the Venezuelan stock market.

- During its session No. 1073, on January 18th, 2006, the Board of Directors qualified the independence of two (2) of its members. This means that one fifth of this administrative body is composed of independent directors.



- During the aforementioned session No. 1073, the Board of Directors modified the existent Auditing Committee. In this way, Banesco Universal Bank C.A. Auditing Committee is mostly composed of independent directors
- In the corporate Web page, the stockholders and the general public can review the CVs of each one of the Board of Directors' members, as well as those of the Auditing Committee.
- During the session 001, on August 30th, 2006, the results of the external audit corresponding to the first half of the year 2006 which closed on June 30, 2006, were submitted. In this session the Committee approved its Operations Statute.
- During the sessions 002, on December 6th, 2006, Banesco Universal Bank C.A Auditing Committee tracked the issues discussed during the session 001, related to the results of the external audit corresponding to the first half of the year 2006 which closed on June 30, 2006.

### BANESCO UNIVERSAL BANK, C.A.

#### MEMBERS OF THE BOARD OF DIRECTORS

Juan Carlos Escotet R.  
Luis Xavier Luján P.  
Jorge Caraballo R.  
Salvador Cores G.  
Josefina Fernández M.  
Nelson Becerra M.  
Fernando Crespo S.  
Gonzalo Clemente R.  
Carlos Acosta L.  
Oswaldo Padrón A. †

#### COMMISSIONERS

Chief commissioners: Gordy Palmero Luján and Igor Williams de Castro  
Alternate commissioners: Pedro Miliani Torres † and Régulo Martínez

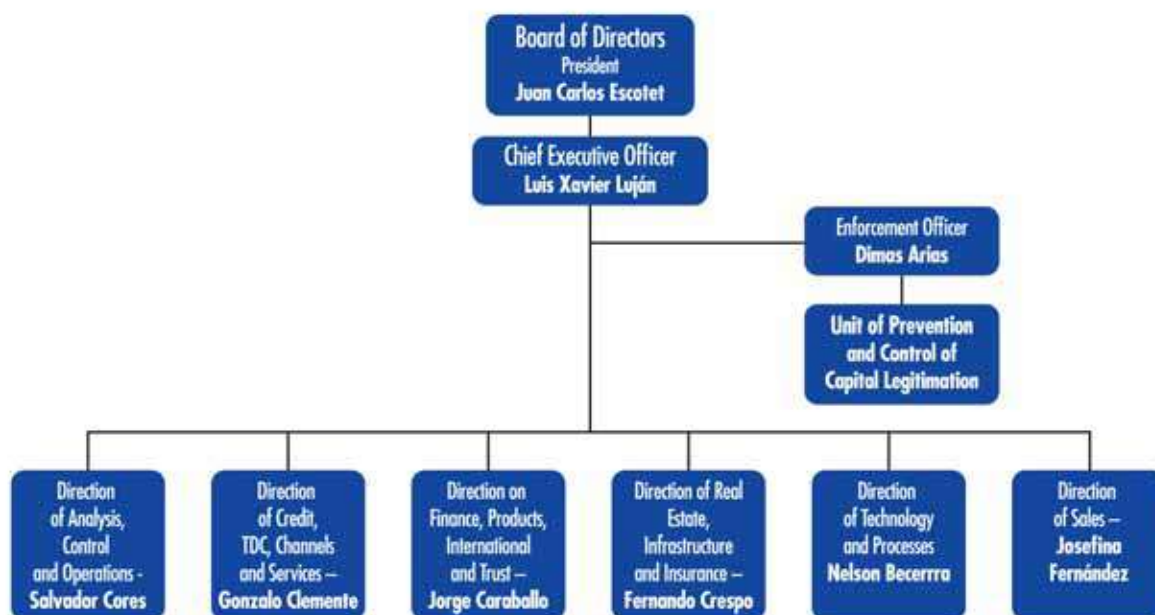
#### SECRETARY OF THE BOARD OF DIRECTORS

Marco Tulio Ortega Vargas

#### LEGAL REPRESENTATIVE

Marco Tulio Ortega Vargas

### ORGANIZATION CHART



# CODE OF ETHICS

The Board of Directors of Banesco Financial Organization, in its statutory and legal capacity, establishes the present Code of Ethics for its total enforcement by directors and employees that provide their services in the Organization.

## INTRODUCTION

This Code of Ethics contributes to define and regulate the conception that our Financial Organization has about the ethical values, establishing patterns of behavior bounded to achieve integrity as the essential purpose of our actions. To do so, prevention and positive reinforcement will prevail over repression, but when a member of the Organization violates the regulations that define his or her responsibilities, all corresponding sanctions established in the Legislation shall be applied with all their force, as well as those adopted in this Code. Likewise, given its importance, Title II of this Code describes the ethical provisions that should be observed by all members of the Financial Organization for the prevention and control of Capital Legitimation.

Having in mind the social importance of our Mission as financial intermediaries, through the offering of services to an honest customers' base, we will make a careful selection of our clients in order to reduce the risk of taking undesirable customers, so as we could preserve our legal responsibility and our reputation based on the objectives of the Venezuelan State. As a Financial and Banking Entity and in accordance with our Social Objective, we make the firm Institutional, Organizational, Ethical, Civic and Social Commitment to design and apply Institutional Policies, Strategies, Plans and Programs, for the Prevention, Control and Detection of serious Capital Legitimation offences. This in turn strengthens our corporate culture on risk management and controls in order to minimize these kind of offences, which constitutes one of the most complex criminal practices of our time, because it not only distorts the legal economic activities and social development process, but also damages the values and elements needed for social cohesion.

## SCOPE OF THE CODE

### Postulate I

Universal applicability of the Code. This Code of Ethics is to be applied to employees belonging to all Banesco companies, regardless their positions within the institution, the nature of the activity they perform and regardless the Codes of Ethics that rule their profession or activity, as the case may be.

### Postulate II

Professional quality. In the rendering of any service, Banesco Organización Financiera's employees are expected to provide a real professional job. For this reason, we will always consider the regulatory provisions that should apply to the specific task they are performing. Likewise, they will act with the intention, care and diligence of a responsible individual.

## RESPONSIBILITY TOWARDS THE CUSTOMERS

### Postulate III

Obligation to reject any task contrary to the universal moral principles. Any employee of Banesco Organización Financiera who directly or indirectly participates in arrangements or deals at odds with the ethics, the moral and decency will be at fault with honor and dignity.



## CODE OF ETHICS

### GENERAL RULES

#### **Rule 1:**

Employees of Banesco Organización Financiera have an inescapable obligation to subject their conduct to the regulations established in this Code, which shall be considered minimum, because the spirit of other existent regulations of internal, legal and moral nature is well known and would complement those described in this Code.

#### **Rule 2:**

This Code rules the conduct of Banesco's employees in their relationship with the customers, their superiors and colleagues, and shall be applicable to them regardless the nature of their activity within the group.

#### **Rule 3:**

The employees are the most important components of the Banesco Organización Financiera and we adopt as a corporate policy to provide them with the fair treatment they deserve.

#### **Rule 4:**

The principles that should rule the conduct of Banesco's employees are rectitude, efficiency, respect, discipline and team work.

#### **Rule 5:**

In the performance of their roles and functions, Banesco's employees should diligently comply with the commitments embraced by them and should execute the tasks assigned to them with dedication, loyalty and professional quality, avoiding placing their own interests before the activities entrusted to them.

#### **Rule 6:**

The employees of Banesco Organización Financiera shall observe a proper conduct in the treatment they give to the customers, their colleagues, their superiors, and particularly their contributors. Such a treatment shall be based on respect, diligence, impartiality and rectitude, avoiding deviations, abuses of authority and disposing or authorizing their subordinates to perform illicit conducts, as well as unduly favor third parties. Likewise, they are bounded to report their supervisor about any irregular acts of the staff or the customers, particularly those related to Capital Legitimation.

#### **Rule 7:**

The employees of the Banesco Organización Financiera should safeguard the interests of the Organization, and give the best possible use to the resources assigned to them for the performance of their activities.

#### **Rule 8:**

Banesco Organización Financiera will promote culture, sports, education, social and civic activities among its employees, and will maintain a permanent anti-drugs campaign and instill the constant surveillance, supervision and control to its employees to prevent the Capital Legitimation, and will reject services contrary to the ethical and moral principles.

#### **Rule 9:**

The employees of Banesco Organización Financiera which due to their profession most adhere themselves to their respective Codes of Ethics, should also comply with the ethic regulations of the present Code.

#### **Rule 10:**

The labor activity developed by an employee at any of the companies of Banesco Organización Financiera shall be worthy, and at all times should be a true reflection of the truth, which should be the guide of their conduct and the support of their actions. That is why it is forbidden to use their banking knowledge or techniques to twist the reality and they shall be refrained from using their abilities, skills or resources on activities at odds with the moral, the ethics and the decency.

#### **Rule 11:**

Should any Banesco Organización Financiera's worker -on his own or through a third party whether it is a legal or a natural person- try to or carry out acts of extortion, bribery, or any other act of corruption against a public or private official, or should he exercise on them any coercion that could stray them



from complying with their duties, it would be considered as if he has incurred in a serious fault against the honor, the ethics, and the reputation of the Group and against himself. Banesco's workers should not advise others and refrain themselves from intervening when their acts would permit, protect or facilitate wrongful or punishable acts. They also shall not confuse or take by surprise the good faith of third parties, neither act against the interests of the Organization's customers or avoid the law.

**Rule 12:**

The following are considered acts against the professional ethics and contrary to the worthy and honorable behavior of Banesco Organización Financiera's employees:

- Insult or make direct or indirect comments about another colleague, when such acts would damage their reputation, their interests or their prestige.
- Execute tasks knowing in advance that they carry within wickedness or deceit, or tasks that are contrary to the general interest or to those proper to Banesco Organización Financiera.
- Act or commit oneself to any form or practice to discredit the honor or prestige of Banesco Organización Financiera.

## TITLE I

### FUNDAMENTAL RULES

#### CHAPTER I

##### GENERAL PROVISIONS.

**ETHICAL VALUES:**

**Article 1:** It is the essential duty of BANESCO ORGANIZACIÓN FINANCIERA's EMPLOYEES the Integrity, Loyalty, Impartiality, Efficiency, Responsibility, Veracity, Neatness, Decorum, Transparency and Service Attitude, and they shall adapt their conduct, private and labor, to the Honor and Dignity Regulations that characterize an honest man or woman, putting the ethical principles before the achievement of the commercial objectives and their personal interests.

**FIELD OF APPLICATION OF THE CODE OF ETHICS:**

**Article 2:** This Code will rule the conduct of all directors, employees, consultants and attorneys that provide their services to any of the civil or mercantile societies composing the Financial Organization, and at the same time it will

constitute a reference of ethical behavior for all persons that have a relationship of any kind with the BANESCO Organización Financiera.

**Article 3:** The field of application of this Code of Ethics encompasses the private and labor conducts developed by BANESCO Organización Financiera's EMPLOYEES inside and outside the Financial Organization.

**Article 4:** The regulations established in this Code of Ethics will also be binding for the institutions that are part of the BANESCO Organización Financiera, and the collective behavior of its members will likewise be submitted to the values and principles herein established.

## CHAPTER II

### CONDUCT OF THE BANESCO'S EMPLOYEE

**Article 5:** BANESCO Organización Financiera's EMPLOYEES will be an example of good conduct, reflecting the values established in the introductory section of this Code, observing diligence in the performance of their duties and assignments; showing order in the performance of those tasks and activities involved in their posts and impartiality in the performance of their functions. To do so, they shall reject any offering made by persons or groups interested in obtaining some kind of benefit from the Organization. In that sense, they shall observe a conduct that would leave no room for ambiguity or confusion between the interests of the Organization and their personal interests or those of third parties and, likewise, they should fervently protect the banking secrecy, unless the information is required by a competent authority. It is forbidden the use of the information at the disposal of BANESCO Organización Financiera's EMPLOYEES for their own personal gain, directly or through third parties, due to the BANESCO Organización Financiera's EMPLOYEES exercise of its functions, competences or activities.

**Article 6:** BANESCO Organización Financiera's EMPLOYEES in charge of assisting the public will start their shift on time and will end it politely letting the public know about the conclusion of their activities.

**Article 7:** BANESCO Organización Financiera's EMPLOYEES shall at all times keep their circumspection at the work place, and all social gatherings, games, jokes or personal phone conversations are forbidden while a customer is being served.

## CODE OF ETHICS

**Article 8:** BANESCO Organización Financiera's EMPLOYEES will respectfully address the public and will avoid any familiar treatment, as well as the use of colloquial or vulgar language during their conversation.

**Article 9:** BANESCO Organización Financiera's EMPLOYEES will be at serious fault to the obligations imposed by the working relationship, if they are under the influence of alcohol or any narcotic or psychotropic substance, which would be reason enough for justified dismissal in accordance with Article 102 (a) of the Constitutional Labor Law; with no prejudice of the other penal sanctions applicable in accordance to the appropriate authorities.

**Article 10:** It is an unavoidable obligation of BANESCO Organización Financiera's EMPLOYEES the responsibility in the performance of their activities, which involves the willingness to develop the competences, functions and tasks entrusted to them, and even the taking of initiative to perform them. The diligence in the compliance with all requisites and requirements of their post, a particular preoccupation for the knowledge of the legal, duly dispositions and of every norm that rules over the performance of their functions, the respect for the proceedings and obligations established by them, as well as the permanent willingness to present a record of their activities and to take responsibility for the consequences derived from their conduct, without unfounded, far fetched or accommodating excuses.

**Article 11:** BANESCO Organización Financiera's EMPLOYEES shall always keep in mind that the neatness and decorum also includes their care for the assets and for the Organization, the preservation of the physical work environment, and not increasing, by neglect, its deterioration. Likewise, they imply the care for their own self and for their clothing during working hours.

**Article 12:** BANESCO Organización Financiera's EMPLOYEES shall not have any friendship or treatment with people that could affect, due to their unlawful behavior, the position or interests of our Financial Organization.

**Article 13:** BANESCO Organización Financiera's EMPLOYEES shall not provide the media information concerning the Organization, neither will they be able to use the name of the Organization on talks, conferences and public events, without previous authorization by the Board of Directors, neither represent the Organization *motu proprio* before third parties without authorization.

**Article 14:** BANESCO Organización Financiera's EMPLOYEES shall proceed with objectivity and impartiality on all decisions they should make and on the affairs they should intervene.

**Article 15:** BANESCO Organización Financiera's EMPLOYEES will offer their services and collaboration in an efficient, timely and pertinent manner, without abusing the position they hold in the Organization in any way.

**Article 16:** BANESCO Organización Financiera's EMPLOYEES shall devote all their efforts to the compliance, with maximum efficiency, of the functions inherent to their post, as well as on the strict observation of the ethical regulations contained in this Code.

**Article 17:** BANESCO Organización Financiera's EMPLOYEES shall watch over the compliance of all the requisites established for the improvement of the operations performed in it, without avoiding any requirement, even when there are family or friendship bonds.

### CHAPTER III

#### COMPLIANCE WITH ETHICAL RULES

**Article 18:** It will be the responsibility of the superiors of each area, which compose the institutions of Banesco Organización Financiera, to make sure the employees under their supervision comply with each and everyone of the regulations contained in this Code.

**Article 19:** BANESCO Organización Financiera, through the Social Security Office or through the Capital Legitimation Prevention Compliance Officer, or through the Capital Legitimation Prevention and Control Unit, according to the case, will investigate any founded claim about unethical behaviors, protecting the rights of the person making the claim as well as those of the accused employee, with no *a priori* sentences or judgements.

**Article 20:** The supervisors of the different areas that know about or suspect of the existence of conducts, schemes or actions at odds with the values advocated by this Code, shall not act in a passive fashion, with neglect or adopt an obliging conduct. On the contrary, they shall perform all the necessary actions for the clarification of the facts, otherwise, they shall also be subjected to disciplinary sanctions.

**Article 21:** BANESCO Organización Financiera's EMPLOYEES that know about or that have sufficient and

founded suspicions of any other employee's breaking of any of the regulations contained in this Code, shall proceed to inform of such fault to their supervisor, and such supervisor shall immediately inform the Human Resources Vice-Presidency, the Security Management, the Capital Legitimation Prevention Compliance Officer or the Capital Legitimation Prevention and Control Unit, as the case may be, so that these, with the support of the Legal Consultancy, make all necessary enquiries and immediately open a record containing all that is related to the situation.

**Article 22:** Once the case has been substantiated, if the Organization considers there is enough evidence to sanction the employee at fault, it will proceed to apply the sanctions contained on Title III of this Code, within the legal interval of time of thirty (30) consecutive days, avoiding in any case the configuration of the labor pardon of the fault, established on article 101 of the Constitutional Labor Law.

## TITLE II

### PREVENTION AND CONTROL OF CAPITAL LEGITIMATION

#### CHAPTER I

##### PREVENTION OF CAPITAL LEGITIMATION.

**Article 23:** BANESCO Organización Financiera's EMPLOYEES shall be fighters against Capital Legitimation, aware that their primary duty is to defend the Organization from capitals coming from illicit activities. Their conduct shall always be characterized by their honesty, truthfulness and courage for the detection, investigation and report of the evidence of illicit facts related to Capital Legitimation, and shall not be negligent or even less an accomplice of this offence.

**Article 24:** This Code of Ethics also has as a purpose alerting our Directors and Employees about the dangers posed by potential criminal organizations or petty criminals trying to introduce illicit capitals in our institution. That is why the attitude and behavior of our staff, at all levels, shall be oriented to keep the financial services we offer from been wrongfully used as instruments for the legitimation of capitals.

**Article 25:** BANESCO Organización Financiera's directors and employees are bounded to know their customers base and to report without any delay to the Capital Legitimation

Prevention Compliance Officer all operations or transactions that appear to be unusual, suspicious, complex, structured or of transit and over which founded suspicions or reasonable doubts might be cast about their relationship with the capital legitimation offence.

**Article 26:** For the application of sanctions, as the case may be, to Banesco's directors and employees, the principles of justice, equality and proportionality shall be observed.

**Article 27:** The sanctions applied to BANESCO Organización Financiera's directors and employees will be established in the laws or regulations or in Title III of this Code. Depending on the seriousness of the offence, the corresponding sanctions will be applied, and they will range from the censorship and warnings for minor or not very important offences, to the dismissal of the employee in more serious cases without prejudice to the applicable penal sanctions as consequence of the lawsuit before the corresponding authority in case the transgression could be considered a crime.

**Article 28:** BANESCO Organización Financiera's EMPLOYEES are obliged to perform all the activities in reference to the knowledge of the customer, observing the rules that to this end are provided to them.

**Article 29:** BANESCO Organización Financiera's EMPLOYEES in the face of a suspicious activity, of Capital Legitimation, shall immediately inform their superior in hierarchy and the latter shall report to the Capital Legitimation Prevention and Control Unit, providing all the details of the operation, with the unavoidable obligation not to warn the client of the execution of the enquiries.

**Article 30:** BANESCO FINANCIAL ORGANIZATION's EMPLOYEES shall always be willing to offer their support to the corresponding authorities, supplying all the necessary data and information they should require on their investigations of suspicious operations and making the statement the corresponding authorities should require from them.

**Article 31:** BANESCO Organización Financiera's EMPLOYEES in the fight against Capital Legitimation shall do everything in their power to sympathize with and to collaborate with the processes of the investigation performed by the corresponding organizations, as long as these actions are coordinated by the Capital Legitimation Prevention and Control Compliance Officer.

**Article 32:** BANESCO Organización Financiera's EMPLOYEES shall adjust their conduct, strictly and with no

## CODE OF ETHICS

exceptions, to the achievement of the transparency of their performance in the Financial Organization, keeping the confidentiality and preserving the information in those cases in which the disclosure is prohibited, for reasons of higher public interest or by the Organization, except when such information is expressly required by the corresponding authorities.

### CHAPTER II

#### COMPLIANCE WITH THE RULES

#### CAPITAL LEGITIMATION PREVENTION AND CONTROL

**Article 33:** BANESCO Organización Financiera's EMPLOYEES who might have founded suspicions that a member of the Financial Organization is involved in some activity for Capital Legitimation, shall immediately report such suspicion to the supervisor of such employee so that this supervisor could submit the case before the Capital Legitimation Prevention and Control Unit.

**Article 34:** When the Capital Legitimation Prevention and Control Unit knows, officially or by a report, that an employee of the Financial Organization might be involved in some Capital Legitimation activity, whether it be by direct participation, facilitating or assisting on the improvement of such activities or by indirect participation, acting with inexcusable negligence, will proceed to make all the necessary inquiries the case may require, and will write a record of the case to that effect, with the reports, evidence and corresponding requirements, which will be sent to the Capital Legitimation Prevention and Control Officer. This officer in turn will present it before the Committee Against Capital Legitimation for the corresponding evaluation, with the reports, evidence and required documentation contained in the records of the case in order to determine whether there is enough base to sanction the employee involved in the alleged offence. Should the committee consider that indeed it is a case of Capital Legitimation, it will proceed to report it, through the Compliance Officer, before the Board of Directors and before the corresponding authorities in accordance with the Law.

### TITLE III

#### OF THE INCENTIVES AND SANCTIONS

**Article 35:** The infringement or breach of the regulations and principles established in this Code will result in sanctions

that will be applied according to their seriousness, from a verbal warning to justified dismissal, without prejudice to the lawsuit before the penal or judicial authorities, should the case have implications with crime activities.

**Article 36:** The breach or infraction of the provisions of this Code, due to fraud or serious negligence by a BANESCO Organización Financiera's EMPLOYEE, will result in the termination of the work relationship.

**Article 37:** BANESCO Organización Financiera's EMPLOYEES who shows an outstanding performance in the execution of their ethical duties, will have the priority in terms of promotions, advancements, training opportunities and others.

**Article 38:** Reprimands and warnings will be made privately and with the purpose of correcting the BANESCO Organización Financiera's EMPLOYEE, but leaving evidence on the corresponding personal file of the employee. Nonetheless, should it be determined that the censored conducts typify the causes for a justified dismissal, in accordance with the labor legislation, the Organization will proceed through the Human Resources Vice-Presidency and with the previous advice of the Legal Consultancy Vice-Presidency, to the application of the dismissal as maximum sanction. If the condemned conduct typifies any of the offences established as such in the Penal Legislation or in any other Laws, the Organization will act in accordance with the applicable legal and corresponding procedures.

**Artículo 39:** The employee who participates, facilitates or assists on the capitals legitimation operations will be dismissed and reported by the Capital Legitimation Prevention Compliance Officer before the corresponding authorities.

This Code of Ethics has been approved by the Board of Directors of the Organization in meeting held on June 21, 2006, with the signature of the following members:

Juan Carlos Escotet R.  
Luis Xavier Luján P.  
Jorge Luis Caraballo R.  
María Josefina Fernández M.  
Nelson Becerra M.  
Gonzalo Clemente R.  
Fernando Crespo S.  
Salvador Cores G.  
Carlos Acosta L.  
Oswaldo Padrón A.<sup>†</sup>

## ALWAYS RESPONSIBLE



**B**e always responsible: this is the principle from which we have conceived, created and developed our organization. Since its birth, in 1992, Banesco embraced a vision, a golden rule: having a creed which foundation could make us growth as a socially responsible company.

