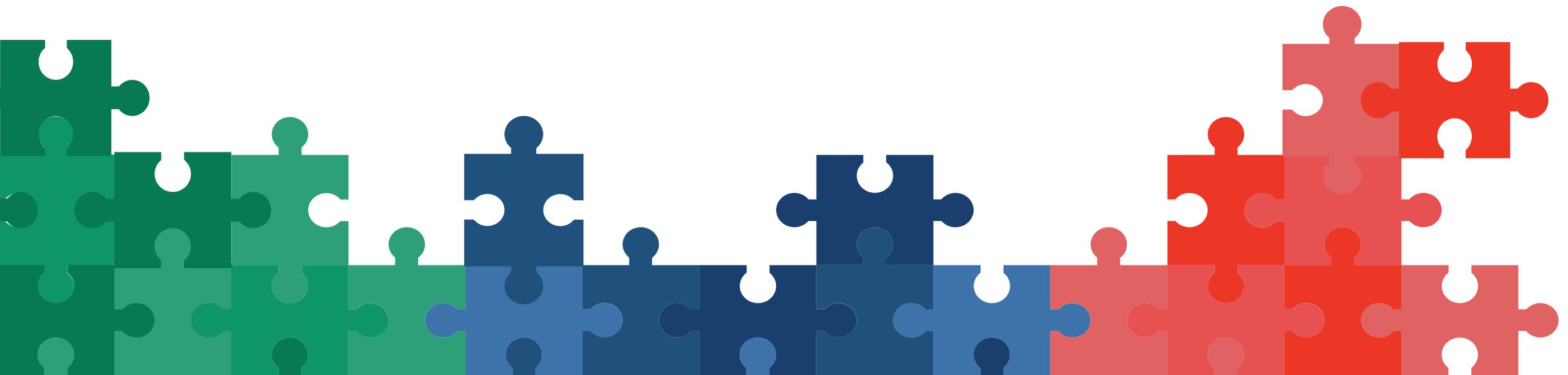


2018

Responsibility and Corporate
Sustainability Report



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TO OUR CLIENTS, WORKERS, SHAREHOLDERS AND SOCIAL PARTNERS

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It has been fifteen years since we first published the 2004 Corporate Social Responsibility Report in 2005. That initiative was then received as a trailblazing action without precedents in Venezuela. This proved that Banesco's culture of innovation was not limited to services, product design or the use of technology for clients' benefit, it was also possible to innovate in areas such as communications, relations with society and, in a broader sense, and how we manage our social investment projects.

Many things have changed in the world in this short period of time. Changes in productive organizations have been far-reaching. In a general sense, companies have taken more responsibility for the fate of the planet and society. Climate change, contamination of the oceans and water sources, destruction of forests and large areas of woodland