For us, to be responsible means to recognize and show respect for each person and community with which we establish any kind of relationship. What is crucial here is the fact that we recognize ourselves as an organization of the people and for the people.

This means to give value to the differences and the varied ways of understanding life and assume in a creative and deep way the agreement and coexistence with others as permanent traits of our conduct.

Be always willing to listen to others, understand and learn. Watch attentively the world around us. Cultivate our admiration for others. Learn and practice the different expressions of solidarity. Make decisions always considering the entity of the other. Build relationships at every opportunity. Be always builders of the country and support Venezuela. To Banesco, all these expressions are different ways of adopting a responsible citizenship.

Be responsible represents the opportunity to ask to ourselves, whenever is possible, what can we do to support the initiatives aimed to improve the quality of life of other people.

But it also means to do our best effort to understand the huge complexity of the contemporary world, so as all of our operations and business could be clear, transparent and ethical.

Be always responsible means to act in favor of education and culture, health and the environment and towards anything that could foster the values that strengthen a better coexistence.

Be always responsible means to recognize our own limits; to have a high consciousness of what we know and what we don't know. It means keeping always alive an awareness based on respect to the rule of law and the needs of our fellows.

Be always responsible is a commitment to adopt the principle of the corporate social responsibility with all of its consequences. Understanding that it is possible to improve and go deeper into its practices everyday. Be always responsible is a dimension with which we comply every day, on a permanent basis, over the time, from generation to generation.

Be always responsible: that is our new creed, our manifesto.

### Pioneers in presenting the country with a Social Balance

Banesco is a pioneer in presenting the country with a Social Balance with a review of the investment made by the organization, along with its Social Partners and the community.

In 2004, Banesco published its first Social Balance. In that occasion, we made an effort to support the resources executed in different projects for the benefit of our environment from 1998 to this date. The accumulated investment up to 2006 amounted to Bs. 64,575,588,000, where we included the internal dimension of our Social Responsibility program based mainly on our human resources. Bs. 20,330,606,000 out of the total amount corresponds to 2006.

This report, voluntarily prepared by Banesco and as a part of the commitment made by our organization to transparency and communication with all its public, encompasses the actions related to the matter of Social responsibility developed by Banesco in 2006, from a perspective based on sustainability.

The methodology employed is based on the recommendations contained in the Global Reporting Initiative, Version 3 (GRI-G3). For the year that closed on December 31, 2006, the social performance indicators have been subject to review by our External Auditors De la Vega, Márquez, Perdomo & Asociados (Horwath Venezuela). This has required a total of 200 men-hours of work



Banesco is a member of AccountAbility, an international professional institute, prominent and active in the field of the presentation of social and ethical balances for sustainable development. AccountAbility has over 200 individual members and 100 member organizations in 20 countries of Africa, Asia, Australia, Europe, Latin America and North America.

We will continue walking the path towards our certification with the Standard AA1000 which will reinforce us as a dynamic, conscious, and responsible institution for its actions and commitments with our different internal and external groups.

The AA1000 standard is an evaluation and balance presentation instrument for the non-financial activity of the organization. It will provide us with the parameters to consolidate our business administration, in accordance with the ethical and humane values that will project us as the leader organization in corporate social responsibility.

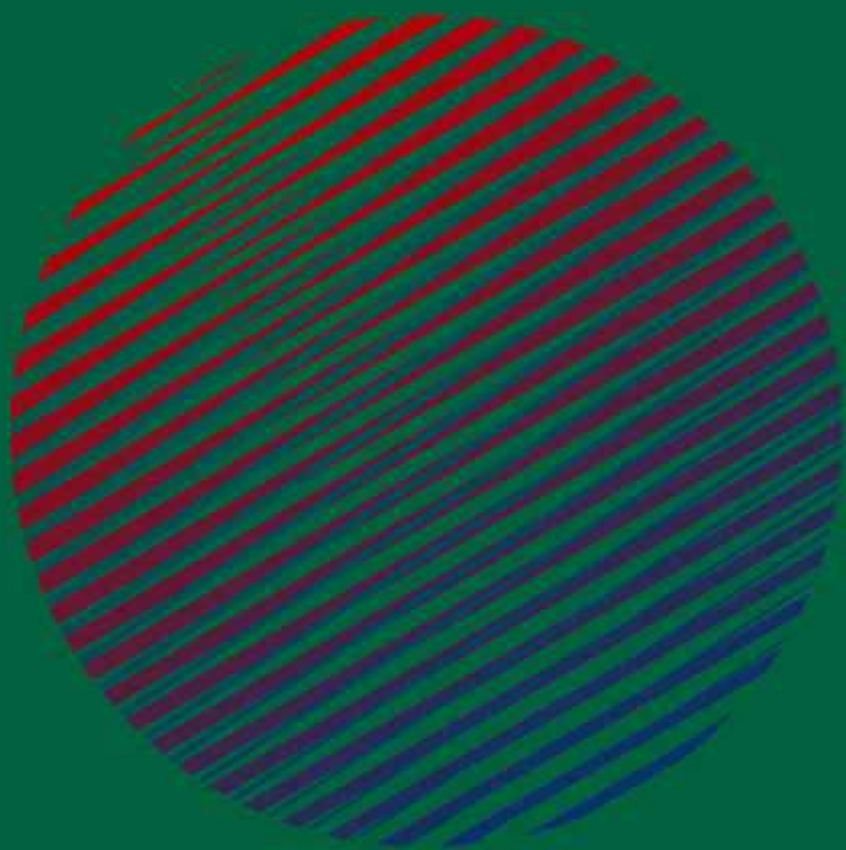
### The objectives we pursue when presenting this Social Report 2006 are:

- ▮ **Transparency:** Evaluate, inform and communicate our internal and external groups, through an Annual Report, of our business performance, based on the criteria of a socially responsible administration.
- ▮ **Commitment:** Identify the demands and needs of our related groups, through studies and systematic reports for the search of timely and sound solutions.
- ▮ **Ethical Behavior:** Integrate the Social Responsibility criteria into all our organizational areas through a training and awareness program about a new vision of our business based on the principles of respect, solidarity and corporate commitment.
- ▮ **Excellence:** Establish corporate efficiency and performance criteria in harmony with the ethical and humane values that identify us as Corporate Citizens.

### Benefits and impact of the Corporate Social Responsibility:

- ▮ Increased financial performance of the institution.
- ▮ A higher productivity of our staff.
- ▮ Innovation of processes and services.
- ▮ Reduction of operational costs.
- ▮ Satisfaction of the social concerns of our stakeholders.
- ▮ Increased commitment and loyalty of the staff.
- ▮ Differentiation and distinction of the brand in the market.
- ▮ An improved image before employees, customers, suppliers and stockholders.
- ▮ Harmonic relationship with the community.
- ▮ Acquisition of new customers and investors.

# THE INTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY PROGRAM



# Our Stockholders

# Our Workers

# OUR STOCKHOLDERS

**A**t Banesco we generate value for our stockholders, producing profits that can be distributed and capitalized, and that are equal or above the local market standards. We support the bank's administration in our values and we are guided by the highest ethical principles. We are also guided by the transparency in our relationship with our internal and external groups, and as our stockholders do not escape from this practice, they also enjoy an equal treatment.

Annually we hold two Stockholders Ordinary Assemblies. In 2006 they were held on March 27th, and on September 25th.

We confirm our will to administrate the business in a plural and participative manner. We firmly believe in the exchange of ideas and thoughts, which is the reason why we involve our stockholders in our daily routines. We count on a wide base of particulars, which benefit from a high profitability and solvency.

The bank's social capital at the closing of the fiscal year is Bs. 554,372,983,000, represented by 5,543,729,830 shares (5,248,276,449 outstanding shares and 295,453,381 at the treasurer's office), with a nominal value of Bs. 100.00 per share, distributed among 5,995 stockholders.

## Dividends

In 2006, Banesco Universal Bank decreed dividends for Bs. 72,014,757,463 agreed on the Ordinary Stockholders General Meeting:

### Dividends in cash:

#### *March 27th, 2006*

Bs. 30,028,545,871

#### *September 25th, 2006*

Bs. 41,986,211,592

### Dividends in stocks (March):

Total Bs. 66,376,562,900



### We interact with our stockholders through different channels:

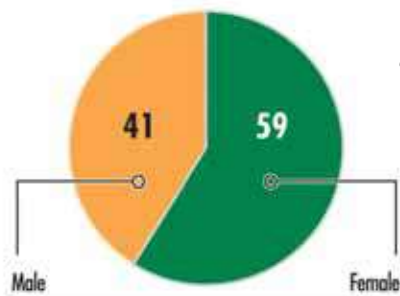
- TiempoBanesco, monthly publications made by the Organization.
- CableBanesco.
- Reports and memories.
- [www.banesco.com](http://www.banesco.com), our corporate web.
- The Board of Directors.
- Our Corporate Government practices.
- Contacts and direct meetings.
- In 2004 we started the publication of our Corporate Social Responsibility Annual Report, containing detailed data about the distribution of our profits, destined to all the social action projects approved by the Board of Directors.
- National communication means.
- Our network of agencies.
- The Stockholders Unit that offers all the necessary information about the investment of the holder, as well as of the financial institution.

# OUR WORKERS

We foster a worthy labor environment for our workers. Equity and equal opportunities act as guide principles in our relationship. We seek to satisfy different needs beyond our contractual and legal liabilities and we develop a series of initiatives aimed to foster the conciliation of the family and the labor life.

We promote our organizational values among our human capital, as well as their training and education. All this results on a team composed of 10,171 members, all of them devoted to satisfy and exceed the expectations of our customers and the community.

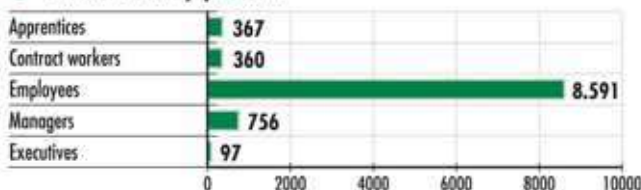
## Distribution by gender (as a percentage)



The average age of our workers is 32 years and the average seniority is 5 years

Total active workers	10,171
Average age	32
Average seniority	5.00

## Distribution by position



## National Distribution



## Safety and Health

Activity	No. of workers attended to, by activity
Vaccination Yellow fever	415
Driver Medical Certificate	118
Papanicolaou smear test	88
Double viral vaccine campaign	2,540
<b>Special Campaigns</b>	<b>3,359</b>
Lectures for smokers	
Lectures: Cardiovascular health; Sexual Health for Men; How to manage stress; Osteoporosis	
Medical consultations; Peripheral Vascular Disease, Osteoporosis, Glaucoma Detection, Hypertension, Obesity, Spirometries	
Clinical Lab: cholesterol, glycemia, PSA	
Muscular Anti-Stress Therapy	
Smile Therapy	
Breast cancer detectionFemale population	Población Femenina
Lecture: Back, pain and posture	84
Lecture: Psychoimmunology	105

## HEALTH

During the year 2006, through our Health Service at Work, we reinforced this preventive approach based on the morbidity indicators. For this reason, a series of activities and special campaign were carried out, not only in the Metropolitan area of Caracas but also in different regions in the countryside.

The educational aspect -awareness and information for our whole labour community- also happened to be a key factor within the preventive approach. Under the premise “approach the user” we offered different medical lectures.

We continued the MEDIPHONE service, medical attention at home, through which the worker and his affiliates can be advised to obtain medical assistance at home or be transferred to a nearby health care center, if necessary, 24 hours a day, 365 days a year, with no more than a telephone call.

Additionally, we have supported our workers in case of extreme diseases with additional help which amount to Bs. 111,926,000.



## HCM Coverage

Medical Expenses from workers	4,556,779,363.81
Medical expenses for relatives	4,317,176,440.44
<b>Total Bs.</b>	<b>8,873,955,804.25</b>



## LABOR RELATIONSHIPS

### Relationships with unions

On January 18th, 2006, Banesco community participated in the election of SITRABANESCO Board of Directors (Workers National Union of Grupo Financiero Banesco) for 2006-2009.

This process was ratified by the Venezuelan Electoral National Council and the Labor Ministry.

The legitimization of the union authorities strengthened the harmonic climate of the relationship between the parties and levered a permanent and effective communication, mutual respect, shared interest conciliation, as well as the negotiation under the win-win philosophy.

### Apprentices training

On the other hand, in 2006 we trained a total of 367 INCE apprentices, with an investment amounting to Bs. 1,296,737,900.48.

## TRAINING AND DEVELOPMENT

In tune with the organizational dynamics and strategies, a series of training activities were developed in order to provide our workers with the required skills and knowledge to improve their performance, such as the following:

- Certification and update program for the staff of our branches and Business Advisors in the different banking segments;

### WITH THE STUDENTS IN MIND

We offer an apprenticeship program to complement the academic training of students from different educational levels. We provide them with a nurturing labor experience for their future professional life.

## Apprenticeships

Area	Number of apprentices
VP Recruitment and Employment	2
VP Auditing	1
VP Operations	5
VP Administration	5
VP Economic Studies	1
VP Conservation, Physical and Operating Infrastructure	3
VP Credit	1
VP Proc. Activities and Channels	1
VP Virtual Banking	1
VP Credit Documentation	1
VP Human Capital	1
VP Automation, Trusts, Finance and Treasury	1
VP Commercial Business	5
VP TDC Bank End Operations	3
VP Customer Service	2
VP Finance	1
VP Mortgage Credit Operations	3
VP Accounting and Analysis	7
VP Processes, Control, Administration and Service Auditing Automation	1
VP Platform Administration	2
VP Insurance Operations	4
VP Security	3
VP Risk Integral Administration	1
VP Electronic Banking	1
VP Human Management	3
VP Central Region Los Llanos	1
VP Western Andean Region	2
VP Private Banking	1
VP Corporate Banking	1
VP Zulia-Falcón Region	4
VP Western Southern Region	1
<b>Total Apprentices</b>	<b>69</b>

## OUR WORKERS

- Massive training on credits, which allowed supporting the decentralization of this process;
- Projects Management in order to form project leaders aligned with a unique strategy and methodology;
- Quality Service such as Strategic Administration in order to improve the interaction with the customers and encourage successful sales;
- Development of Supervisory Skills in order to reinforce the role of our supervisors and managers towards the achievement of their goals, through the successful performance of its supporters;
- Permanent updating of the technology staff, as well as Information Safety;

Likewise, the organization developed its e-learning platform as planned. This is the base to launch a self-development culture through the massification of our training activities with a significant cost reduction.

### Training Areas

Typology	Men-Hours invested
Administration	4,704
Communication	160
Consulting	32
<b>Corporate Credit Program</b>	
Module I, Accounting Basics	10,576
Module II, Financial Statements Analysis	14,904
Module III Products, Processes and Policies	9,024
<b>Corporate Program</b>	
Quality Service as Strategic Management	13,792
Staff development	11,573
Finance and Treasury	2,376
Management, Leadership and Supervision	6,648
Languages	4,000
Legal and Regulations	1,812
Products	952
Certification programs	111,204
Risk	5,168
Security	84
Specialized Technician	2,040
Technology	13,291
Sales	9,126
Empowerment	100,120
Community Banking	1,244
Projects Management	6,315
<b>Total Men-Hours invested</b>	<b>329,145</b>
<b>Total Bs.</b>	<b>7,251,645,815.11</b>



### Training on Prevention and Control of Capital Legitimation

Activity	Amount Bs.	Workers favored
Lecture: "Operational Risk and Tactic Intelligence", addressed to Credit and Specialized Banking staff	5,000,000	231
Participation of 3 workers in the Course "Training of Corporate Advisors"	8,500,000	3
Workshop on Capital Legitimation and Financing to Terrorism", Aragua State	2,500,000	52
Prevention Workshops	5,000,000	121
Induction to New Admissions in the countryside	5,321,114	545
Others	33,433,386	
<b>Subtotal</b>	<b>59,754,500.00</b>	<b>952</b>

## Model of Management by Competences

In order to be able to compete in increasingly globalized and complex markets and gain customers whose expectations grow as they know new products and services, we launched in 2006 the development of the Model of Management by Competences.

We are increasingly aware that this is the knowledge age, when the differentiating element among the organizations, as well in terms of competitiveness, rests on their people.

In this way, the human capital turns into the most valuable asset and a distinctive trait, basically composed of the competences of those individuals.

Based on this need and following the methodology designed by a consulting firm specialized on this matter and after a series of work sessions with the bank's executives, 25 competences were defined. These competences are directly aligned with the strategy and vision of our business, which together constitute our Dictionaries of Competences and Behaviors. These documents are a value added to the management of different sub-processes of Human Capital aimed to foster the recruitment, development and evaluation of our staff and aimed to define the expected conducts in order to achieve our organizational goals.

## QUALITY OF LIFE

With the purpose of fostering healthy life styles among our workers and encourage the conciliation of the labor and family life, we develop and consolidate different activities, such as our Vacation Plans and Sport Campaigns nationwide.

### Sports

Activity	Amount Bs.
Bowling Tournament	106,800,000
Sport Campaigns	
Eastern region	251,800,000
Western-Andean region	180,800,000
Metropolitan Zone	405,000,000
<b>Total Bs.</b>	<b>944,400,000</b>

### Vacation Plan

Number of beneficiaries	1,983
The children of 2,285 workers	
<b>Total Bs.</b>	<b>1,488,600,000</b>

1,500 people participated in the bowling tournament, while the Sport Campaigns carried out at the different regions gathered 4,620 workers.



## HUMAN RESOURCES SELECTION

### Staff Turnover

	Admitted	Retired
Executive staff	8	4
Managerial	60	94
Employees	2,389	1,434
<b>Total</b>	<b>2,457</b>	<b>1,532</b>

Our strategy in the matter of human capital is focused on the development of our internal talent and the creation of new possibilities so as this new talent could make a career within our organizational structure. We approved 977 internal promotions in 2006.

## DISABLED PEOPLE

### Disable Personnel still active at the end of 2006

Location	Number of workers
Metropolitan Region	9
Central Region – The Plains	1
<b>Total workers</b>	<b>10</b>



Among our values, we foster Diversity and Adaptability. In this way, we encourage the labor insertion of disabled persons. Currently, young citizens with Down Syndrome and locomotive disability work at our institution. They act in a comfortable and nurturing labor environment. For several years, these workers have been carrying out flexible and dynamic tasks, which favor their productivity and represent an example of effort and perseverance within and outside the bank.

In Banesco we encourage tolerance and respect for the other, equal opportunity and non-discrimination.

In 2006, a young citizen with Down Syndrome was admitted to our organization as an active worker. She works as a receptionist at the VP of Customers Attention. This young girl approached our institution thanks to our agreements with the Civil Association APOYE. This insertion strategy includes awareness activities by the supervisory staff and workmates addressed to these young citizens previous to their insertion in the bank and all this happens under the attentive observation of the association that promotes their insertion. Another young with locomotive disability joined the bank in 2006 as Analyst of the Monitoring Unit attached to the VP Back End Operations Cards.

We have also admitted other disable persons by the hand of our supplier, Restoven de Venezuela, which includes in its payroll two young citizens with intellectual disability who work in the cafeteria of Ciudad Banesco.

## OUR WORKERS

TO CONCLUDE, WE PRESENT THIS SUMMARY WITH OTHER BENEFITS GRANTED TO OUR HUMAN CAPITAL

### Contractual benefits

Benefit	Amount Bs.
Academic scholarships	40,000,000
Uniforms and equipment	4,800,000,000
Christmas toys	1,500,000,000
Buttons and decorations	438,000,000
HCM Covering	8,873,955,804.25
<b>Total Bs.</b>	<b>15,651,955,804.25</b>



- 7,113 children between 0 and 12 years, children of 4,646 workers, received Christmas gifts.
- 1,348 workers were decorated.
- 40 workers received scholarships.

- 735 workers were granted with housing loans.
- The mandate of the Law on Food for the Workers is enforced through foods stamps. Besides, the workers not covered by this law count on a cafeteria located in Ciudad Banesco and they receive a subsidy of around 77% of the costs incurred.



### Non-contractual benefits

Benefit	Amount Bs.
Housing (loans)	3,874,270,030.45
Parking	437,215,242
Food Subsidy	3,435,000,000
Medical service	420,549,000
Medical assistance	119,926,000
<b>Total Bs.</b>	<b>8,286,960,272.45</b>

### Legal Liabilities

Benefit	Amount Bs.
Nurseries	2,488,877,102.73
Law on Food for Workers	12,964,734,947.85
Training	59,754,500
<b>Total Bs.</b>	<b>15,513,366,550.58</b>



- An average of 1,360 workers was provided with nursery service for their children.
- An average of 3,353 workers received food stamps.



### Total Investment in our Workers

Benefits	Amount Bs.
Contractual	15,651,955,804.25
Non-contractual	8,286,960,272.45
Legal liabilities	15,513,366,550.58
Training	7,251,645,815.11
<b>Total Bs.</b>	<b>46,703,928,442.39</b>

## INTERNAL COMMUNICATIONS

The management of the internal communications is the platform that allows keeping connected over 10,000 employees nationwide, through out the divulgation of corporate and general interest information.

Pursuing the achievement of one of the bank's strategic objectives, a study was designed, developed and applied in order to measure and determine the satisfaction level of our personnel in relation to our internal communications. The results obtained were highly positive and brought about new possibilities to improve.

To do so, we developed a project aimed to centralized the management of our internal communications through the VP specialized on this area, leveraging in the process the use of the electronic means available at the organization (e-mail and Intranet) which most important product was the design of an attractive Weekly Newsletter which allows Banesco community to be informed with a single contact.

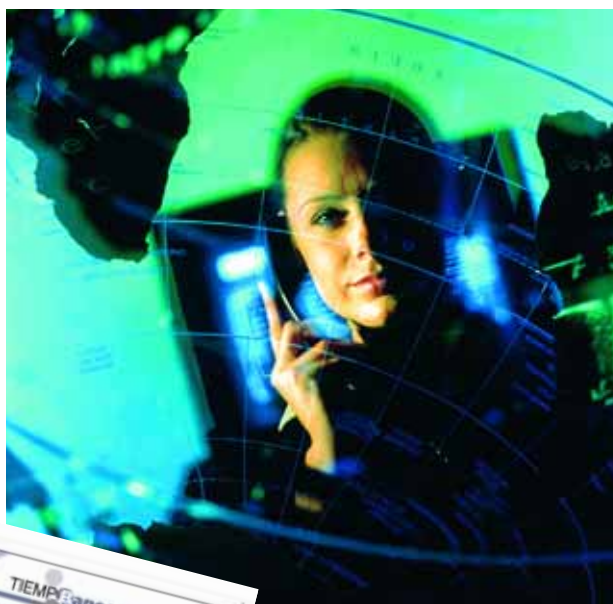
At the same time, we developed a mechanism to request the publication of corporate information through an electronic mailbox managed by the VP of Internal Communications and Events.

In the search of new opportunities to improve, as of the second half of 2006, we started to refresh the Intranet in order to be able to provide the best services and quality that our human capital deserves.

And with a view to their development, professional and personal growth, the organization implemented the most innovating voice system, which through speakers installed all over Ciudad Banesco allows the transmission of news addressed to strengthen the quality of life in relation to information.

### Our internal media

*Tiempo Banesco* is the name shared by all of the bank's internal media. Besides the e-mail, the Intranet has become one of the most frequently used media by the employees, as through this net it's possible to get not only corporate information, but access to the services related to the Human Capital area (vacations, salaries, severance pay, etc.), savings cash (loans, advances ...), among others.



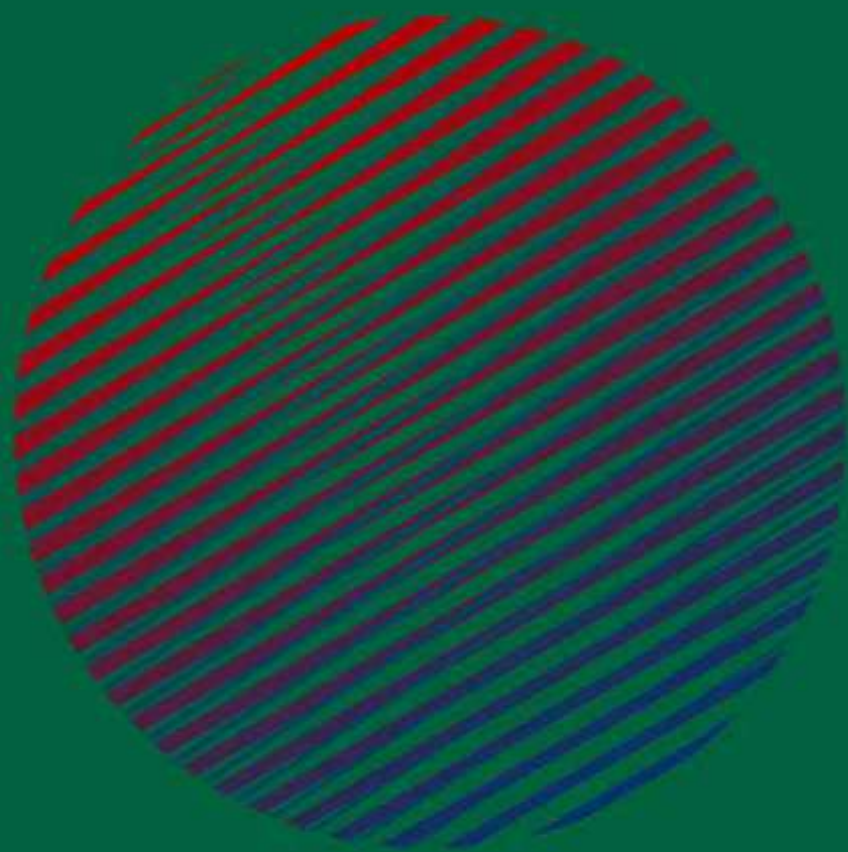
Since its birth, Banesco edits a corporate journal which has evolved according to the expectations and needs of our customers, internal and external, which offers information about projects, products, services and special promotions offered by the bank, as well as our Corporate Social Responsibility. Currently this journal has two versions: VIP and Enveloped, addresses to the different customers segments

served by the institution, besides a newspaper exclusively internal called Extra Tiempo Banesco.

Additionally, there are several boards placed in the elevators of our branches nationwide and more recently at the service areas in our headquarters in Ciudad Banesco.

With cutting-edge technology, everyone who visits our agencies and branches can enjoy the varied programming offered by CableBanesco, a TV close circuit system that displays our advertisement, the activities carried out by our staff and Social Partners, as well as documentaries realized by famous channel such as National Geographic and Vale TV.

## THE EXTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY PROGRAM



Our Social Partners

Our Commitment to the Community

Banesco Corporate Voluntary Work

Our Commitment to the Environment

Our Customers

Our Suppliers

Our Commitment to the Authorities

## OUR SOCIAL PARTNERS

We address our social investment to support projects linked to the education and health sectors. We execute our Social Responsibility Program along with myriad of extraordinary institutions which make possible the causes and initiatives in favor of the communities all over the country. Our Social Partners are the following:

### FE Y ALEGRÍA

It is an Integral Popular Education and Social Promotion Movement, with an action addressed to the impoverished and excluded sectors and aiming to strengthen their personal development and social participation. It was created in Venezuela 50 years ago by the hand of Jesuit José María Vélaz.

### DON BOSCO HOUSES NETWORK CIVIL ASSOCIATION

It is integrated by nine houses located at several states of the country. The Civil Association has the objective of teaching some kind of skill to the children, young boys and girls and adolescents that live in a situation of abandonment, to reincorporate them to the educational system, provide them with medical and psychological attention, and assimilate them into their family group. They have representatives in Valencia, Miranda, Mérida, the Federal District and Monagas. Nowadays, the project is led by father Rino Bergamín.

### FRIENDS OF THE CHILD IN NEED OF PROTECTION FOUNDATION (FUNDANA)

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

### CHILDREN'S MUSEUM

This is the first science and technology center focused on the children of the country. It was created as an educational and recreational program of the Children's Museum Foundation, a non-profit private institution, created and chaired by Mrs. Alicia Pietri de Caldera 22 years ago. The main objective of the Museum is to be the center of educational spreading for children from 6 to 14 years old, especially those belonging to the lower income sectors.

### HIGHER ADMINISTRATIVE STUDIES INSTITUTE (IESA)

It is a non-profit private academic center which offers a public service to the whole society, and is independent from any tendency or economic, political, religious or governmental group. Created in 1965, the IESA is devoted to teach management, with support on research, in administration and in other disciplines. Its teachings are aimed to the development of management in public and private organizations. By recommendation of the National Universities Council, the Institute was recognized by the Presidency of the Republic of Venezuela, through Decree number 1,471 from March 16th, 1976, as a University Institute for Higher Administrative Studies.

### ANDRÉS BELLO CATHOLIC UNIVERSITY (UCAB)

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

### VENEZUELAN ASSOCIATION OF CATHOLIC EDUCATION (AVEC)

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



### EXCELSIOR FOUNDATION

It is a non-profit private organization devoted to encourage, support, promote and spread academic excellence of children and the youth belonging to private, public and special educational centers of the capital region. They basically offer four plans: Recognition and Student Encouragement Act, Scholarships, Academic Contests, and Promotion of Excellence.

### VENEZUELAN FOUNDATION AGAINST INFANTILE PARALYSIS

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

### VENEZUELAN RED CROSS

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

### VENEZUELA'S ANTI-CANCER SOCIETY

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

### AUDACIOUS ASSOCIATION TO GUIDE AND ENCOURAGE PEOPLE WITH SPECIAL NEEDS (APOYE)

It's an organization that provides labor-craftmanship training at work centers addresses to people with special needs (Down Syndrome). Additionally, the association provides psycho-pedagogical assistance, including all the academic activities, Language Therapy, Psychology, Informatics, Drawing, Acting, Dance, Swimming, Labor Insertion.

### SALESIAN LADIES CIVIL ASSOCIATION

The association is integrated by a group of Catholic laywomen committed to the Christian community and by Christians in the civil society, and they constitute a Private Association of Congregations. The Salesian Ladies operate from private centers and privilege popular health, education for work, the rescue of the youth and women in general, the education of women as a means for the orientation of maternity, the indigenous woman promotion, the recovery of the feminine population in jails and the micro-enterprise.

### VENEZUELA WITHOUT BOUNDARIES FOUNDATION

This is a non-governmental organization that funnels resources towards non-profit organizations which works point to improve the living conditions of low income sectors, particularly children and the youth.

### FOUNDATION OF THE STATE FOR THE NATIONAL SYSTEM OF VENEZUELAN YOUTH AND CHILDREN ORCHESTRAS

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

## SOCIAL ACTION IN ALLIANCE WITH OUR SOCIAL PARTNERS



Hand in hand with our Social Partners we have developed projects with a significant social impact, basically addressed to the education of a growing number of Venezuelans.

Organization/Institution	Project	Amount Bs.
UCAB-Corocas	Simoncito Program at a Bolivarian Basic School in La Vega	91,270,000
	VII Conference on Informatics Engineering	5,000,000
	XIII Congress on Economic Actuality	13,000,000
UCAB-Guyana	Library construction	240,000,000
Fe y Alegria	Construction and procurement of Higher Education Institutions	2,000,002,000
	Project Development of Thinking addressed to Fe y Alegria teachers	264,921,212
	Others	2,230,000
Salesian Ladies Association	Program for the Consolidation of Training for Work	164,185,838
	Event "La Sopa del Amigo Taribeno"	900,000
	Arts Ibero American Fair 2006	320,000
Don Bosco Civil Association	Bosco Bus	308,465,870
	Others	282,000
Fundana	Maintenance quote for The Toddles Village	50,000,000
APOYE Civil Association	50% of the head office rent	13,500,000
Venezuelan Red Cross	Installation of an elevator at the headquarters	9,560,000
Venezuelan Red Cross	Maternity Hospital (adjust corresponding to 2005)	100,000,000
Venezuela's Anti-Cancer Society	Construction of new head office	100,000,000
	Sponsorship United Radio against Cancer	19,375,000
Venezuelan Foundation against Infantile Paralysis	Procurement for the hospital operating rooms	120,556,000
	Encarte sponsorship	5,000,000
Fesnojiv	Construction of the new head office of the Center of Social Action for Music	2,000,000,000
Children's Museum Foundation	Project "The emotion of living without drugs"	75,000,000
	Development of educational Web page	2,000,000
AVEC	Several projects (see. P33)	3,094,021,723.13
Excelsior Foundation	Financing for Educational Programs corresponding to 2006	8,500,000
<b>Total Bs.</b>		<b>8,688,089,643</b>

The Venezuelan Association for Catholic Education is one of our main social partners. In 2006, we granted them Bs. 3.09 billion in order to support varied projects and initiatives as a part of the effort to prevent drugs consumption, as the direct and indirect beneficiaries under social risk due to their poor living conditions and their location in areas where the circulation of this substances is quite evident.

### Banesco Social Action in the AVEC 2006

State	Location	Project	School/Beneficiary	Amount Bs.
Amazonas	Puerto Ayacucho	Purchase of truck to transport students and material	E.E. Junín	16,308,972.00
Apure	El Nulo	Head office construction	U.E. Madre Mazarella	90,000,000.00
		Support and Socio-pastoral training for the youth of El Alto Apure	El Nulo	49,000,000.00
Aragua	Barbacoa	Community Center consolidation	U.E. Madre Maria de Barbacoas	45,006,085.00
	San Mateo	Expansion of the study cycle from 6th to 9th degree	Congregation of Religious Teaching Conceptionists Civil Association	70,000,000.00
	Maracay	Consolidation of spaces at the Pablo VI Center	U.E. Inst. Pablo VI	98,000,000.00
Bolívar	Ciudad Guayana	Water tank	Monseñor Zavaleto Training Center	30,952,065.00
Carabobo	Valencia	Integral assistance to the community	Hna. Juan. Los Taladros. La Salle	80,000,000.00
		Construction of the school second stage	U.E. Colegio Trino de Medina	300,000,000.00
		Nursery and baseball course	U.E. Domingo Sevio	90,000,000.00
		Electric system works	U.E.B. Franciscanos del Sagrado Corazón de Jesús.	50,000,000.00
Capital District	La Vega	Construction of the high school classrooms building	Escuelas Canaima Educational Foundation	598,121,544.99
	San Bernardino	50th anniversary celebration	U.E. Colegio Santa Teresa	1,500,000.00
	La Pastora	Revamping of the building	Instituto Educativo San Judas Tadeo	90,850,000.00
	Candelaria	Construction and procurement of a public attention office	Confraternidad Carcelaria de Venezuela	50,000,000.00
	Carapita	Infantile and Youth follow-up for the Training on Social Prevention Values	M.J.M. Consolata	5,900,000.00
	Tienda Honda	Basic I and II Multiple sports course	U.E. Col. La Salle	47,866,580.00
Falcón	Coro	Multiple Use Room	Monseñor Castro	80,000,000.00
	Punto Fijo	Consolidation of offices to provide integral attention to the children and adolescents	E.B. San Miguel Arcangel	44,000,000.00
Guárico	Zaraza	Construction of the building to provide assistance to the children and adolescents	U.I.I. Inst. Jesús es Señor	45,000,000.00
Lara	Carora	Recovery of the Home Shelter	Casa Hogar Santa Maria Goretti	35,000,000.00
	El Tacayo	Culmination of the works to build the multiple uses course	U.E. Nuestra Sra. de la Concordia	80,600,000.00
		Roofed course	H.I. Madre Emilia	41,000,000.00
	Quibor	Integral attention center consolidation	U.E. Col. Virgen del Valle	90,000,000.00
Mérida	Mérida	Roofs improvement	U.E. Colegio Inmaculada Concepción	80,000,000.00
Miranda	Párate	Grant for procurements of food for the neediest children and nearby sectors	Madre Maria Luisa Cosar Foundation	30,000,000.00
	Los Ruices	Retaining wall (6 x 15 mts.)	Don Bosco Popular Technical School	80,000,000.00
	Caurimare	United Nation Model Sponsorship granted to Colegio Chapagnat	Champagnat Private School	8,037,000.00
	La Castellana	Grant for a popular festival to raise funds for the acquisition and revamping of equipment for excursionists	San Ignacio Private School	5,000,000.00
	Los Teques	Consolidation educational resources	U.E. Sagrado Corazón de Jesús	17,230,000.00
	Ocumare del Tuy	Roofed course	U.E. Col. Santo Angel	78,292,482.00
Portuguesa	Guanare	Construction, procurement and activation of the Integral Training Center and Social Promotion	Colegio Jesús Horizonte y Camino	90,000,000.00
Táchira	Los Mitos	Sports course construction	"Santa Maria Micoela" Private School	90,000,000.00
	San Cristóbal	Painting and facade	San Antonio Home for the Elderly	15,000,000.00
		Consolidation of the Integral Assistance Center	U.E. Col. San Miguel	90,000,000.00
		Consolidation of Educational and Social Spaces	U.E.C. Nuestra Sra. Del Carmen	65,000,000.00
Zulia	Municipio La Cañada Maracaibo	Construction of the first stage of the Classroom Project at Marcelino Champagnat School	Escuela Marcelino Champagnat/Civil Association Hermanos Maristas de la Enseñanza	142,913,178.14
		Repair of the school's classrooms and bathrooms	Gonzaga Private School	44,924,356.00
		Consolidation of educational services	U.E. Maria Raine	25,000,000.00
		Revamping of the external area and construction of a sanitary room	U.E. Arquidiocesano Padre José Cueto	6,941,177.00
	Cabimas	Virtual Library project	U.E. Italo Venezolano Juan XXIII	48,431,824.00
National		Workshops on Anti-drugs Integral Prevention	Venezuelan Association for Catholic Education Católica (AVEC)	39,646,459.00
		Grant for the project of Distance Religion Training Courses for the teachers	Venezuelan Association for Catholic Education Católica (AVEC)	8,500,000.00
<b>Total Bs.</b>				<b>3,094,021,723.13</b>



## SOCIAL ACTION IN ALLIANCE WITH OUR SOCIAL PARTNERS

### Results of the Projects carried out with our Social Partners

Social Partner	Project Name	Description	Direct Beneficiaries	Indirect Beneficiaries
↻ Salesian Ladies Civil Association	Professional Training Center Don Bosco 88	Consolidation of the center through the updating of equipment, improvement of the infrastructure and facilities and support to the payroll of the center's facilitators	200 young citizens	800 people
↻ AVEC	National Program for the Social Integral Prevention of Drugs Consumption	Consolidation of the cultural, sport and educational infrastructure at 35 educational center, along with the development of integral plans for social prevention	18,224 children and adolescents	91,120 people
↻ Fe y Alegria	Construction, revamping and procurement of the higher education institutes Jesús Obrero (Carla), Barquisimeto and San Francisco (Zulia)	Consolidation of the infrastructure of 3 educational centers	6,000 people	15,000 people
↻ Fesnojiv	Head office of the National System of Orchestras	Culmination of the last stage of the head office for the Venezuelan National System of Children and Youth Orchestras	300,000 members of the National System of Orchestras	120,000 people (students, teachers, general public and employees of Fesnojiv)
↻ Excelsior Foundation	14th Event to Acknowledge and Encourage Students	Acknowledgement of the Academic Excellence for the students of private and public schools at different states and municipalities nationwide and Special Education Schools	2,923 students	14,615 families
↻ Private Foundation Children's Museum	Prevention since childhood	Participation of different Fe y Alegria schools and the children of Banesco's employees in the Exhibition "The Passion of living without Drugs" installed by the Children's Museum	2,500 children (students of Fe y Alegria schools and children of Banesco's employees)	5,500 people
↻ Venezuela Foundation against Infantile Paralysis	Procurement of 4 operating rooms for the Hospital Ortopédico Infantil	Procurement of Equipment for Anesthetic Monitoring	2,486 patients	157,000 patients and users
↻ Fundana	The Toddlers' Villages, Guardian Angel Program, Profam (Chuao and San Bernardino)	House for children who has been abandoned or the victims of violence. The Guardian Angel Program immediately receives abused children. The Profam program seeks to strengthen families under high risk and/or affected by multiple problems	777 children and families	3,885 people
↻	Second Auction in favor of the foundation	Funds raising through the Auction of Works donated by national and international artists	120 children	360 people
↻ Houses Network Don Bosco Civil Association	ARIS Project (Social Assistance and Reinsertion)	Family assistance and reinsertion provided by a Mobile Unit to Children and Adolescents living in the streets (Boscobus)	86 children and young people	334 people
↻ UCAB	Construction of Los Angeles School. La Estrella, La vega, Núcleo Olaso	Construction of a school for the children of La Estrella sector in preschool and second stage of the Basic school, formal education and a space devoted to integral education	270 children	200 families
↻ Apoye	Labor insertion of young people disabled	Academic Training-Therapies, arts workshops and training for labor insertion addressed to young people with Down Syndrome	42 young people with Down Syndrome	382 students do their annual apprenticeships
↻ Canaima School	Construction of infrastructure for the III and IV stage of Basic Education	Consolidate its integral teaching work through the expansion of the School for Training in Bakery, Pastry, etc.	500 people	2,500 people
↻ Venezuela's Anti-Cancer Society	Unite Radio against Cancer	Funds Raising Radio Campaign	4,800 patients	19,200 people
↻ Friends of the Child with Cancer Foundation	Medications acquisition	Acquisition of chemotherapy drugs for children and adolescents with cancer	140 patients	420 people

### AS SEEN BY OUR SOCIAL PARTNERS

Each year we conduct a survey among our Social Partners in order to know their expectations and encourage a constructive dialogue which could allow us to achieve our common goals.

We call Social Partners those institutions and organizations along with which we carry out our Social Responsibility Program. We foster alliances with these entities, which already develop a significant task in our country with a positive impact on a growing number of Venezuelan citizens.

Our Social Partners are the following: Fe y Alegría, Fundana

(Friends of the Child in Need of Protection Foundation), AVEC (Venezuelan Association of Catholic Education), Don Bosco Houses Network Civil Association, the IESA, the UCAB, the Excelsior Foundation, the Children's Museum, The Salesian Ladies Association, the Venezuelan red Cross, the Venezuelan Foundation against Infantile Paralysis, Venezuela's Anti-Cancer Society, Apoye Institute, Venezuela sin Límites and Fesnojiv. The results were highly satisfactory and we found that our Social partners are quite satisfied with the alliances that we have forged on the following terms:

Status of the work or project in 2005	Status in 2006	Final execution	Territorial Impact	% executed
The center lacked a cafeteria. It also had a poor sanitary infrastructure and furniture.	The infrastructure was improved. 2 multiple bathrooms were revamped. Building of the cafeteria. Acquisition of an extractor for the cafeteria.	Project under permanent execution	Capital District (DC) and Miranda State	100%
Poor infrastructure at 25 institutes.	Building of: 2 sport courses, 5 center and library. Revamping of 6 educational centers. Consolidation of 3 Integral Assistance centers. Procurement of 1 water tank and consolidation of 3 Values Formation Programs.	Project under permanent execution	National	100%
A poor infrastructure at the three centers.	IUJO CATIA: Revamping of the Building "C". Remodeling, procurement and implementation of the library. Remodeling of the Reproduction room. Remodeling of the Chapel. IUJO BARQUISIMETO: Construction of Buildings 1 and 5. IUSF: procurement of 20 classrooms, 1 electricity atelier, 1 course and 1 conference room.	Its culmination is expected for 2007	DC, Lara State and Zulia State	85%
17,000 m2 of construction.	Final stage of a building composed of 90 rehearsal rooms, 2 amphitheater rooms and academic classrooms. Installation of Jesús Soto's work on the head office façade.	Its culmination is expected for the first half of 2007	National	95%
Less municipalities participated. 2,262 children were awarded.	Satisfactorily executed. Increases the number of students awarded (659 children). Increase of the number of participant municipalities.	Annual Project	Falcón State, DC, Miranda State	100%
2,500 children attended to.	Satisfactorily executed.	Project under permanent execution	DC and Miranda State	100%
The hospital's monitoring equipment were not appropriate to new needs and technologically obsolete.	4 monitors were acquired. With the discount received it was possible to buy other 2 monitors for a total of 6 equipment used immediately in the operating rooms.	Annual Project	The Orthopedic receives patients from all over the country	100%
Consolidation of several programs.	Consolidation of programs and continuation of the tasks	Project under permanent execution	DC and Miranda State	100%
The funds raised by the First Auction in 2005 totaled Bs. 266,700,000.	Satisfactorily executed. Bs. 430 million were raised, 38% above the amount raised the previous year.	Annual project	DC and Miranda State	100%
	Satisfactorily executed.	Project under permanent execution	DC and Miranda State	100%
The first stage was finished. The base level, with three classrooms, was built.	The relevant proceedings to start the construction of the school were covered.	Stages 2 and 3 will be concluded in 2007	DC	35%
	Satisfactorily executed.	Project under permanent execution	DC	100%
The construction of the work kicked off.	Works stalled due to legal problems	Its culmination is expected for 2008	DC	1%
	Satisfactorily executed. Bs. 417,000,000 were raised.			
N/A	Satisfactorily executed.	June 2006	National	100%
N/A		Project under permanent execution	National	100%

Indicators	% satisfaction
➤ Satisfaction with the time of response	100.00%
➤ Satisfaction with the guidance and support provides by Banesco	92.73%
➤ Satisfaction with the dialogue with Banesco	100.00%
➤ Satisfaction with the results	84.09%
<b>% of satisfaction among our Social Partners</b>	<b>90.95%</b>



# OUR COMMITMENT TO THE COMMUNITY

Additionally, our social action in the community also covers a wider scope through the support to initiatives and projects maintained by different organizations and institutions. We focus our action on education and the health of more and more Venezuelans.



Organization/Institution	Project	Amount Bs.
<b>Assistance to Children Under Risk, Elderly and Disable People</b>		
Venezuelan Association for Down's Syndrome	Acquisition of the institute's head office	200,000,000
	Others	1,742,000
Fundación	Head office construction	100,000,000
Dividendo Voluntario para la Comunidad (Carabobo)	Affiliation quote	2,400,000
CREA Homes Female (Maracay)	Infrastructure remodeling	18,883,074
Always Friends Civil Association	Sponsorship "Dinner of the Great Chefs" in favor of the foundation	25,000,000
San Antonio de Padua Foundation	Social charity works at Maracay's old people house	8,000,000
Una Sonrisa para los Niños de Mérida Foundation	Donation of 5 wheelchairs	1,333,350
IUVE Civil Association	Race "One Kilo of Help"	15,000,000
	Campaign "One Kilo of Help"	33,000,000
ASOPROGAR Civil Association	Maintenance of the house shelters	20,000,000
Children's Foundation	Celebration of the Day of the Child	5,000,000
Hogar Bambú	First Golf Tournament in favor of Hogar Bambú	10,000,000
Asociación Benéfica de Damas de la Caridad de San Vicente de Paul	Donation	500,000
Niños y Niñas por la Patria, de la Calle, de la Vida Civil Association	Visit to the Children's Museum	165,000
Santo Domingo House Savia House Shelter	Donation of 10 mattresses	1,600,000
<b>Health</b>		
Hospital Pediátrico "Dr. Julio Criollo Rivas"	RX equipment and input	43,081,000
Maternidad Concepción Palacios	Lingerie	41,360,000
Hospital J.M. de los Ríos	Lingerie	47,025,000
	Current Water Filter	330,600
Hospital San Juan de Dios	Infrastructure remodeling	196,734,000
	Others	2,000,000
Hospital Psiquiátrico San Juan de Dios - Mérida	Annual sponsorship	1,000,000
Friends of the Child with Cancer Foundation	Medications donation	70,106,394
Fundación Cardioamigos	Surgery for two children	50,000,000
Centro Médico Quirúrgico El Samán	Sponsorship for integration games among clinics, insurance, banking and suppliers	500,000
Policlínica CABISQIFAC	Edition of publications	3,000,000
Fundación	Music Show "Con mucho corazón" in favor of the foundation	1,500,000
<b>Education</b>		
UCV	Donation of 2 Video beams (Postgraduate Studies Commission and Political Sciences Faculty)	895,600
	Third Conquest of Essays on Economy	3,000,000
	UCV Firefighters	896,600
Simón Bolívar University (USB)	Acts program for the sector El Guamacho at the historical city of La Guaira	43,000,000
	II Encounter of Knowledge	2,500,000
	Others	368,000
	Book about Los Roques Archipelago	10,630,000
Los Andes University (ULA)	IX International Fair of the Book, Mérida 2006	40,000,000
	Lecture to journalism students on "Economy in Banesco City"	6,840,000
	Participation at the International Festival of Chores - Choral Foundation of the University Workers.	1,500,000
Eastern University (UDO)	Paseo Los Ilustres in Sucre state	157,549,272
LUZ	Book Historical Vision of LUZ	162,000,000
	Aula Magna construction	120,000,000
	Anniversary Celebration of the savings box for teachers and workers	15,500,000
Universidad Metropolitana	Educational project of the José Abdala Academic Foundation	5,000,000
Dr. Rafael Belliso Chapin University	Sponsorship for the XI Vocation Plan URBE	1,350,000
Santa María University	Christmas celebration by the workers	2,000,000
	Acquisition of glass fiber wastepaper baskets	142,876,000
Instituto Tecnológico Dr. Cristóbal Mendoza	Sponsorship VIII Walk of the Students Youth	384,000
Universidad Pedagógica Experimental Libertador	VI National Games of University Professors	17,191,200
Venezuelan Association of Mathematics Competences	Sponsorship Mathematics Olympiads	8,000,000
	Others	125,000
Dr. Luis Beltrán Prieto Figueroa Foundation	Saving account for the students winners of the Award to Excellence in Nueva espanto	2,000,000
Artesanagroup Foundation	Social project "Builders of the Country"	75,794,000
	Others	125,000
Philip C. Jessup Foundation	Support to students to participate in the Contest of International Public Law in Washington	4,300,000
Individual	Support to students to present their graduation thesis before the Society for Conservation Biology	2,479,921
Libertador High School - Mérida	Event "A Song to Bolívar"	789,000
Center of Technical Consulting for the Organizacional Productivity - CEATPRO	XX International seminar of the deans of Venezuela's Economic and Social Sciences Faculties	5,000,000
IESA	Project SEKN	1,112,500

Organization/Institution	Project	Amount Bs.
Intercultural Community Foundation ALTASIA	Commemoration of the Day of the Indigenous Resistance	2,000,000
Venezuelan-American Friendship Association	Annual General Assembly 2006	3,420,000
Francisco Herrera Luque Foundation	XII Conference "Caracas ... ¿Qué ciudad somos?"	5,000,000
Individual	Sponsorship to the Political y Civil Training Course	50,000,000
<b>Church</b>		
La Coronela Parish	Financing to historical research of the Temple in order to elevate it to Minor Basilica	4,000,000
José Ali Lebrún Marafinos Civil Association	Support to Venezuelan priests to study abroad	5,000,000
Maracaibo's Archdiocese	Edition of the Collectable version of the book "Virgen de Chiquinquira, madre y reina de los zulianos"	80,000,000
Padre Luis Carrone Archdiocesan File Foundation	Inventory Cultural Project and Catalogation of 42 section Inventories of the Archdiocesan File of Mérida	50,000,000
<b>Public Entities</b>		
Chacao Mayoralty	Virtual Library at the Community Center Los Palos Grandes	35,000,000
Turén Bolivarian Mayoralty	Donation of 15 wheelchairs	4,000,050
Araure Mayoralty	Donation of 15 wheelchairs	4,000,050
Sucre Mayoralty	Christmas celebration at Parque del Este	4,993,000
Metropolitan Lord Mayoralty	Children's Day celebration	1,280,000
Baruta Mayoralty	V Special Games	5,000,000
	Arst Festival 2006	20,000,000
Eulalia Burex Mamporal Mayoralty – Miranda State	VI International Fair of Mamporal	15,000,000
Mérida State Government	IV Sport Games Day of the Public Employee 2006	3,888,000
Mérida State Government – Security Direction Citizenship of Mérida State	III Labor Sport Games, Mérida State	2,300,000
SENIAT	Sponsorship "Your Invoice Awarded"	30,000,000
<b>Professional Associations</b>		
VENAMCHAM	Membership	5,863,050
	Support to the Social Alliance Committee	15,250,800
	IV Symposium CSR	8,000,000
	Others	2,000,000
Commerce and Industry Chamber of Paraguaná (CACOINPAR)	Celebration Day of the Merchant	5,000,000
Carabobo's Industrials Chamber	Seminar Culture of Values and Innovation	17,100,000
Bar Association of the Capital District	World Football Cup of Lawyer in Turkey	10,000,000
Bar Association of Mérida	XXVIII National Games of the Bar – Mérida 2005	5,000,000
Economists College of Zulia State	Celebration National Day of the Economist	200,000
Capojet, Caprandes and Caypecatoch	Others	270,000
Bar Association of Zulia State	National Sport Games Inter-schools	300,000
Cattle Raising Venezuelan Association (CEBU)	ASOCEBU Fair 2006	4,000,000
<b>Sports</b>		
Venezuela's Apnea Association	Sponsorship to participant athletes in the World Apnea Championship – Egypt 2006	20,000,000
Hebraica Club	Mountain Marathon and Aquathlon Hebraica	25,000,000
Bolivarian School of Judo	Sponsorship to participant athletes in judo competition in Santo Domingo	3,700,000
Scout of Venezuela	Sponsorship to body sculpture in Venezuela	6,720,000
Individual	Participation in International Tennis Tournament	12,000,000
Nautical Club – Maracaibo	Sponsorship of Tennis Finals in Margarita	10,000,000
<b>Culture</b>		
Zulia's Museum of Contemporary Arts	Induction room maintenance	16,690,000
	Plastic expression and Creativeness Workshop	7,200,000
	2005 adjustment	14,400,000
Caracas's Schola Cantorum Foundation	Production of CD "Arriba Cosmonauta" (Jesús Rosas Marcano)	16,700,000
<b>Editorial Projects</b>		
C.A. Editora El Nacional	Sponsorship "Papel Literario"	41,040,000
Venezuelan Society for the History of Medicine	Sponsorship magazine	12,400,000
Conciencia Activa Foundation	Sponsorship magazine	30,000,000
Communications Research Institutes (IININCO)	Sponsorship editorial production Nº 17. Vol. 2	2,000,000
<b>Others</b>		
Bello Monte Neighbors' Association	Celebration Day of the Fátima Virgin	547,200
Esguarnag Cordero (Táchira)	Sport Games Inter-Schools – National Guard	3,000,000
Police Sub-station Nº 12 – El Vigía	Provisions procurement	250,000
Venezuelan Commission of Social Service, Catio Community Center	Repair of the covered gymnasium "Eduardo Blánkm" and support to its activities	619,069,883
Vale TV	Support to its activities	160,656,000
Others		1,960,605
CRS Activities	Accountability	28,670,000
	Printing publications about CSR	8,995,000
Corpozulia	Celebration of the XXXV Anniversary of the institution	15,000,000
<b>Total Bs.</b>		<b>3,186,330,149</b>



## OUR COMMITMENT TO THE COMMUNITY



### OTHER INITIATIVES

- This year we granted scholarships to 24 students at the IUJO CATIA, educational centers that belong to Fe y Alegría, as well as the admission of students to this higher education center.
- We organized free-entrance concerts for the community in our headquarters, which has already become a reference point in Caracas.
- Ciudad Banesco has also been the scenario for different activities organized by our Social Partners and other institutes and organization. All these activities have a positive impact on our community.

### Banesco Academic Scholarships and Life Scholarships

Beneficiaries	Institution/Organization	Amount Bs.
2 students	IUJO CATIA	6,750,000
20 graduates from the IUJO CATIA	Alejandro Humboldt University	69,527,000
1 student	CREA Home Females – Maracay	800,000
1 student	Apoye Civil Association	5,235,000
9 students	Banesco Life Scholarships	49,328,000
<b>Total Bs.</b>		<b>131,640,000</b>

### Cultural Agenda – Ciudad Banesco (Fernando Crespo Suárez Auditorium)

Activity	Group/Activity	Amount Bs.
Concert	Pento Corde	2,505,675.00
Concert	Cantoria Ludus Vocaliter	1,149,000.00
Concert	Millenium Quartet	938,680.00
Concert	Montalbán Children Center	3,628,437.50
Concert	Metals Quintet	2,585,400.00
Concert	Pento Corde	3,108,450.00
Cinema	Feature film "Tocar y Luchar"	1,400,000.00
Concert	Trumpets Quartet	1,717,000.00
Concert	Schola Cantorum	53,953,953.00
<b>Total Bs.</b>		<b>70,986,595.50</b>

### Ciudad Banesco Events

Event	Institution/Organization	Place	Amount Bs.
Lecture on CSR	Students of Political Sciences – UCV	Fernando Crespo Suárez Auditorium	886,972
Exhibition	Muxi Gallery – Sponsorship and Introduction of the book "Fabbiani"	Fernando Crespo Suárez Auditorium	11,979,044
Workshop "Profile of the Labor Coach. Employment with Support"	Avesid	Triada II	62,500
VIMUN	Colegio Santiago León de Caracas	Fernando Crespo Suárez Auditorium	9,955,503
Exhibition	Step by Step Foundation	Galería III and Triada II	2,444,445
Video Clip exhibition	Avesid	Fernando Crespo Suárez Auditorium	62,600
Food collection	Friends of the Child with Cancer Foundation	Galería II	
Lecture on banking and CSR for students	ULA	Fernando Crespo Suárez Auditorium	333,600
International Congress	Avesid	Fernando Crespo Suárez Auditorium	11,062,600
<b>Total Bs.</b>			<b>36,787,064</b>

## Christmas Toys Donation

Organization/Institution	Units
Child Foundation – Miranda State	3,500
Fundana	194
Baruta Mayoralty	4,000
"Battle of Ocumare del Tuy" – Reserve Battalion	100
Metropolitan Police Foundation	200
Mano Amiga Foundation	150
Operations Theater No. 1 Commander	500
Hooime "Renacer" – Children Center	91
Zulia State Government	4,000
Maracaibo Mayoralty	1,000
Friends of the Child with Cancer Foundation	300
CMDNNA (Metropolitan Center for the rights of the children and adolescents)	130
Proyecto País Foundation	180
Guarumito Neighborhood Cooperative Association	113
Libertador Bolivarian Mayoralty	1,000
FundaHospin (I.M. de los Rios Children's Hospital)	200
"Una Sonrisa para los Niños" Foundation	100
Children with AIDS Foundation	18
Don Bosco Houses Rural Association (Boscobus)	44
Regional Command No. 2 – Valencia (Core 2)	1,000
Mérida State Government	1,500
Zamora Mayoralty	300
Nuestra Sra. De la Caramola Parish – Guaremas	300
<b>Total Toys</b>	<b>18,920</b>
<b>Total Bs.</b>	<b>802,912,000.00 *</b>

\* Adjustment to 2005: Bs. 118,296,860

- In our efforts to support the abandoned children, we act through different organizations and institutions, private and public, in order to bring joy to the children with Christmas toys donations.
- For several years we have been cooperating with the Plan "Up to the last cartridge", one of the flagship programs of Fundana, our social partner

This plan encourages to collect printers' cartridges (ribbon, laser and ink) which are donated by public and private institutions, to be sold to recycling companies and produce a monthly fixed revenue for Fundana. The cartridges used at

Headquarters	Cartridges/Units
Banesco City	618
Banesco El Rosal	160
Banesco Insurance	89
<b>Total Banesco</b>	<b>867</b>

Banesco headquarters, as well as in other administrative branches, offices and Banesco Seguros are periodically handed over to this program <sup>1</sup>

- On the other hand and for the second year in a row, we supported the children and adolescents of SOS Aldeas Infantiles. Through a form sent to the customers along with the account and credit card statements, the customers authorize a debit on their accounts in favour of SOS Aldeas Infantiles. This institution, which provides a new family to children who has lost their biological families, develops

<sup>1</sup> Source: Fundana.

<sup>2</sup> Source: Newsletter N° 3. December 2006.

other programs to help extremely poor communities and women with several children who have to maintain their families by themselves. In total, 2,710 children and adolescents participated in the SOS Aldeas Infantiles programs in 2006.

## Aldeas SOS

Aldeas Programs	No. Children, adolescents and young people
3 Aldeas Infantiles SOS	335
Programs to Strengthening the families and prevent children abandonment	No. Children, adolescents and young people
4 SOS social centers	287
28 SOS homes and community centers	772
1 Basic school "Hermanos Granier"	903
2 SOS nurseries	413
<b>Total</b>	<b>2,710</b>

- The number of Banesco Universal Bank's customers incorporated was of 901. The average monthly contribution received by SOS Children's Villages amount to Bs. 17,178,250 and the annual collection in 2006 totaled Bs. 206,139,000. <sup>2</sup>

We also support several organizations and institutions through the donation of brand new computers.

## Brand new computer donations

Institution/Organization	Amount	Amount Bs.
Metro de Caracas	1	3,598,196.00
Sucre Mayoralty – 6 PC and 1 photocopier	6	55,652,391.62
Instituto Internacional para el Desarrollo Integral del Hombre	1	4,074,789.48
Esquadrón Cordero National Guard	5	11,090,000.00
<b>Total</b>	<b>13</b>	<b>74,415,377.10</b>



## OUR COMMITMENT TO THE COMMUNITY

Traditionally, we support our Social Partners and other organizations and institutions at different activities aimed to raise funds to maintain their operations or develop new projects.



**Collection for Raffles of its Social Partners and Other Events**

Organization/Institution	Project	Collection Amount Bs.	Direct contribution Bs.
Venezuelan Foundation against Infantile Paralysis	Goodness' Superbingo	115,698,833.73	4,000,000
Fe y Alegría	Great raffle F&A	182,605,000	
Children with Aids Foundation	Children with Aids Foundation	89,744,900	
Promotora Estubali	Students' Sports Bonus	72,041,000	
Venezuela's Anti-Cancer Society	Great Bonus for Health	77,613,000	
San Juan de Dios Hospital	Sponsorship for the III Bingo for Smile		1,000,000
Fundana	Ciudad Banesco was the venue for the II Auction in favor of the foundation	446,000,000	1,333,114
<b>Total Bs.</b>		<b>983,702,733.73</b>	<b>6,333,114</b>

### WE SPREAD OUR CRS ACTIVITIES

In order to exchange experiences and disclose our actions as a socially responsible company, our executives keep a permanent relation with different social actors.

- Banesco Universal Bank's President participated in the monographic course "CSR: Business Strategy?", dictated by Prof. Deisy Hernández to the students of Political Sciences at the UCV. The course was also attended by students of the chairs of Social Capital, Culture and Globalization offered by Prof. Alfonso Ocando. The lecture was given at Ciudad Banesco.
- Our head office in Bello Monte was also the scenario of a debate about Ethics and CSR promoted by Profranquicias.
- On October 5, we attended the "CSR Encounter in Chacao", organized by the Municipal Council of Rights of the Children and Adolescents of the aforementioned municipality.



- The president of the Bank participated in the Sixth Symposium on Corporate Social Responsibility, organized by the Venezuelan-American Chamber of Commerce, Venamcham.
- We sponsored the lecture "The Corporate Social Responsibility and its Role in the Sustainable Development Companies of the countries". The purpose of this activity was to spread among the actors who work on CSR in Venezuela, and represented in Venamcham Social Alliance Committee, the AA1000 methodology for accountability in the matter of social investment.

### ACKNOWLEDGEMENTS

On October 17th, at the Eurobuilding Hotel, we received an special acknowledgement during the first edition of the award "El Nacional to Social Commitment 2006", awarded by C.A. Editora El Nacional. This acknowledgement was awarded for the project "Maternal Health ... Another Challenge ..." which was developed by Banesco, along with the Venezuelan Red Cross and the Foundation for the Victims of Common Crime (Fundaprovic).

The members of the jury were Mercedes Pulido de Briceño, Gustavo Roosen, Jonathan Coles, Father Luis Ugalde,

Chepital Gómez, Víctor Guédez and Miguel Henrique Otero.

On its first edition, the common cause of this award was one of the Millenium Goals: to improve mothers health. PROVIDE was the winner of the award with the support of Santa Teresa Foundation, Alberto Vollmer Foundation, British Embassy, Venezuelan Association of Catholic Education (AVEC), Association for the Promotion of Popular Education (APEP), Venezuelan Institute for the Church Professional Education (Invecapi), Altholito Fundación Banco Mercantil and CONTALFA.

# BANESCO CORPORATE VOLUNTEERS

BanESCO develops a responsible corporate management based on sustainability criteria. Therefore, it guides its strategy towards the requirements and expectations of its stakeholders in the search on a permanent economic growth that supports at the same time the development of society, the preservation and improvement of the environment, people's satisfaction, information transparency, enforcement of the human rights and the implantation of the systems proper to a good government.

Our commitment is to foster the responsible development and the improvement of society; we carry out social actions guided to encourage and support the neediest groups. We walk along this road hand in hand with our Corporate Volunteers.

BanESCO Corporate Volunteers group was born in the spirit of expanding the external social action of our company, encouraging and strengthening the co-operation of the highest number or workers in solidarity activities as a response to needs and social interest problems defined in their master actions lines.

Having this purpose in mind, we encourage the active participation of employees in support actions proposed within the organization following an organized strategy. Likewise, we funnel our efforts towards projects proposed by other social interest organizations, associations or foundations, where BanESCO's employees participate.

In 2006, BanESCO Corporate Volunteers, composed of 251 workers, continued their activities through the promotion of the social action among its workers and families. These activities were carried out in a joint effort with our social partners. To do so we devoted 2,537 hours.



## Distribution of our Volunteers by Position Categories

Position	N° workers
Base	42
Professionals and Technicians	110
Supervisory	44
Manager	43
VP	12
<b>Total workers</b>	<b>251</b>

## BanESCO Investment on our Corporate Volunteers

Program/Activity	Amount Bs.
Training and Education	19.602.196
Operating costs	10.400.000
<b>Total Bs.</b>	<b>30.002.196</b>

## WE DONATE A PART OF OUR UTILITIES TO FUNDANA

In Christmas we raised Bs. 70,82 million among all our workers. This money was donated to the Children of Fundana. Thanks to this generous action, we helped to bring joy and hope to these kids in Christmas.

## FUNDANA

For BanESCO Corporate Volunteers is already a tradition to celebrate, on a monthly basis, the Birthdays of The Toddlers. 2006 was not an exception. During the celebrations we shared quality time with these children and carried out recreational and didactic activities at each of these villages. In July, we celebrated the Children's Day, a very especial date when we shared with them beautiful and happy moments. Our volunteers animated these activities which marked the end of 2006; the Christmas ornamentation at the villages and the Christmas Dinner, which was held on December 15th, 2006. Our active and potential volunteers attended this significant event, along with their relatives and they share a beautiful night with The Toddlers, enhancing in the process the Christmas's spirit through values such as friendship and family. A group of the VP of Conservation and VP of Physical Infrastructure offered a living pesebre and Howard Brito, from the VP Back End Trusts offered a performance as Saint Claus. The activity ended with the handing out of prizes and acknowledgements to BanESCO Volunteers for their outstanding work in 2006.

## Corporate volunteers

Work Area	N° workers
Board of Directors Presidency	1
Processes and Technology Direction	1
VP Customers' Service	2
VP Electronic Channels	1
VP External Communications and Social Matters	1
VP Comptrollers' Office	4
Banesco Insurance Executive VP	2
Quality and Service Executive VP	12
Electronic Channels and Payment Means Executive VP	4
Human Capital Executive VP	29
Marketing Integral Communications Executive VP	2
VP Accountability and Analysis	1
Control Executive VP	5
Credit Executive VP	11
Technology Development Executive VP	7
Trusts Executive VP	3
Trusts, Finance and Treasury Executive VP	6
Financial Products Executive VP	3
Agencies Network Executive VP	31
Support and Operations Executive VP	7
Credit and Collection Executive VP	22
Integral Risk Management Executive VP	6
Specialized Banking Executive VP	10
VP International	2
VP Logistics	3
VP Operations	52
VP Bank End Cards Operations	5
VP TDC Bank End Operations	3
VP Security	9
Executive VP Electronic Banking and Technological Support	6
<b>Total Volunteers</b>	<b>251</b>

### RED CROSS

Among the activities carried out along with the Venezuelan Red Cross, we can mention a series of visits to Las Lapas, a locality in Miranda State. During these visits we offered Participative Planning Workshops with the community leaders in order to materialize a local development plan. Our volunteers advised the inhabitants of Las Lapas in matters such as health, hygiene and diseases prevention. At the same time, they strengthened awareness in order to promote the good operation of the health care ambulatory center at the community and developed sport activities as an encouragement for the proper use of free time.

### FE Y ALEGRÍA

In 2006, we continued with our program of Complementary Education workshops addressed to the Jesús Obrero University's students. Three big areas of knowledge were offered in work sessions, where our volunteer facilitators provided their knowledge to the young students, who demonstrated a high interest in the topics. In order to recruit new volunteers to the program, the teachers of the institution offered the Facilitators Training Workshops to provide the vo-

### THE HOPES COLLECTOR

Banesco's workers also participated in the Hopes Collector, an initiative launched by Venezuela without Boundaries with the purpose of raising clothes, books and toys for the neediest.

lunteers with methodological and pedagogical tools allowing to strengthening their capabilities. Among the learning experience provided that year we can mention: Corporate Ethics, Prevention of Capital Legitimation, Foami, Painting on Wood, Oratory, Internet, Informatics Tools, Stress Management and the Teacher's Roles, among others.

As a recognition to the excellent work developed by our volunteers, a toast was offered the International Day of the Volunteer. During this occasion, the Corporate Volunteers and the Emergency Brigade of our organization received a well deserved homage. Our social partner, Fundana, Fe y Alegría and the Venezuelan Red Cross, attended the event. Our volunteers were the object of warm expressions by each one of the representatives of these institutions and at the event a micro was exhibited about the activities carried out in 2006. Later, a toast was offered within the spaces of the Acknowledgments Gallery.

Our Corporate Volunteers has carried out a series of activities aimed to raise awareness among our suppliers with the purpose of strengthening alliances likely to offer better responses to our community. In this sense, year by year we share these projects and initiatives with our social partners. The efforts focused on The Toddlers Villages in Fundana during this year are particularly outstanding.

### TEAM INVOLVED

The team of the Sales Direction donated an industrial kitchen to the Dr. Julio Criollo Rivas Pediatric Hospital.

The investment placed by this group of workers amounted to Bs. 3,99 millions and allowed to satisfy one of the most important needs of this health center.

This institution serves children from 1 month to 12 years old and it is ascribed to the Metropolitan District of Caracas Mayoralty. Its action radio encompasses the following parishes: Santa Rosalía, San Agustín, El Valle and Coche.

# OUR ENVIRONMENTAL COMMITMENT



In 2006, when we published our first Corporate Social Responsibility Report, we started to report on water, electricity and paper consumption in order to launch a process of rationalization of natural resources use.

We started by reporting our water and electricity consumption in bolivars. From that year on, we have been publishing these data in the corresponding measurement unit and by worker, taking into consideration that this would provide us with new tools to exert a better control and follow-up of these indicators.

## Paper consumption per customers 2006

Description	Management and purchase unit	Consumption (Management and purchase unit)	Consumption (Kgs)
→ Deposits, withdrawals, credit and debit notes	250-form packages	231,848	154,290
→ Savings and H&I books	Units	1,095,897	15,132
Consumo Total 2006 (Kgs)			201,803

## Paper Consumption per workers 2006

Management and purchase unit	Consumption (Management and purchase unit)	Consumo (Kgs)	Consumption per employee (kgs.)
500-page package	13,671	32,381	3

## Paper Consumption 2005 and 2005

Description	Management and Purchase Unit	2005 Total Consumption	2004 Total Consumption
→ Letter base paper	500-page package	32,380	39,114
→ Legal base paper	500-page package	5,406	8,537
→ Deposits consumption	250-form packages	213,305	186,244
→ Withdrawal consumption	250-form packages	44,625	58,358
→ Credit/debit notes consumption	250-form packages	10,012	9,718
→ Savings Accounts Books	Units	846,790	846,555
→ H&I Book	Units	74,400	43,970

(1) Results Annual Report, Hogar renacer

## Main Indicators

→ Water consumption	31,3 m <sup>3</sup> /person/year
→ CO <sub>2</sub> emissions from employees' vehicles	110,94 kg. CO <sub>2</sub> /person/year
→ Diesel equipment CO <sub>2</sub> emissions	1,66 kg. CO <sub>2</sub> /person/year
→ Power consumed	9,301 Kw/person/year

## Water Consumption 2004/2005

Year	Consumption (Bs.)
→ 2004	317,607,197.55
→ 2005	321,123,346.30

## Electric Power Consumption 2004/2005

Year	Consumption (Bs.)
→ 2004	5,709,389,975.15
→ 2005	6,143,045,767

Likewise, we incorporated a new indicator, the CO<sub>2</sub> emissions produced by our employees' vehicles and our diesel equipment, in order to start doing the corresponding monitoring.

## PAPER RECYCLING

We have encouraged our workers to participate in an internal campaign to recycle paper, which produced 47,600 kg. with a material value of Bs. 6,664,000 . The paper recycled is donated to the Non-Profit Civil Association Hogar Renacer Network which main purpose is to treat and reincorporate into society young people with drug consumption problems.

## OUR ENVIRONMENTAL COMMITMENT



### RECOVERY OF NEARBY SPACES TO CIUDAD BANESCO IN BELLO MONTE

In 2006, we carried out the following improvements in the nearby zones to our head office, Ciudad Banesco, which have been very useful to the community.

Remodeling and improvement of Lincoln Square. We remodeled all the interior sidewalks, the Abraham Lincoln sculpture, as well all the garden and lightning.

Construction of sidewalks located at the southern area of Ciudad Banesco, from the Lincoln Square to La Sorbona Street. We recovered for the community all the sidewalks at the south of Ciudad Banesco according to the project designed by Baruta Mayoralty, which included paving, sidewalks expansion, services relocation, new lightening and vegetation.

### Investment in Colinas de Bello Monte

Contractor	Work	Amount Bs.
<b>2003</b>		
CA. Fabrica Nacional de Cementos	Concrete for sidewalks	26,707,840.00
Barinas Ingeniería, C.A.	Vial signaling and demarcation	23,467,552.32
Pavimentos Guayana, C.A.	Concrete stamped on sidewalks	13,515,989.40
Pavimpeca 7335, C.A.	Concrete stamped on sidewalks	16,527,213.68
Proyectos y Construcciones Flexo, C.A.	Traffic lights relocation	1,699,632.00
Togar, C.A.	Traffic lights system improvement	10,296,972.36
<b>Sub-total 2003</b>		<b>92,215,199.76</b>
<b>2004</b>		
Inversiones y Construcciones GM 200, C.A.	External civil Works	57,371,334.55
Inversiones y Construcciones GM 200, C.A.	Civil Works sidewalks northern side	336,024,297.77
CA. Fabrica Nacional de Cementos	Concrete for the sidewalks	13,021,812.00
Pavimentos Guayana, C.A.	Concrete stamped on the sidewalks	14,415,800.39
Pavimpeca 7335, C.A.	Concrete stamped on the sidewalks	1,682,980.20
Color Depot, C.A.	Painting for bridges railings	589,280.00
Carimon Pinturas, C.A.	Painting for bridge	4,129,650.00
Pinturas Termoplásticas Termopin, C.A.	Vial demarcation	8,426,003.84
<b>Sub-total 2004</b>		<b>435,661,158.75</b>
<b>2005</b>		
Pavimpeca 7335, C.A.	Concrete stamped on the sidewalks	287,500.00
Inversiones y Construcciones GM 200, C.A.	South sidewalks construction	238,224,238.73
<b>Sub-total 2005</b>		<b>238,511,738.73</b>
<b>2006</b>		
Inversiones y Construcciones GM 200, C.A.	South sidewalks construction	185,737,922.49
Inversiones y Construcciones GM 200, C.A.	Concrete stamped on south sidewalks	93,308,786.03
Inversiones y Construcciones GM 200, C.A.	South sidewalks construction, from Edif. Arno/Fondo Común	436,967,212.47
<b>Sub-total 2006</b>		<b>716,013,920.99</b>
<b>Total Bs.</b>		<b>1,482,402,018.23</b>

### EQUIPMENT RECYCLING

Organizations and institutions that carry out a social work within the community request Banesco the donation of furniture and equipment for their offices. In our financial institution it's a traditional practice to evaluate these requests and give up computers and furniture which have been discarded from our offices but still useful. Our managers and branches are involved with the community where they work and give the appropriate response to this requests.

### Equipment and Furniture Donations

Institution/Organization	Amount	Furniture/Equipment
Air Support Off-Base Nº 5	27	4 chairs, 2 filing cabinets, 5 tables, 1 sofa, 4 small cabinets, 1 typewriter, 10 wastepaper baskets
Special Retirement Fund for Caracas Metropolitan Mayoralty's workers	27	4 chairs, 2 filing cabinets, 5 tables, 1 sofa, 4 small cabinets, 1 typewriter, 10 wastepaper baskets
Rafael Urdaneta Municipality Police Corps	16	10 wastepaper baskets, 2 filing cabinets, 2 tables, 2 chairs
Artigas Community Center for Students development and Protection	55	55 wastepaper baskets
Andrés Bello Catholic University (UCAB)	77	10 chairs, 10 desks, 7 filing cabinets, 50 wastepaper baskets
Dr. Julio Criollo Rivas Children's Hospital	85	16 chairs, 2 sofas, 3 tables, 12 filing cabinets, 4 small cabinets, 50 wastepaper baskets
José María Vargas Medicine School – UCV	4	4 chairs
AVIEC	53	2 sofas, 30 wastepaper baskets, 10 chairs, 2 pieces of furniture, 2 filing cabinets, 4 tables, 3 small cabinets
IPC (Cátedra Libre Antidrogas)	100	100 wastepaper baskets
CEBIA, Dr. José de Jesús Araujo	4	4 chairs
Maria Rosa Moles School	6	4 small cabinets, 1 filing cabinet, 1 table
Guaraguato School	26	2 filing cabinets, 20 wastepaper baskets, 4 chairs
San Benito Scouts Group	31	8 chairs, 2 pieces of furniture, 5 filing cabinets, 2 tables, 2 small cabinets, 2 typewriters, 10 wastepaper baskets
Private School La Milagrosa	27	4 chairs, 2 pieces of furniture, 2 filing cabinets, 2 small cabinets, 2 typewriters, 15 wastepaper baskets
Maristas Brothers of Venezuela	60	20 chairs, 3 showcases, 2 pieces of furniture, 1 filing cabinet, 34 wastepaper baskets
Brigade 513 (Army)	68	25 chairs, 10 filing cabinets, 5 tables, 8 showcases, 20 wastepaper baskets
Pre-school Dr. Pastor Oropeza	18	2 showcases, 2 filing cabinets, 4 filing cabinets, 10 wastepaper baskets
National Guard Antidrug Command – Training Center for Dogs	19	7 chairs, 2 filing cabinets, 10 wastepaper baskets

## Donation of Used Computers

Institution/Organization	Amount	Institution/Organization	Amount
Training School for Officers of the Cooperation Armed Forces	4	LPB Gustavo Machado	2
Barinas State Police Command	5	Venezuela's Red Cross	2
Guayana Doicese's Media Office	5	Luis Cárdenas Saavedra National School	5
Brigade 513 (Army)	1	Padre Mendoza Basic National School	20
Support Off-Base N° 5	2	Santísima Trinidad School	6
Mireya Vanegas National School	5	Division Against Robbery – CICPC	4
Children Development Center- School District N° 5	2	José González Navarro	1
Social Security and Wellbeing Direction, National Guard	4	Falcón Educational Zone, District N° 01	2
León Trujillo National Basic School	1	Georgina de Arias Basic School, Santa Ana de Coro	2
AVEC- House of support for the teacher	2	Hospitalized Child Friends Committee, Falcón	2
IPC Cátedra Libre Antidrogas	5	Vicente Emilio Soja Basic National School	3
San Judas Tadeo School	1	Dr. Pastor Oropeza (IVSS)	2
UCAB	20	CICPC El Vigía Sub-delegation	3
Dr. Julio Criollo Rivas Children's Hospital	10	Lya Imber de Coronil Pre-school	2
José Alberto Hernández Parra School	6	Deaf Workers Association (Miranda state)	2
Caracas for the Children Foundation/Lya Imber de Coronil Metropolitan Center for Integral Education	6	Nuestra Sra. Del Carmen Parish – Carmelitas Sisters	1
Pedro Nolasco Colón Music School	2	Foundation for the Integration of Disabled People and Community Support	10
Carora Firefighters	2	José Alberto Velandia National School	10
Fried of Linda Loaiza Foundation	8	Citizens' Action against AIDS	4
Prudencia Esaa Music School	2	La Milagrosa Private School	2
National Institute of Parks – Special Program on Fires, Search and Rescue- El Avila National Park	2	Delio Amado León Civil Association	5
Dr. José de Jesús Arocha Basic School for the Youth and Adults	2	Barlovento Black Theater	2
Caricuao National Pre-school	2	Virginia Gil de Hermosa School	2
Teotiste Arocha de Gallegos Nursery	2	Salesian Ladies Association	20
Commerce Night Institute El Valle	2	Maristas Brothers of Venezuela	20
Friends of the Child with AIDS Foundation	6	Venezuela's Alzheimer Association	2
La Vega Parish, Office of the Civil Authority	2	Rafael María Baralt Pre-School	2
Radio Gulima Comunitaria Foundation	2	Scouts of Venezuela – San José de Calasanz Group	2
José Antonio Calcaño Basic National School	4	Scouts of Venezuela – General Direction	2
Trayecto Danza	2	Robinson Mission	1
Juan Rodríguez Suárez Basic National School	4	Luisa Amelia de Vegas Family Center – ADIC	15
Sisters of the Good Shepherd	4	Rafael Urdaneta General Atelier (school)	3
Caricuao Psycho-educational unit	4	Sucre Mission Coordination Division – Táchira State	2
Miguel Antonio Caro Bolivarian School	4	UNEFA – San Cristóbal	2
CEIC Gabriela Mistral	2	El Junquito Civil Authority Office	1
Caracas Metropolitan Institute for the Youth	5	Hogares CREA de Venezuela – Caracote	1
Los Mangos National School	2	Santa María de Guana Missionaries Center	2
		Consuelo Navas Tovar Basic State School	2
		Dr. Humberto Fernández Morán School	3
		Total equipment	318
<b>Total Bs.</b>		<b>72,680,000</b>	



## Social Investment Total

Activity	Amount Bs.
Social Action in the community	13,070,173,946.6
Banesco Corporate Volunteers	30,002,196
Investment in Colinas de Bello Monte	1,482,402,018.23
<b>Total Bs.</b>	<b>14,582,578,160.83</b>

# OUR CUSTOMERS

## QUALITY SERVICE IS OUR NORTH

Year after year, our main commitment is to the service and quality we offer to our customers and the general public. Banesco's standards in terms of service are outstanding not only within its peer group in the financial sector, but also in other categories and they are based on attributes that allow the permanence and faithfulness of our customers.

### Mechanisms for Excellence

The evaluation of our services is an integral part in our efforts to guarantee quality, allowing us in turn to manage and keep the standards established by our organization. A culture centered in the customers, their needs and expectations drives us to implement follow-up and control programs on a permanent basis of the different services and channels offered by Banesco.

Through the programs "Services Audit" applied to our network of agencies, e-channels, commercial clients and specialized banking, among others, we make a follow-up to the quality management indicators, taking into account our customers' opinion and attention segments.

All this is possible with the support of a series of monitoring and attention technological tools, such as the "Integral System of Requirements (SIR by its Spanish acronym), which allow the post-sales management of services and support for all the products provided by the organization, guaranteeing in the process the emblematic standards of our organization.

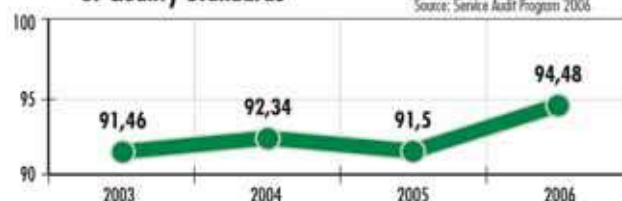
### The Customer's Voice

According to the values obtained at the end of 2006, Banesco service performance got an average score of 6.11 points measured with a scale where 7 is the highest score. These levels are the result of the managerial efficiency as well as the support provided by all the areas that leverage the operations of our services. This, in turn, allows us to assert that Banesco keeps its high quality levels and we also count on the required input to understand what we need to work on and improve in order to increase this score, so as we could reach the excellence levels that our customers deserve.



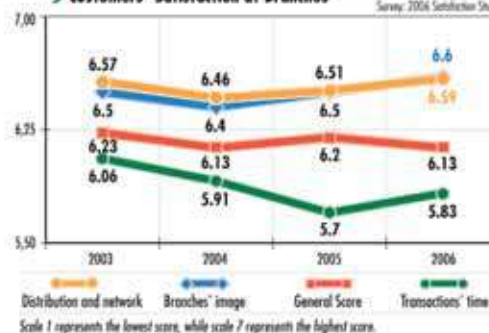
### Audits of Services – Fulfilment of Quality Standards

Source: Service Audit Program 2006



### Customers' Satisfaction at Branches

Survey: 2006 Satisfaction Study





#### ALL OUR PROCESSES TAKE INTO ACCOUNT THE "CUSTOMER'S VOICE"

Banesco's strategy is focused on understanding, anticipating and satisfying our customers' needs.

#### Satisfaction Studies per Segment

Monitoring the customers' satisfaction allows us to observe the aspects to be improved and growth potential in each segment, anticipating at the same time the users' needs:

##### *Service Audits in Agencies:*

These instruments validate the fulfillment of the standards established by the Organization to provide the service. We got an average score of 6.111 with a 7 scale in relation to the satisfaction with the service rendered by Banesco's agencies.

**Specialized Banking:** Study conducted among the customers of our Corporate Banking, Companies, Energy, Farming and Government. Banesco got an average score of 4 points over 5 in quality service.

**Commercial Clients:** Study conducted in the cities with the highest penetration rate. Banesco was the preferred bank by 2/3 of the clients affiliated.

**BanescOnline:** The analysis per transaction allows the identification of high use levels among the customers of this channel. We got 4.6 points of satisfaction with the service in a 5 scale.

**Telephonic Banking:** For this period we can claim that the average waiting time is 39 seconds, while the service quality of our operators was of 6.40 in a 7 scale.

#### Brand Equity in Venezuela and Advertisement Follow-up

**Brand Value and CSR:** This measurement reveals that the levels of brand awareness have reached to the top (between 96% and 99% of the mentions) with marked preferences in customers and no-customers. This means that Banesco is the most aspirational bank in the domestic market.

#### DIRECT CONTACT

With the purpose of developing closer relations with our customers, listening to their requirements and satisfying their expectations, we carried out, as in the previous years, a series of tours through different Venezuelan regions. In this way, the Board of Directors held meetings in Barquisimeto, Valencia and Maracaibo in order to define its business strategy for the region in 2006. Likewise, several encounters were organized with the different customers of the bank at each of these cities.

We also visited Puerto Ordaz, Puerto La Cruz, Punto Fijo, Maracay and Mérida.

Likewise, we organized a series of conferences about the granting of credits through the Mandatory Housing Savings Fund (MHSF) in Caracas, Valencia, Maracay, Barquisimeto and Puerto La Cruz.

We travelled around the country to carry out a direct promotion of our products: Multicredit 48-hour, Microcredits, Extracredit and Banesco Credit Cards. In July and August we held meetings in Falcón, Carabobo, Nueva Esparta, Los Roques, Miranda, Anzoátegui y Mérida to discuss a package of credits addressed to those tourism suppliers duly registered in the National Tourism Registry.

**Purchase Patterns and Media Use:** We validated the preferences of key audiences in terms of the media. This represents an important input to plan and manage in relation to the media in the search of the highest efficiency of our investments.

**Advertising Tracking:** The results of this period show that Banesco brand is still the indisputable leader in terms of advertising recalling, with an advantage above eight points against its closest competitor.

#### Phone Center

An average of 3.09 million calls and 1.65 million transactions per month were recorded, with a 90.67 IVR.

In the area of authorizations, the general level of approval of Credit Cards (national and international) totaled 84.24%, with a 90.15% of national approval and a 3-point improvement against the second half of the previous year <sup>1</sup>

<sup>1</sup> Sources: Market Study JCI: Branches Satisfaction Survey, Advertising Tracking, Commercial Customers, Media and Use Patterns - Ruperto Gómez/Statistics Processing: Specialized Banking, Private Banking / Premium, BanescOnline and Phone Attention Satisfaction Survey- Keystone Tactic Marketing: Brand Equity Study, Mercaconsult S.A.: CSR Study P{

## OUR CUSTOMERS



### ALWAYS INNOVATING FOR OUR CUSTOMERS

#### Free Vacations

In order to promote the public's preference towards Banesco Credit Cards, we launched at the beginning of the second half of the year our promotion Free Vacations, through which Banesco exonerated all consumptions made by 200 winners between July 15th and September 15th.

#### Special Discounts to Return to School

As education is one of our priorities in Banesco, we offered the promotion Return to School, with discounts up to 10% over the tag price in commercial outlets and chains when the payment was made with any of Banesco Credit Cards.

#### PromoCredit

Following our guidelines of promoting the best credit offers in the financial market, we launched a promotion that counted on the participation of new customers of our products MultiCredit 48-Hour, ExtraCredit and CrediCar, with which Banesco paid the credit granted to the winners. We handed out 100 prizes.

#### CrediCar via Internet

Credits for Vehicles was the innovation of the year. Now is much easier and faster getting the approval of your credit to buy a vehicle. With CrediCar via Internet your credit is immediately pre-approved and you must have to present the documentation required for the final approval.

#### Your purchase can be for Free!

A unique promotion to close the year: Banesco's Awarded Ticket. 5,000 customers were instantly awarded when they paid their purchases with Banesco Credit Cards at a Banesco Point of Sale.

### EVERY ROAD DRIVES US TO OUR CUSTOMERS

#### Educating our Customers in the matter of Security

In 2006, we carried out a continuous program of education addressed to our customers and the general public about safe transactions in order to promote the prevention against fraud through the different electronic channels. This campaign was supported with ads in the written press, in the radio, fliers accompanying the account statements and poster displayed in our branches.

#### Banesco Express

In 2006, Banesco launched a new concept in customers' service: Banesco Express with Customized Service. With a presence in Los Ruices and Petare, we provide our customers with faster operations.

#### 413 service points

Our consolidation as the industry leaders in terms of agencies is getting stronger and during the second half of the year we opened the following points of service:

- **Caracas:** Casa Mall Los Naranjos, Banesco Express Petare.
- **Los Teques:** Miranda Regional Government Palace.
- **Valencia:** General Motors external teller.
- **Mérida:** Mérida's Market external teller.

- **Apure:** San Fernando de Apure Satellite
- **Cumaná:** Carúpano Municipal Market, Popisca Carúpano.
- **Puerto Ordaz:** El Dorado Shopping Mall.

#### **Present in Spaces that Move the Country**

- We were present at the Caracas and Maracaibo Auto Shows, where our clients got information about car loans, especially about the innovative CrediCarro through the Internet.
- Additionally, we promoted our credit products at the International Fair celebrated in the city of Barquisimeto.
- In Caracas, we participated at the International Franchises Exhibition, offering our Microcredits.



#### **In Venezuela, baseball is written with the B of Banesco**

- We sponsored several games of the Venezuelan Professional Baseball League during the 2006 season through the Banesco Cup, which was fought for at the different games celebrated in the cities of Maracaibo, Valencia and Caracas.
- **Tradition with its own light:** We sponsored the ignition of the Samán in the city of Valencia, thus initiating the 2006 Christmas. This contributed to the promotion of the Christmas tradition of the citizens of Carabobo.
- We were present at 38 shopping malls nationwide, with the physical presence of our brand and with our presence in the most important activities in the commercial sector. Thanks to this, we are the most remembered brand in shopping malls across the country.

#### **Do it yourself... Banesco Self-Service**

We launched an aggressive campaign through the media to promote the innovative Self-Service Equipments located in the main branches of Banesco throughout the country, offering convenience and speed for the request of bank references, bank statements, deposits, and more!... and with no waiting in line.

#### **Cash Management Services**

A 24.70% increase for transactions, and a 55% increase for amounts managed through payroll payments, suppliers payments, and standing orders; as well as a 34.95% increase in affiliated members.

We have around 5,000 clients affiliated to payroll, suppliers, and standing orders services; and a total Bs. 17.5 trillion were processed this year..

#### **Collection Services**

In 2006 we collected Bs. 8.4 trillion, 78.58% over 2005 collection, with a total of 3.1 million transactions, which equals to a 41.09% growth compared to the number of transactions performed last year.

#### **NOT EASY ... VERY EASY!... BANESCO ELECTRONIC BANKING**

For the closing of 2006, BanescOnline shows an annual average of 9.14 million transactions and Bs. 1,154 billion; 136% more than 2005.

## OUR CUSTOMERS



We launched the innovative “Banescó Text Messages” SMS text messaging system, for the inquiry of data and movements through cell phones, by registering 20,000 clients in just a few months.

We remain leaders in transactions as acquirers of the Conexus and Suiche 7B automatic teller machines systems.

At the closing of 2006, average transactions through electronic channels experienced a 35.77% increase, with an average participation of 76.09% in the total transactions of the organization, which represented a 2.69 points improvement compared to the closing of 2005.

Banescó has 913 automatic teller machines, 176 self-service equipments, and the widest network of dispensers and points of sale (POS) in the market, with 246 and 26,979 devices, respectively.

- Average transactions, as issuer and acquirer of automatic teller machines, experienced a 21.1% and 16.6% increase respectively, compared to last year, which allows us to remain leaders in transactions as acquirers in the Suiche7B and Conexus networks, with a 17.22% average market share.
- A 82.3%, 32.99% and 44.03% growth was achieved in the monthly average for transactions processed by the Self-Service, Check books dispensers and Points of Sale in businesses networks, respectively.

### BanescóOnline

- We achieved a 61.4% increase in the average transactional volume, and increased our registered customers base in 41%, compared to the closing of December, 2005.
- We managed an annual average of 9.14 million in transactions, and Bs. 1,154 billion in amounts, 136% more than 2005.
- We launched our product CrediCar through the Internet.
- We installed, for the comfort of our customers, the new

functionality of Movilnet payment for prepayment and post-payment services.

### An everlasting reference in the plastic market

For the second half of 2006, Banescó experienced a 75% increase in sales with Credit Cards, maintaining its leadership in the Venezuelan market.

### Debit Cards Issuing Business

- Banescó reaffirms its leadership in the debit cards market in Venezuela, increasing its POS sales participation to 20.77% by the closing of November 2006, which accounts for a 2.09 points increase against December 2005 (18.68%); and widens the gap with the closest competitor in 2.85 points.
- In order to offer a better service, we developed strategies to increase approval levels of debit transactions, anticipating the needs of cardholders during periods of more consumption, and offering more availability of the funds in their financial accounts.

### Credit Cards Issuing Business

- For this half of the year, a 75% increase in sales was recorded, exceeding 3 million cardholders. We are still the leaders in the Venezuelan market.
- We enhanced the reach of the Extracredit product to the category of travels, reinforcing this launch with the promotion “Get dressed. You are going”, for which strategic alliances were forged with three large travel wholesalers in the country (Canguro, All Ways Tours and Carnival).
- In order to increase the loyalty of our clients to this product, for Christmas we launched the promotion “Your shopping could be free”, by which 5,000 clients would benefit instantaneously, right when they make their purchase.

### CREDITS FOR ALL

With the objective of financing the construction of housing developments, our credits management placed Bs. 300 billion, which reflects a 106.90% growth.

### Credits for microentrepreneurs move forward

At the closing of the second half of 2006, the Banescó Microcredits portfolio was Bs. 372 billion, which indicates a 61.05% growth against the first half of 2006, and of 141.90% compared to the second half of 2005.

Banesco managed to climb during 2006 from the 4th to the 2nd. position in the national banking rank in this mandatory portfolio, thanks to the following strategies:

- Opening of branches in popular areas, including sectors that did not receive banking services.
- Development of products specifically aimed at the micro-financial sector.
- Advanced technological platform.
- Aggressive reductions in response time for credit requests.
- Competitive interest rates policies.
- Continuous improvement of the professional training of the staff.
- Promotion of products associated to microcredits in points of sale.

This way, Banesco fully complies with the regulations in terms of financing to microentrepreneurs, exceeding the provisions of the Creation, Encouragement, Promotion and Development of the Microfinancial System in Bs. 179 billion and 2.79 points. The percentage required in terms of the gross credit portfolio for the first half of 2006 is 3.00%, and Banesco kept 5.79% of such portfolio to the closing of the second half of 2006. The Banesco microcredit portfolio's default index turned out to be lower by 1.71 points, against the average of the national banking system (2.79%), which highlights the quality of our portfolio.

### Mortgages

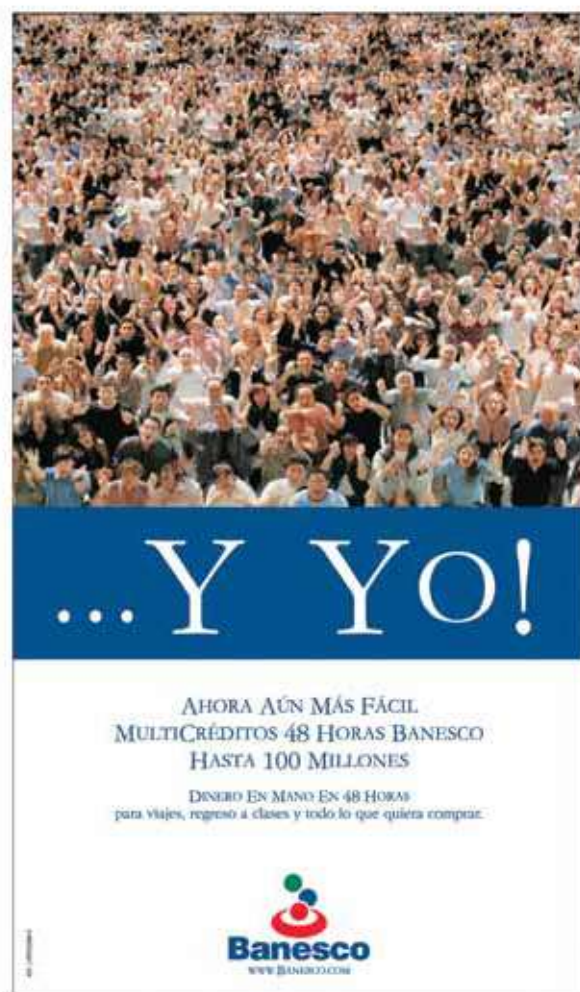
Our leadership in the gathering of resources for the Mandatory Housing Savings Fund (MHSE) is ratified, and we achieved a record figure in new housing savers, through the affiliation of important companies from the public and private sectors, with a 27.53% of the market share.

The contributions made by Banesco were Bs. 306 billion for the closing of 2006, which accounts for a 37.73% increase compared to the closing of the first half of 2006, and 65.76% for the closing of the fiscal year of 2005.

Banesco sets its mortgages portfolio for the acquisition of houses in Bs. 1,204 billion. Thanks to this, 14,516 new families have their own home.

During the last six months, the placing of these loans was significantly increased, by granting Bs. 551 billion among 7,753 families, with high service quality and record response times.

Long term mortgages with equities reached Bs. 213 billion. We fully complied with the regulations in force in the matter



of financing for the acquisition of homes with subsidized interest rates, exceeding in Bs. 57 billion and 1.11 points the provisions established on the Special Law for the Protection of the Mortgagor, where 3.00% is the mandatory percentage for the gross credit portfolio for the closing of 2006. At the closing of the second half of 2006, Banesco kept 4.11%.

The management for the granting of credits to the construction sector aimed at financing housing developments experienced a significant increase by the placing of Bs. 300 billion during 2006, which reflects a 106.90% growth, compared to the resources allocated to this important sector during 2005.

It is important to mention that the construction financing had the exclusive objective of complying with the Special Law for the Protection of Mortgagor, implemented in early 2005, allocating an important part of our own resources to the financing of works with subsidized interest rates (9.87% for the second half of 2006).

Families of the main cities of the country (Valencia, Maracaibo, Puerto La Cruz, Barcelona, Margarita, San Fernando de Apure), with monthly incomes between 55 and 150 tributary units, will be benefited by these new housing developments financed by Banesco, through the acquisition of quality houses in a primary market and with highly com-

## OUR CUSTOMERS

petitive prices (between Bs. 55 billion and Bs. 165 billion), in accordance with the regulations ruling the matter.

### Credits for the Tourism Sector

For the closing of 2006, Banesco granted Bs. 112 billion for the financing of tourism, thus contributing to this important sector of the economy and to the national development, with a 14.57% market share.

### Car Loans

Our portfolio was increased by Bs. 135,453 billion (1.328%) against the closing of 2005, to end up with Bs. 145,651 billion, comprising a quality portfolio, since the percentage of bad debt is only 0.05%.

We ended the year in the 7th place of the banking rank, which accounts for an advancement of 10 spots compared to the size of the portfolio at the closing of 2005, when we were in the 17th place. Additionally, we have actively participated in the granting of credits for the Venezuela Mobile Program. About 35% of the requests received are under this modality at the moment.

With the motto “Now the bank comes to you”, Banesco’s Community Banking started its pilot plan in August 2006, by approving 1,412 microcredits for Bs. 6,139 million for the closing of the year, 2% above the expectations.

Banesco’s Community Banking has exceeded expectations for the demand of financial services and products by persons and sectors excluded from the banking sector, during its first five months of operation.

### COMMUNITY BANKING

Community Banking started operating through a pilot program in August 2006, and by December 31st it had already approved 1,412 microcredits amounting to Bs. 6.139 million, thus exceeding the estimated goals. The recovery of credits has been excellent, as shown by a percentage of bad debt of just 0.1%.

#### Innovative banking model

Turning the slogan “Now the bank comes to you” into a reality, five community branches were opened in La Vega, Catia, Petare, Antímano and in La Isabelica in Valencia; which count on community consultants to personally receive the credit requests presented by microentrepreneurs.



This innovative banking model has a network of 56 commercial allies located in the different popular areas of the city, offering withdrawal, deposit, inquiries and transfers between accounts, as well as management of credit requests, accounts opening and affiliation to savings plans.

The banking model also offers access to the traditional Banesco points of sale, network of automatic teller machines, Self-service equipments at Banesco branches, Internet banking through [www.bancacomunitariabanesco.com](http://www.bancacomunitariabanesco.com), and phone customer service through 0-500-TUBANCO (8822626).

#### Saving alternatives

The acceptance of passive products has been excellent, and it is possible to open an account with zero bolivars; which can be managed with a debit card through the businesses identified with the inscription “Banesco Community Banking”. 3,141 Community Accounts were opened through this modality, for a total of Bs. 1,455 million.

Another alternative for low income savers is the “Step by Step Savings”. This instrument allows for the saving of an amount agreed between the saver and the institution, starting from 3 months with amounts that start at Bs. 5,000, and that shall be paid every week, every two weeks or every month. We comply with one of the main objectives, Community Banking.

Banesco has contributed to the inclusion of popular sectors into the banking system. We find that 48% of the customers have had access to credits for the first time, and 26% has opened an account in a bank for the first time.

This way, Banesco Community Banking becomes a profitable business with social responsibility, contributing to the development, education and independence of popular communities in the country.

## SEGMENTED BUSINESS

### Agricultural Banking

Agricultural Banking stood out in the second half of 2006 because of the liquidation of 512 new credits for a total amount of Bs. 473 billion.

Banesco's agricultural portfolio grew 102% and complied and exceeded the goal established by the Law at 109% by the closing of 2006, with a Bs. 906 billion portfolio, with 1,090 credit operations, for a total of Bs 1,098 billion in distribution, standing out the liquidation of 512 new credits during the second half of the year for a total amount of Bs. 473 billion.

Thanks to the support of the technological area, the Comprehensive Financial Analysis System for Agricultural Credit was developed.

Last, with the objective of improving customer service, information about agricultural banking products, customer service centers and requirements was made available to the public through the web page [www.banesco.com](http://www.banesco.com).

### Energy Banking

By the closing of the 2006 fiscal year, Banesco is the first bank in consolidating the national energy sector with a credit portfolio of Bs. 874 billion, and a passive position of 2 trillion bolivars.

We are the first bank to consolidate the energy sector by approaching the electrical, iron and steel, metallurgic, oil, gas, and petrochemical sub-sectors on a national level, with a structure supported by highly qualified personnel for customer service, which allowed for the closing of 2006 with a credit portfolio of Bs. 874 billion, and a passive position around 2 trillion bolivars.

### Premium Segment

By December 2006, a 92% growth was recorded in the premium credit portfolio, with increases of 81%, 89%, 93%, and 202% for mortgage, commercial credit, microcredit, and vehicle credit, respectively.

By the end of the second half of 2006, the Premium Vice-Presidency showed a 52% increase in the passive portfolio compared to the first half of the year, improving the acquisitions structure in 15%: 61% on sight, and 39% fixed term.



## OUR CUSTOMERS

The Premium Segment has a 17% share of the network's passive, showing a 27% growth of the customers of the segment. For the achievement of the strategic intention, aimed at keeping a significant presence in the branch's network, 29 new consultants were incorporated, for a total of 182 nationwide. The Premium Segment is present in 65% of the Banesco Network.

One of the greatest challenges for 2006 was the placing of credit lines in check accounts, reporting a 71% increase in liquidated lines.

The financial intermediation index reached 24.39%, with a weighted average interest rate above the required levels, and a profitable spread, product of the continued and accelerated growth of the assets portfolio.

The process of acquisition of Premium consultants included training aimed at the development of their capabilities and abilities for selling of products, thus achieving a larger penetration of the market.

### Trust

The trust portfolio experienced a 24% increase to close at Bs. 6,112 billion in December, which accounts for Bs. 1,203 billion (24%) increase during the second half of the year.

The portfolio is disaggregated as follows: Bs. 3.5 trillion correspond to private sector assets (58%), and Bs. 2.5 trillion to resources from the State (42%), centralized and decentralized organizations.

30% of the funds correspond to administration trusts (Bs. 1,796 billion); 37% security trusts (Bs. 2,287 billion); 22% collectives (Bs. 1,369 billion), and 9% to investment trusts (Bs. 542 billion).

Businesses encompassed 6,554 plans, out of which 4,460 are administration trusts, 831 are collective, 1,212 are investment, and 49 are security.

Banesco, as fiduciary institution, ranked second compared to the private sector banks, with a Bs. 6,122 billion portfolio, and a 21.37% share. In terms of the total fiduciary market, Banesco ranked fourth, with a 7.84% market share.

With the support of the technology area, new functions were developed for the administration of trusts, and critical processes were improved. Additionally, the migration, conversion, and data quality was made for the Payment Administration trusts.



## RISK BUSINESSES SPREADING RISK MANAGEMENT

### Operative Risk

For Banesco, 2006 was a year marked by important steps forward in the spreading of operative risks management in the critical areas of the Organization, once the operative risk management model was established in the critical processes of its network of branches, achieving the definition of the profile and of the key indicators to measure and control them through the design of strategies to mitigate identified risks.

Within the framework of the methodological design and the alignment with the best international practices, the development of the operative risks management methodology for new products and services was completed. This methodology, along with the corporate approaches (top down), and by critical processes (bottom up), complete the comprehensive management of operative risks in the values chains of the Organization, providing competitive advantages and ratifying us as leaders in risks management in the financial sector.

### Information Safety and Business Continuity

Important improvements in the structure of the Organization accompanied the goals achieved, giving an answer to the need for constant changes and adaptability, in order to boost and develop research capabilities in new handling and response to incidents technologies.

Moreover, the integration of the different business continuity plans was started, resulting in the development of recovery procedures for the most critical processes. The elements of the technological platform supporting the processes were evaluated, and the improvements identified were executed.

New mechanisms and processes to extend and strengthen the information safety monitoring capabilities, to provide a safer treatment of data in production environments, to advance in the centralized administration of identities, and to incorporate automatic improvements to the customers identification process were defined and activated.

Operational continuity was also a special focus of attention, highlighting the aspects such as safety incidents, and phishing cases detected and solved in a fast and efficient fashion. The centralization of information safety administrative functions was also launched, thus complying with regulations established by regulatory agencies and the best international practices, paving the way of our organization towards the ISO international safety certification.

In 2006 the area had an active participation in the coordination with external entities, specifically with Suiche7B and the Banking Association, resulting in the improvement of the exchange control mechanisms, as well as the information safety requirements all banks affiliated to the network shall comply with, requirements that allow for the mitigation of the risk exposure levels associated to this service.

Likewise, we continued the strengthening of the culture in these areas through the 3rd Information Safety and Business Continuity Conference.

## EFFECTIVE OPERATIONS

### CADIVI

As of November 5th, 2006, the CADIVI Customer Service Manager's Office, until then attached to the Operations Vice-Presidency, became an integral part of the International Push Manager's Office, with the purpose of aligning sell strategies inside the strategic planning of the Organization for 2007. Thanks to the support of the Technology area, the comprehensive automation of the processes related to currency between Banesco and regulatory entities (CADIVI and BCV) was carried out.

### Vault

In order to obtain a technologically feasible tool for the

decision making process on cash inventories, the project about the study of feasibility of the Cash Projection Module was completed. The evaluation includes the possibility of continuing with the selection of a technological activator, which shall begin to materialize itself starting on the second quarter of 2007.

### Central Test

Establishing of a mathematical control, consisting of the random and automatic selection of an average of branches, notifying the different irregularities detected in its areas on a daily basis, with the objective of minimizing frauds and financial risks.

### Clearing

The monitoring of the clearing platform has the added value of generating a report of the faults or drops of any service that could take place during the operation of the Clearing House.

## TECHNOLOGY AT THE SERVICE OF OUR CUSTOMERS

### Computer Science Quality

#### *Quality Assurance*

The first phase of the project for quality assurance was successfully completed, including check-up lists and process design, which guides us to solid achievements for 2007.

#### *Architecture*

Architectonic evaluations are made on critical applications for the Organization, which represent a competitive advantage for the business, among them: Visual Banker, Electronic Payment, Interfaces and channels, Comprehensive Banking Management System.

#### *Methodological Framework*

- Total Mentorships Consulting in 11 sessions to user projects: Comprehensive Commercial Management System, Document Management.
- Methodology supplied to 14 projects.
- Integration with *Software Factory*.
- Publication of three informative bulletins.
- The first outdoors session with vice-presidents and managers of the automation division was held to define establishment strategy for 2007.
- Designing of the Rupcorb Fundamentals course, Banesco version. Training session for 90 people and 25 leaders, including the business areas.

## OUR CUSTOMERS

### Activator for the Administration of Requirements and Information Systems Maintenance

Release of the interface with the internal services platform: Service Desk, which extends the universe of users to everyone with access to the Intranet; establishment in Executive Vice-Presidencies for Quality and Processes and Control to 203 users, achieving 9,328 requirements processed from July to December 2006, over 342,30% compared to the same period in 2005.

### CUTTING-EDGE TECHNOLOGY

We could mention some achievements that will benefit different areas of the Organization in order to consolidate our leading-edge technology.

#### Human Capital

- Services platform for distance training (*e-Learning*).

#### Treasury

- New functions in Administration of Custody of Security Certificates.

#### New functions in Administration of Custody of Security Certificates

- Technological authorization for loyalty programs.
- Technological adaptation for cell phones refill at lottery operators.
- Strengthening of the technological platform of automatic teller machines.
- BanescOnline Trust.
- Fares and Commissions.
- Strengthening of the collection and incorporation platform for the payment of the Electricidad de Caracas electrical service by branch and Internet.
- Community Banking - *Internet Banking*.
- Increase of capabilities and availability of critical Internet services.

#### Credit Cards and Collection Management

- Release Visa October 2006
- Sells Receipt project.
- Revision and Renewal of Cadivi Modules Certificates 2007.
- Automatic payment generation, information and technological activators by drawing lots and promotions with credit cards.
- Comprehensive Cards Management System.

- Multiple load of credit cards requests process by customer.
- Massive automatic increases of credit limits and cards.
- Activator for the collection management through text messaging.

### Support Systems for Businesses and Processes Automation

- Community Banking: Programmed Savings, Electronic Account, POS Web, Statistical Module
- Businesses Plan Account.
- Promotion "Raise your own wage."
- Special payments plans refund of massive payments.
- Control of Capitals Legitimization.
- Cash Extracredit.
- Purchase of credit cards balance.
- Alarms module for missing customer data.

#### Quality and Processes

It is worth mentioning the achievements in the following business areas:

**Technology and Risk:** Establishment of processes and of the "Agent" technological activator to efficiently support the managing of simple payments and investments administration, and thus satisfy the present demand and increase the capabilities for new businesses.

**Treasury:** Establishment of the Corporate Table to see the corporate customers directly through the Treasury Vice-Presidency, which allows for a shorter and more effective negotiation cycle to close operations and make better use of the business opportunities.

# OUR SUPPLIERS

We consider that service and products suppliers are our allies in the success of the organizational work. We offer them transparency and equality as the main criteria in our relationship, and we are responsible and punctual in the payment of their services. Moreover, we promote among them the application of the principles governing our Corporate Social Responsibility Policy.

In 2006 we established relationships with 1,642 suppliers, thus ratifying our commitment to the national industry, to which we paid 495,741,707,000 bolivars.

## Suppliers 2005

Service	# Suppliers	% of Total
Stationary	46	2.24
Transportation, valuables, mail and courier service	61	2.97
Training	73	3.55
Travel Agencies and Hotels	133	6.48
Real Estate Rental	141	6.86
Administration Services and Condominium	173	8.42
Advertising and Marketing	287	13.97
Consultancy and Management Consultancy	289	14.07
Maintenance	353	17.19
Others (11 different services)	498	24.25
<b>Total</b>	<b>2,054</b>	<b>100</b>

## Amount Paid to Suppliers 2005

Service	Amount Billed Bs.	% of Total
Stationary	8,467,202,685.53	1.75
Transportation, Valuables, Mail and Courier Service	16,817,258,044.77	3.48
Training	19,176,536,986.30	3.97
Travel Agencies and Hotels	19,668,867,343.07	4.07
Real Estate Rental	20,466,839,732.70	4.23
Administration Services and Condominium	36,058,074,336.95	7.46
Advertising and Marketing	43,755,814,145.53	9.05
Consultancy and Management Consultancy	46,756,801,042.34	9.67
Maintenance	183,310,180,982.05	37.91
Others (11 different services)	89,017,154,529.17	18.41
<b>Total</b>	<b>483,494,729,828.41</b>	<b>100</b>

## Suppliers 2006

Service	# of Suppliers	% of Total
Hardware, parts, construction materials, and other supplies	94	5.72
Stationary	37	2.53
Office supplies	14	0.85
Hardware and software	24	1.46
Furniture	8	0.48
Printed goods, value paper	20	1.21
Debit and credit cards	3	0.18
Cleaning supplies	3	0.18
Furniture accessories	8	0.48
Other equipments	8	0.48
Real estate	4	0.24
Technology	50	3.04
Maintenance	193	11.75
Advertising and marketing	259	15.77
Transportation, mail and courier service	44	2.67
Hotels and travel agencies	93	5.66
Honoraries and consultancy	293	17.84
Real estate rentals	131	7.97
Equipment rentals	7	0.42
Photocopies and print outs	2	0.12
Notary and registry services	11	0.66
Surveillance	8	0.48
Affiliations and subscriptions	12	0.73
Telephony and telecommunications	8	0.48
Clearing	8	0.48
Administration services and condominium	149	9.07
Training	61	3.71
Electricity	14	0.85
Other services	76	4.62
<b>Total suppliers</b>	<b>1,642</b>	<b>100</b>

## Amount Paid to Suppliers 2006

Service	Amount Billed Bs.	% of Total Billed
Hardware, parts, construction materials, and other supplies	21,792,578,000	4.39
Stationary	9,699,724,000	1.95
Office supplies	8,229,818,000	1.66
Hardware and software	17,885,465,000	3.60
Furniture	518,644,000	0.10
Printed goods, value paper	19,701,716,000	3.97
Debit and credit cards	1,327,928,000	0.26
Cleaning supplies	2,329,303,000	0.46
Furniture accessories	984,927,000	0.19
Other equipments	599,077,000	0.12
Real estate	1,033,670,000	0.20
Technology	51,971,441,000	10.4
Maintenance	73,728,295,000	14.8
Advertising and marketing	55,062,382,000	11.1
Transportation, mail and courier service	50,769,190,000	10.24
Hotels and travel agencies	8,055,817,000	1.62
Honoraries and consultancy	65,436,197,000	12.9
Real estate rentals	29,678,338,000	5.98
Equipment rentals	7,357,267,000	1.48
Photocopies and print outs	6,726,351,000	1.35
Notary and registry services	721,174,000	0.14
Surveillance	7,330,897,000	1.47
Affiliations and subscriptions	998,548,000	0.20
Telephony and telecommunications	6,145,438,000	1.23
Clearing	9,489,563,000	1.91
Administration services and condominium	10,517,286,000	2.12
Training	7,081,490,000	1.42
Electricity	8,584,650,000	1.73
Other services	11,984,537,000	2.41
<b>Total suppliers</b>	<b>495,741,707,000</b>	<b>100</b>

## OUR SUPPLIERS



We joined efforts with our suppliers for the benefit of those in need. These are some of the socially aware companies that share our Corporate Social Responsibility philosophy.

### Social Investment Made by Our Suppliers

Company	Alliance	Amount Bs.
Restoven de Venezuela	Refreshments for Fundana Events	772,764
Organización Irdesir	Transportation for Fundana Events	10,200,000
Recreo Entertainment 3000	Recreational Activities for Events	5,500,000
<b>Total Bs.</b>		<b>16,472,764</b>

Our workers contribute to the success of the selling of the tickets of the Fe y Alegría Grand Raffle, which is celebrated every year with the objective of collecting funds to finance the continuity of its projects.

In recognition of their effort, we organized a raffle in which 10 people won prizes. The prizes received by the winners were donated by our suppliers.

### SOCIAL PARTNER AND SUPPLIER AT THE SAME TIME

The Canaima School in La Vega, which belongs to the AVEC, one of our main social partners, has received important resources from Banesco with the objective of completing the construction of the high-school building that will allow for the offering of high quality education to teenagers in the area.

This school has become an innovative pedagogical model. Besides the academic activities in the classrooms, multiple extracurricular activities are offered, such as dance, theatre, chess, music, computer science and English, among others.

It has over a dozen classrooms, a computer room, a multi-use room, a kitchen, an extensive dining area, a psycho-pedagogic attention room and a big yard. They have a vegetable garden that supplies the school dining hall where three meals are offered to the students. Near the school facilities, the “La Esperanza” Bread Crafts Center has been built, where they teach bread making and bakery to young boys and girls between the ages of 14 and 25 years of all sectors of La Vega. The training program has widened the training offer of the center to also offer piñata manufacturing, hand-made paper manufacturing, string instruments manufacturing and carpet knitting.

For Banesco, the Canaima School in La Vega is a social partner and at the same time a service provider. In 2006 alone we bought from them Bs. 14,156,750 worth of refreshments for several activities held by the financial institution.

Supliré	Contribution
ISF Alpiz C.A., IBM licensed technological supplier	1 Laptop
Globex Travel	2 Trips to Margarita
Sistolemática Clam Club	2 Printers
Insycam	2 Printers
Met Telecomunicaciones	2 Printers
Corporación Integrante	1 Digital camera
W & M Informática	1 Pen Drive
Grupo Telesis	1 Pen Drive
Tony Roma's Food Chain	2 Dinners for 2

## OUR COMMITMENT WITH THE AUTHORITIES



**B**anesco Universal Bank complies with the laws in force. It maintains a relationship of transparency and collaboration with its regulatory bodies and attends to its fiscal obligations in a punctual and honest fashion.

During 2006, Banesco got profits for 438,236 million bolivars, and paid 175,419 million bolivars to the treasury corresponding to national and municipal taxes, and contributions to regulatory bodies. This amount equals to 40.03% of the profits reported by the financial institution at the closing of the previous year.

In National Taxes, 64,123 million bolivars were paid, of which 63,277 million bolivars correspond to the payment of Sales Tax, and 846 million bolivars to the Direct Debit Tax. In municipal taxes, 26,250 million bolivars were paid to the Treasury. Out of this amount, 25,658 million bolivars were paid for Industry and Commerce Certificate, and 592 million for Advertisement and Real Estate. Total, through the payment of taxes, Banesco paid 90,373 million bolivars to the Treasury.

Moreover, Banesco made contributions to public regulatory bodies in the form of parafiscal contributions, for a total amount of 85,046 million bolivars, out of which 65,041 million correspond to Fogade, and 20,005 million to the Banks Regulatory Body.

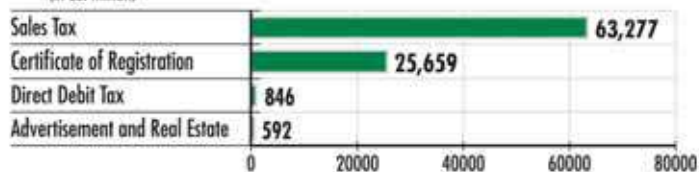
### Parafiscal Contributions

(in Bs. million)



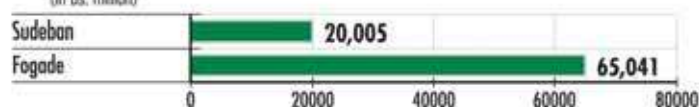
### Taxes Paid for Own Operations

(in Bs. million)

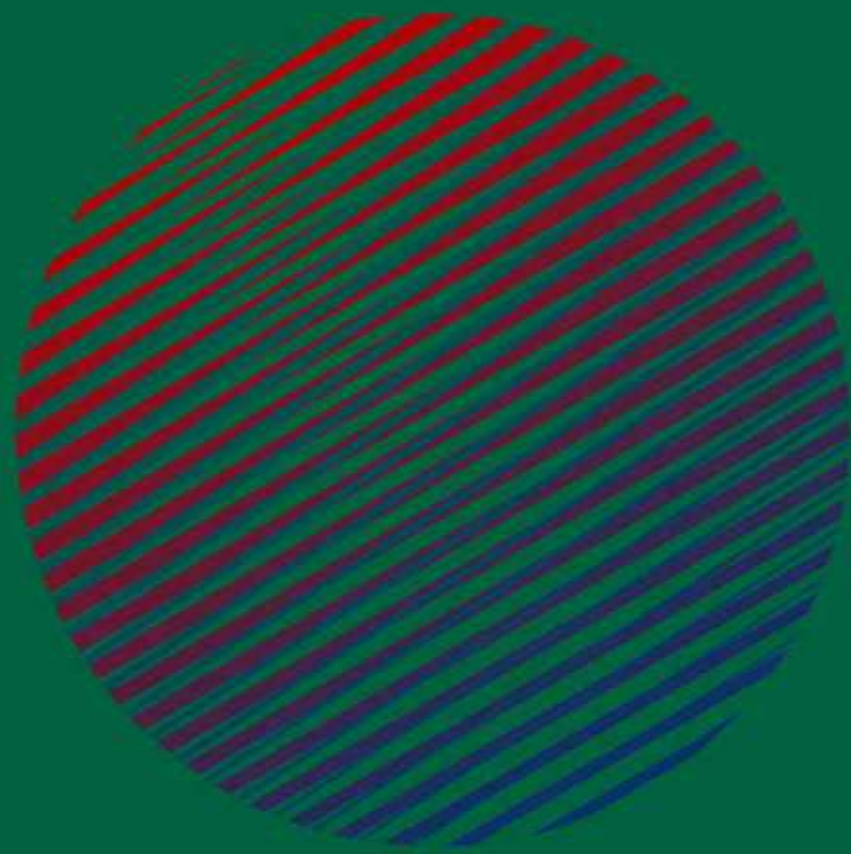


### Taxes Paid to Sudaban and Fogade

(in Bs. million)



## APPENDIX





## EACH PIECE IS IMPORTANT

SOCIAL INVESTMENT	YEAR 2006	ACCUMULATED 1998-2006
<b>APPLICATION THIRD PARTY RESOURCES AND BANESCO</b>	<b>14.931.972.000</b>	<b>50.138.223.000</b>
Solidarity (Capital and Regional)		1.792.017.000
Project Social Entrepreneurship with the IESA	1.113.000	141.113.000
FUNDANA	51.000.000	970.582.000
Words for Venezuela		2.814.143.000
Fe y Alegría	2.269.305.000	9.737.013.000
State Foundation for the National System of Youth and Childhood Orchestras of Venezuela	2.042.082.000	3.092.969.000
Civil Association Don Bosco Houses Network		160.000.000
Civil Association Salesian Ladies	165.405.000	307.473.000
AVEC - Association of Venezuelan Catholic Education	764.924.000	764.924.000
Escuela Canaima Foundation		506.336.000
Maracaibo's Archdiocese	80.000.000	200.000.000
Venezuelan Foundation Against Infantile Paralysis	129.556.000	327.362.000
San Juan de Dios Hospital	196.734.000	196.734.000
Donations Toys in Christmas for the Community	802.912.000	1.655.451.000
Editorial Projects	41.040.000	426.440.000
Computer Equipment Donations	72.680.000	391.378.000
Other Expenses	2.486.063.000	6.034.442.000
Universities	917.261.000	3.312.308.000
Investment in Colinas de Bello Monte	118.836.000	888.418.000
Banesco Life Scholarships	49.328.000	188.527.000
Several State Official Institutions (Town Hall, State Offices and others)	166.643.000	525.313.000
Fringe Benefits for Banesco's Employees	4.556.905.000	15.651.873.000
Corporate Volunteers' Contribution	20.185.000	53.407.000
<b>APPLICATION ARTICLE % OF LOCTICSEP</b>	<b>5.398.634.000</b>	<b>14.437.365.000</b>
AVEC	1.535.076.000	4.434.352.000
Children's Museum	75.000.000	300.000.000
FUNDANA		110.000.000
Alianza para una Venezuela sin Drogas		100.000.000
ABC Prodein (Ciudad Santa María, Petare-CISAMA)		276.000.000
Escuela Canaima Educational Foundation	571.950.000	571.950.000
Civil Association Don Bosco Houses Network	308.466.000	508.217.000
Education (Campaigning against drugs and Sport events)	2.908.142.000	8.136.846.000
<b>TOTAL SOCIAL INVESTMENT</b>	<b>20.330.606.000</b>	<b>64.575.588.000</b>
<b>CONTRACTED ENGAGEMENTS</b>		
Fe y Alegría	1.333.324.000	1.333.324.000
Civil Association Don Bosco Houses Network	777.334.000	777.334.000
<b>TOTAL CONTRACTED ENGAGEMENTS</b>	<b>2.110.658.000</b>	<b>2.110.658.000</b>
<b>TOTAL GENERAL SOCIAL INVESTMENT PLUS CONTRACTED ENGAGEMENTS</b>	<b>22.441.264.000</b>	<b>66.686.246.000</b>

We understand that companies are social and economic entities, hence they cannot be isolated from what occurs in society. Banesco Banco Universal has embraced this approach and along these lines we interact with our community; we speak to them and learn from their experiences so that we could fulfill their expectations.

Although we are driven by the adoption of the best banking practices and a proven and tested efficiency which creates profits for our shareholder, these are not our sole motivations. Banesco is much more than an employer. As a company committed to the sustainable development, we contribute to social advance and the protection of the environment.

We act proactively, anticipating our strategies vis-à-vis every situation. That is why we are always innovating and ahead of the approaches generally accepted in the matter of Corporate Social Responsibility in our community.

We are determined to go hand by hand with our Social Partners, institutions and organisations recognized all along the country, which work has an outstanding impact on many Venezuelans.

We have developed different projects along with these institutions. Most of the projects carried out in 2006 were focused on education. In this specific area we spent Bs. 20,330,606,000, including a series of fringe benefits for our workers.

We are engaged to keep our work for the nation we all dream of and always supported by our organisational values: social and individual responsibility, integrity and trust, quality of service and innovation, enterprising, leadership and interdependency, renovation and personal excelency, diversity and adaptability.

### DIRECTORS

Juan Carlos Escotet  
Luis Xavier Luján  
Jorge Caraballo Rodríguez  
María Josefina Fernández  
Nelson Becerra Méndez  
Gonzalo Clemente Rincón  
Fernando Crespo Suárez  
Salvador Cores González  
Carlos Acosta López  
Oswaldo Padrón Amaré



## AS SEEN BY OUR STAKEHOLDERS

We performed a qualitative evaluation dedicated to the subject of Corporate Social Responsibility, focused on the knowledge and perceptive trends towards the category in general terms. This meant an inquiry of the knowledge of Banesco's action, and of other actors of the financial sector.

The study was performed on September 20th, 2006, by Mercaconsult S.A., with the objective of evaluating Banesco's projection as a socially responsible actor among different key audiences, so they could contribute to the decision making process in reference to social investment projects, communications, and other related actions.

### Investigation Design:

#### STUDY A: Quantitative study

*Field date:*

Location	Date
Caracas	08/07 to 08/16, 2006
Maracaibo	08/08 to 08/15, 2006
Valencia	08/10 to 08/14, 2006

*Location:* Caracas / Maracaibo / Valencia

*Sample:*

Locación	Total	ABC+ (30%)	C- (30%)	D (40%)
Caracas	500	150	150	200
Maracaibo	150	45	45	60
Valencia	150	45	45	60
<b>Total</b>	<b>800</b>	<b>240</b>	<b>240</b>	<b>320</b>

*Methodology:* Polls at homes

#### STUDY B: Qualitative study, 24 in-depth interviews with external key audiences

*Analysis unit:*

- 4 journalists..
- 4 educators/academicians.
- 8 political leaders: 2 members of the parliament, 2 members of the municipal circle, 2 authorities of political parties, and 2 directors from the Executive Branch.
- 4 members of Non-Governmental Organizations.
- 4 neighborhood leaders from communities benefited by Banesco's CSR activities.

#### STUDY C: Qualitative study, 20 in-depth interviews with Banesco employees.

*Analysis unit:*

- 20 people working in the bank, 10 interviews with members of the corporate volunteer organization, and 10 with people that have not recently participated in volunteer activities.

#### RESULTS OF QUANTITATIVE EVALUATION TO THE SUBJECT OF CORPORATE SOCIAL RESPONSIBILITY

- To the question, "Which are the brands you remember?", Banesco stands out as the first bank remembered and sixth among 24 companies.
- When consulted about which brands they remember seen in commercials or advertisement in the last 30 days, Banesco stands out as the first bank and fourth among a total of 24 companies.
- 51% of those surveyed claim to have heard or seen the term CSR sometime.

#### Definition of CSR:

- 38% spontaneously claim that CSR is a contribution made by private companies to institutions, communities, societies, or, specifically, to its employees.



- 36% claim it is a duty of private companies to contribute to the community, which establishes a mandatory nature.

#### Beneficiaries of CSR programs:

- It is understood that CSR mainly benefits the community (40%).
- Private companies also benefit (25%), because CSR has a positive impact on the image of the company and, as a result, an appreciation by the community is generated. This is how the private company gets its customers, increases sales, and creates larger profits.

#### Recalling of brands or companies:

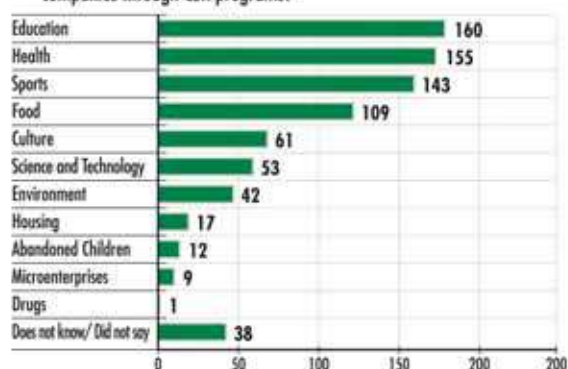
- Banesco is among the top of mind brands or companies working for the wellbeing of the community or the country (17%).

#### Advertising recalling of CSR:

- Banesco ranks third the Fundana Toddlers (6%), among 18 companies, and first in the banking sector.
- It is maintained that almost 100% of the people remember Fe y Alegría (Base: 37), Fundana Toddlers (Base: 50), or the Children/Junior Symphonic Orchestra (Base: 41) advertisement.

#### Investment fields or subject areas

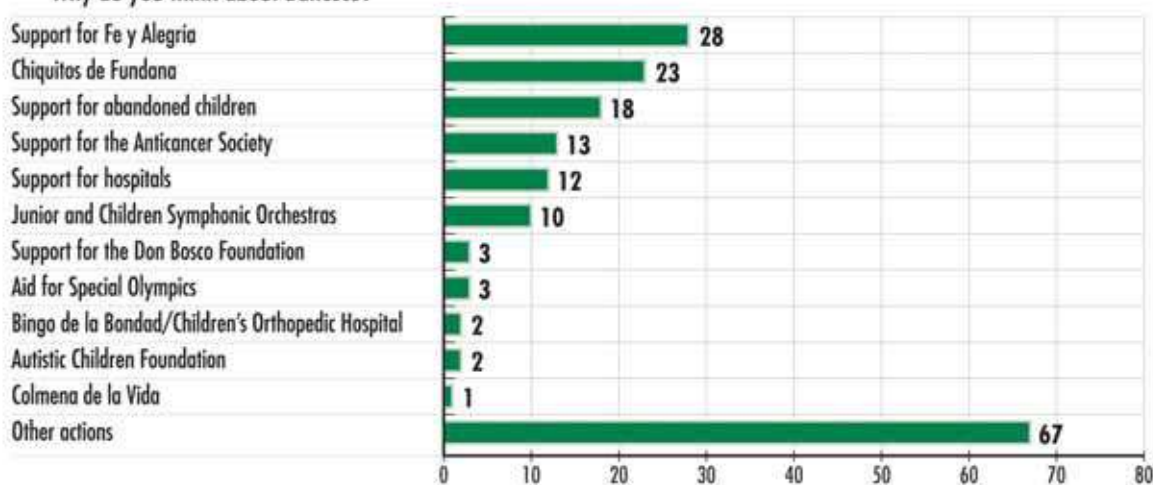
Could you mention the areas that have been benefited by private companies through CSR programs?



- Most of them think that education (20%) is the field or area that has been benefited the most by the private sector through its CSR work. Health (19%), and sports (18%) are also areas that have been benefited by the private sector.
- There is a priority or hierarchy in the selection of the subject matters they would support with CSR programs: food first (25%), then education (21%), and health (21%).

#### CSR recalling program associated to Banesco

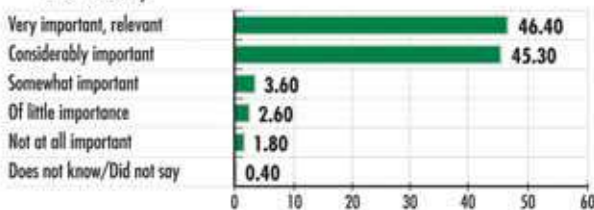
Why do you think about Banesco?



## AS SEEN BY OUR STAKEHOLDERS

### Perceptions: CSR Importance and Contributions

In your opinion: How important is the Corporate Social Responsibility activity carried out by Venezuelan and foreign companies in our country?



- Audiences are aware and acknowledge the importance and contribution of the CSR actions.
- Only 8% claim that the CSR actions are somewhat, little or unimportant; mainly because they are considered part of an advertising strategy of the company, or because they are not considered to be enough.
- At the same time, audience expectations in reference to the CSR appear to be polarized: 50% think they have a large or an important impact on the community and the surroundings; and 50% think this is not true, that the impact is not very important, moderate or null.

### Recalling of Social Responsibility activities carried out by the private sector in Venezuela

- 69% say they remember some of the actions carried out by private companies in the area of CSR (2005: 58%), and 87% remember such programs as “good.”
- The donation of sports equipment (16%) is the activity most people remember.

### Expectations about the participation of economic sectors in CSR programs

- Expectations mainly fall on the financial sector, since 37% (2005: 34%) consider that the banking sector has more possibilities to make significant changes with its CSR programs.

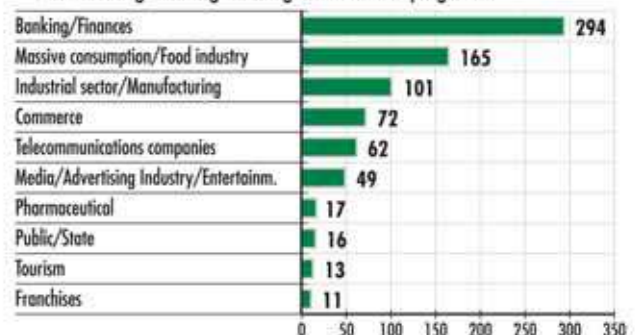


### Summary position chart based on phrases describing CSR

Organization/Institution	Totally agree	Average	DS
➤ This is the right time to do it	83%	4.1	0.7
➤ It helps the community	80%	4.0	0.7
➤ Promotes citizens participation	80%	3.9	0.7
➤ The company promoting it grows in stature	80%	4.2	0.7
➤ Deals with a necessity of the country	77%	4.0	0.7
➤ Produces social wellbeing	77%	4.0	0.7
➤ Creates and promotes social awareness	75%	4.0	0.8
➤ Strengthens the community and promotes union among the citizens	72%	3.9	0.8
➤ Has special interest on all that has to do with CSR	62%	3.8	1.1
➤ It is a mechanism companies have to pay less taxes	53%	3.6	1.2
➤ The figure responsible for these actions should be the State, not private companies	22%	2.7	1.1
➤ It is a waste of resources and money because no changes can be seen	16%	2.3	1.1
➤ These are superficial solutions to serious problems of the society	15%	2.4	1.1
➤ People contributing and participating do so because they have nothing better to do	9%	1.9	1.0

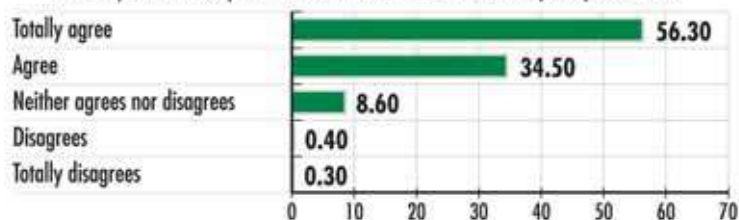
### Expectations based on the intervention of economic sectors in CSR programs

Does any particular economic sector of the country have better chances of achieving meaningful changes with its CSR programs?



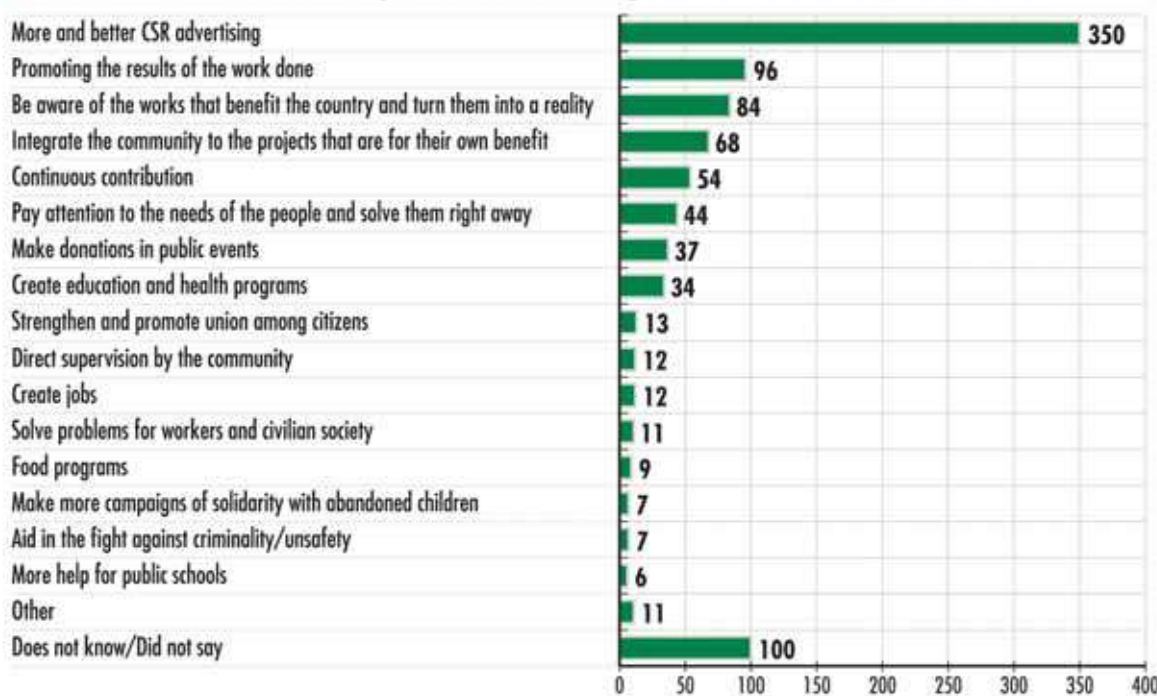
### Attitude based on the banking sector participation in CSR programs

Is it important for you that a bank should be socially responsible?



- The acknowledgement of the importance of the banking sector has in the solution of social problems through its CSR work is evident
- The audience expects that the banking sector will contribute to the solution of three important problems of the Venezuelan young population: education, abandoned children, and children malnutrition.

### In which of these areas do you think the banking sector could focus its CSR work?



- 55% (2005: 39%) remember some CSR activity or program sponsored by Banesco.
- The four Banesco CSR programs with the most recall are: support to Fe y Alegría (53%), support to Fundana (33%), Gran Bono de la Salud of the Anticancer Society (28%), and support for the Symphonic Junior and Children Orchestras (23%).
- 50% think Banesco is responsible or very responsible when evaluating its CSR programs, and 42% did not know how to answer or did not say anything.
- All programs associated to Banesco are considered very important or considerably important for the community, and so Banesco is considered a very or considerably important citizen.

### STUDY B: RESULTS OF THE QUALITATIVE EVALUATION TO THE SUBJECT OF CORPORATE SOCIAL RESPONSIBILITY, WITH OPINION MAKERS

#### Perceptions: practical decisions of the private sector in reference to CSR

- It is understood that before starting any action or program, the private sector identifies and analyses the areas that require an economic contribution to improve their performance. It is said that they promote dialogues with the government to get to a cooperation agreement.
- Then, those investment areas naturally linked to the company and those identified with organizational values are evaluated. Likewise, the strengths the company has to attend to each of the investment areas or fields are also evaluated.
- Momentous decisions related to the CSR work are defined to a great extent by the values and wishes of the company's board of directors, and by the results of several market researches.
- The scope of the CSR actions or programs carried out by each company depends on the geographical reach of its products or services, and of the profits obtained by the company with its business activity.
- In reference to the selection of the organization or institution that will represent the company's social work, the most important quality evaluated by the private sector is its legitimacy, its credibility before public opinion. The trend is that the company would try to secure the return on the social investment while contributing with a prestigious and well known institution.

#### Perceptions about the relevance of the CSR programs of the banking sector

- The most demanding expectations for meaningful change in the country's social order fall on the CSR actions carried out by the banking sector.
- The work of the banking sector is regarded as very good and important. Nonetheless, it has a larger potential: It also has to produce a more specialized activity. It could get better.
- Banesco is associated to programs and activities in the field of education

#### Investment fields or subject areas

- The most sensitivity is shown towards the solution of problems in the field of education, followed by attention to abandoned children. In the end, the actions to improve the wellbeing of the children population are the ones prioritized by all consulted audiences.
- This hierarchy is based on the fact that children are the future of the country, and their education and care guarantee a better country in the future.
- Basically, the order in reference to investment fields is: Abandoned children, basic education, culture, and sports.
- On the other hand, the actions in the framework of the cultural subject, in the areas of cultural heritage, sponsorship of literature and plastic arts biennials, the financing of publications, and the support to the children and children orchestras system were all praised.

#### Knowledge level of Banesco's CSR work

- The result of Banesco's work in the field of CSR has been positive. Its good intention has been acknowledged, a significant asset in terms of its experience and a proper application of its social work actions.
- The relationship Banesco has built with organizations deeply rooted in the memory of the country, such as Fe y Alegría and Fundana, help it to be remembered as a responsible citizen in an efficient and effective fashion.
- It is also known, although to a lesser extent, the support Banesco gives the Venezuelan Red Cross, AVEC and the UCAB.
- All in all, Banesco is dedicated to helping abandoned children and education.
- All actions are appreciated, no effort is little or not significant. Every action is one more bit of help by the companies committed to the country.

## STUDY C: RESULTS OF QUALITATIVE EVALUATION TO THE SUBJECT OF CORPORATE SOCIAL RESPONSIBILITY, WITH BANESCO EMPLOYEES

### Companies associated to CSR and recalling of programs or actions

- Most programs or actions remembered as top of mind are sponsored by Banesco, and they also count on volunteer work: support to Fe y Alegría, support to Fundana, selling of bonds or raffle tickets to contribute to the health and education of communities that need it the most.

### Investment fields or subjects areas

- Most sensitivity is shown towards the attention of abandoned children and education of low income children.
- Afterwards, Banesco employees talk about the programs related to healthcare service and to the promotion of sports in poor communities.
- In this case, they exclude the programs related to food from the hierarchy of selection of subject areas.
- Basically, the order in reference to investment fields is the following: abandoned children, basic education, health, and sports.

### Effectiveness of the internal means of communication in reference to the CSR work

- Volunteers are better informed about the details of the CSR programs and actions than the rest of the bank's employees. Direct and personal communication proves to be very effective to get the employees to share the social awareness of the bank.
- Those who do not participate in the volunteer work get their information through the internal newspaper, the intranet, and the news broadcasted by the TV sets located at Banesco facilities. Billboards, web pages or posters in the bank are also mentioned.
- Non volunteer employees are sincere when they say that the information they have is barely superficial, since they have no time to read or to thoroughly review the information available.

### Recalling of Banesco's CSR programs or actions

- The activities most spontaneously remembered by employees are those involving the personnel in some kind of volunteer work: Fundana, Fe y Alegría, Instituto

Universitario Jesús Obrero (IUJO), and the Red Cross. They also remember, although to a lesser extent, activities such as the Bingo de la Bondad, and the agreements with the UCAB.

- All actions are appreciated, no effort is little or not significant.

### Banesco's appreciation as employer

- Banesco is a respectful, considerate and responsible employer. Employees acknowledge they get several benefits, aside from those that are mandatory by law.
- They mention in a spontaneous and consistent way the credit facilities to finance houses or automobiles, plans for the acquisition of school supplies, and for funeral services. They also mention the different bonuses.
- Some quotations might illustrate the appreciation employees have for Banesco: "All things related to my working conditions are marvelous." "I think they have implemented excellent actions for the wellbeing of the employee." "They make us feel grateful." "We get benefits that go beyond those given by other companies."

### Perceptions and feelings of the Banesco corporate volunteer workers

- Volunteer workers feel happy to participate and contribute. It fills their expectations, the need to help others.
- Expectations are directed toward the result of their effort. They do not expect any kind of recognition. Most of them would like the reach of their activities as volunteers to grow faster.
- They understand that the impact of the CSR actions can not be observed or verified in the short term. Nonetheless, those volunteers dedicated to give courses, talks, or workshops claim they feel completely satisfied when they see the audience's response.
- They reaffirm that the main mean to find out about the different activities is the intranet, through which they receive a schedule of activities and meetings. They also acknowledge the importance of the billboards and of the internal journal to motivate and summon all volunteers.
- Volunteer work has proven efficient and effective, and nothing needs to be changed in terms of its organization and performance. The only wish would be to motivate more people so they would participate as volunteers in order to enhance the reach of such activities.

# OUR COMMITMENTS



## Our Commitments

Commitments made in 2005 to be executed in 2006	% Achievement	Commitments made in 2006 to be executed in 2007
<b>Code of conduct:</b>		
Review and Updating	Not executed	Review and Updating
<b>Response time to claims indicators:</b>		
Improving the claims customer service system to improve the quality of our service	Development and design of the Comprehensive Requirements System – SIR WEB – 100%	
Reflecting and Supporting this Information in Indicators	100%	
<b>Handicapped persons:</b>		
Gradually increase the inclusion of handicapped persons in the bank staff	Not executed. 2005: 15 / 2006: 10	Banesco will work towards its adaptation to the new legal framework
<b>Community Banking:</b>		
Meet the demand for financial products and services of the population with no access to banking services	100%	
5 community banking branches Catia, Petare, La Vega, Antimano y La Isabélica (Valencia)	100%	Opening of 6 additional branches in San Martín, Cementerio, Valle/Coche, Guarenas/Guatire, Valles del Tuy and Los Roques
Customer Service through: Community Advisors, businesses with customized attention and businesses with electronic point	100%	Intensify the customer service network
Products: Loans to Work, Step by Step Saving, and Community Account	100%	Products: Add Personal Loans.
<b>Management Model Based on Competences:</b>		
Implementation of the model	The goal set was achieved Hiring of consultancy Definition of 5 competences in line with the strategy and vision of our business Creation of the Dictionary of Competences and Behaviors	40% of achievements and establishment in 2008
<b>Suppliers:</b>		
Start dialogue in order to exchange ideas about our social programs	Not executed	Start dialogue in order to exchange ideas about our social programs
<b>Capital democratization:</b>		
		Issuing of shares as part of our capital democratization strategy



# REPORT OF VERIFICATION



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## Report on Applying Agreed-Upon Procedures for the Verification of the Social Responsibility Report Indicators

To the Board of Directors and Stockholders of  
**BANESCO BANCO UNIVERSAL, C.A.**

1. We have performed the procedures enumerated in the third paragraph, which were agreed-upon with the Board of Directors of **BANESCO BANCO UNIVERSAL, C. A.** solely to assist you in the evaluating the accompanying the social performance indicators included in the report named by the Bank as "**BANESCO BANCO UNIVERSAL, C. A.'s Social Responsibility Report**" for the year ending on December 31, 2006, identified in the attachment. The preparation of "**BANESCO BANCO UNIVERSAL, C.A.'s Social Responsibility Report**" as well as the design, implementation and maintenance of its elaboration processes and the basis and criteria for its submission is the exclusive responsibility of the bank's management. Our responsibility is to express an opinion on these Social Performance indicators, based on the procedures applied in our limited review.
2. This agreed-upon procedures engagement was conducted in accordance with the generally accepted audit standards and the Sustainability Reporting Guidelines issued by "Global Reporting Initiative version 3 (GRI-G-3)" (Global Reporting Initiative), taking into consideration in particular the supplement which makes reference to Financial Institutions, "Social Performance Indicators for the Financial Industry (SPI Finance 2002)" as well as the review standards issued by the International Federation of Accountants for works of reviewing ISAE 300 (International Standard on Assurance Engagements 3000) in regard to limited assurance. Such standard requests that planning and performance of our work allow for obtain a limited assurance grade on the information subject to review.
3. Following are the procedures applied and agreed upon with you during our review:
  - Meetings with **BANESCO BANCO UNIVERSAL, C. A.'s**, staff participating in the compilation of information recorded in the report named "**BANESCO BANCO UNIVERSAL, C.A.'s Social Responsibility Report**" and in the elaboration of indicators which are the object of our review in order to gather the required information for its verification.
  - Analysis of the processes carried out by the Bank to obtain and validate the data submitted in "**BANESCO BANCO UNIVERSAL, C.A.'s Social Responsibility Report**".

- Verification that the established indicators consider the aspects recommended by SPI Finance 2002, and assure the importance of the information presented in regard to the Bank's situation.
  - A verification process, throughout verification tests based on the selection of a sample of the calculation of quantitative indicators included in **BANESCO BANCO UNIVERSAL, C. A.'s Social Responsibility Report**, corresponding to the year ending in December 31st, 2006 and its appropriate compilation from the data provided by the Bank's information sources.
  - Verification of qualitative information on indicators of the "Global Reporting Initiative" (GRI-G3) included in **BANESCO BANCO UNIVERSAL, C. A.'s Social Responsibility Report**.
  - Review of the performances carried out in regard to identification and consideration of the interested parties through the fiscal year.
4. Based on the obtained results, from applying the procedures described in paragraph 3, which were agreed upon with the Bank's management, to the effects of exclusive review of Social Performance indicators of the year 2006, provided by the Bank to be reviewed and included in "**BANESCO BANCO UNIVERSAL, C. A.'s Social Responsibility Report**", significant deviations nor omissions have been found in the reviewed information, neither other circumstances indicating that the procedures to obtain social information carried out by the Bank had not been properly described in the presentation of indicators included in "**BANESCO BANCO UNIVERSAL C. A.'s Social Responsibility Report**". Should a different approach been applied, other matters would have been identified and reported.

DE LA VEGA, MÁRQUEZ, PERDOMO & ASOCIADOS  
(HORWATH VENEZUELA)



Samuel A. Márquez T.  
Public Accountant  
C.P.A. N° 21.318  
SBFI. N° CP-569  
N.S.C. N° 92-2003

August 15, 2007  
Bane 100743

# SOCIAL RESPONSIBILITY INDICATORS

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT				
Area	Indicator Headline	Indicator Description	HORWATH Review	Corporate Social Responsibility Management Report Reference to Page
CSR1	Corporate Social Responsibility Policy	Policies adopted by the Institution are submitted, which include, among others, Vision, Mission, Corporate Values, as well as strategies carried out to contribute to Corporate Social Responsibility, from the sustainable development.	Verified	Pages: 3, 5, 7 to 9, 11 to 16, 17 and 18
CSR2	Organization	Exposure of the institution's organizational structure and its disposition to encourage Corporate Social Responsibility development.	Verified	Pages: 3, 5 to 18
CSR3	Corporate Social Responsibility Policy Audit	Internal and external audits on management procedures and compliance of social responsibility policies are performed. Number and audit hours are detailed.	Verified	Pages: 8 and 18
CSR4	Sensitive Issues Management	Description of sensitive matters, specific or not, handled by the Bank, as well as its sensibility before them, its capacity and timely response.	Verified	Pages: 8 and 24
CSR6	Communication with its Partners	Identification of the Bank main interested parties, including corporate partners, employees, customers, stockholders, suppliers and communities. The institution has established a fluent communication at all levels with interested parties and their suggestions and impact are evaluated working together on the actions to comply policies and goals established for Corporate Social Responsibility development.	Verified	Pages: 21, 23, 27, 32 to 42, 46 to 58

Area	Indicator Headline	Indicator Description	HORWATH Review	Corporate Social Responsibility Management Report Reference to Page
INT1	Internal Policy for Corporate Social Responsibility	Human Resources policies performed by the bank are described, including equal opportunities, freedom of association, training and personal development and promotion, health and safety, among others.	Verified	Pages: 22 to 26
INT7	Employees' Profile	Employees are presented according to their profile by hierarchical level, geographical distribution, gender and physical disabilities.	Verified	Pages: 22 and 25

## INTERNAL SOCIAL TASK EXECUTION

Area	Indicator Headline	Indicator Description	HORWATH Review	Corporate Social Responsibility Management Report Reference to Page
toSOC1	Charity Contributions	Reports on contributions to charitable causes, investments and commercial sponsorship are presented. The information is presented in relation to cash expenditures, contributions with personnel time, donations and kind gifts.	Verified	Pages: 32 to 42

## SUPPLIERS

Area	Indicator Headline	Indicator Description	HORWATH Review	Corporate Social Responsibility Management Report Reference to Page
SUP1	Research about main suppliers	Research about status of main suppliers is performed throughout time to establish policies and procedures to control their social commitment levels. They are segmented by type of industry and amount.	Verified	Pages: 57 and 58

## THE BANKING IN DETAIL

Area	Indicator Headline	Indicator Description	HORWATH Review	Corporate Social Responsibility Management Report Reference to Page
RB1	Banking Policies in Detail	Describes the social criteria applied by the organization to develop the Banking in Detail, within which products and services that allow for foster the corporate capital are described, as well as treatment of sensitive issues in the business unit.	Verified	Pages : 46 to 56
RB3	Social or Sustainability Criteria in the Credit Policies	Products and services are included applying sustainability parameters, taking into consideration the community's financing needs.	Verified	Pages: 50 to 53

# Banesco Social Action all over the National Territory — 2006 (Bs.)

## 1 Capital Region (Caracas, Miranda and Vargas)

Venezuela's Anti-Cancer Society	139,375,000
Venezuela's Apena Association	20,000,000
Dr. Francisco Herrera Luque Foundation	5,000,000
José Ali Lebrún Martines Association	5,000,000
Children for the Homeland Civil Association, From the Street to Life	165,000
SENIAT	30,000,000
Health Secretary — Lord Mayoralty	1,280,000
Cardioamigos Foundation	50,000,000
Individual	50,000,000
Friends of the Child with Cancer Foundation	70,106,394
Bolivarian School of Judo	3,700,000
Venezuelan Commission of the Social Service Catia Community Center	619,069,883
Fesnojiv	2,000,000,000
Children's Foundation	5,000,000
Venezuela's Scouts	6,720,000
UCAB	109,270,000
Center of Technical Consulting for the organizational Productivity (CEATPRO)	5,000,000
Hospital J.M. de los Rios	47,325,600
Lawyers College of the Capital District	10,000,000
Venezuelan Foundation Against Infantile Paralysis	129,556,000
Excelior Foundation	8,500,000
UCY	16,640,840
Don Bosco Houses Network Civil Association	308,747,870
Hospital Pediátrico Dr. Julia Criollo Rivas	43,081,000
Universidad Pedagógica Experimental Libertador	17,191,200
Communications Research Institute	2,000,000
IESA	1,112,500
Venezuelan Society for the History of Medicine	12,400,000
Schola Cantorum of Caracas	16,700,000
Children's Museum	77,000,000
Red Cross	109,000,000
Concepción Palacios Maternity Hospital	41,360,000
C.A. Editora El Nacional	41,040,000
AVEC Schools — Caracas	794,238,124.99
Metro de Caracas	3,598,196
International Institute for the Integral development of the Human Being	4,074,789.48
Policlínico CAVISOFAC	3,000,000
Scholarships IUJO Catia	6,750,000
Vale TV	160,656,000
Escuela Baroz Mamporal Mayoralty	15,000,000
Santa Maria University	144,876,000
Sucre Mayoralty	60,645,391.62
Baruta Mayoralty	25,000,000
Siempre Amigos Civil Association	25,000,000
Simón Bolívar University	56,498,000
Conciencia Activa de Venezuela	30,000,000
Apoya Civil Association	18,735,000
ASOPROGAR Civil Association	20,000,000
Fundana	51,333,114
Hogar Bombi	10,000,000
VIMUN 2006	9,955,503
Bello Monte Civil Association	547,200
Madre Maria Luisa Casar Foundation	30,000,000
IUVE Civil Association	48,000,000
Universidad Metropolitana	5,000,000
Chacao Mayoralty	35,000,000
Venezuelan Mathematic Competences Association	8,125,000
Fundaseña	1,500,000
Venoncham	31,113,850
San Juan de Dios Hospital	199,734,000
Venezuelan-American Friendship Association	3,420,000
Salesian Ladies Civil Association	165,405,838
Venezuelan Down's Syndrome Association (AVESID)	211,929,500
Philip C. Jessup Foundation	4,300,000
AVEC Schools — Miranda	488,554,482
Concert for the community at Ciudad Banesco	70,986,595.50



## 1 Capital Region (Caracas, Miranda and Vargas)

Investments in Colinas de Bello Monte	716,013,920.99
Muci Gallery	11,979,044
Colegio Santiago de León de Caracas	9,955,503
Pasa a Pasa Foundation	2,444,445
Santa Domingo Savio House-Shelter	1,600,000
Centro Médico Quirúrgico El Samán	500,000
Scholarships at the Alejandro Humboldt University	69,527,000
Hebraica Club	25,000,000
Fundallusión	100,000,000

Total:

7,681,337,784.58

## 2 Central Region and the Plains Region (Carabobo, Cojedes, Aragua, Guárico and Apure)

Carabobo's Industrial Chamber	17,100,000
Dividendo Voluntaria para la Comunidad — Carabobo	2,400,000
AVEC Schools — Carabobo	520,000,000
Hogar CREA (females)	19,633,074
San Antonio de Padua Foundation	8,000,000
AVEC Schools — Aragua	203,006,085
AVEC Schools — Guárico	45,000,000
AVEC Schools — Apure	49,000,000

Total:

864,139,159

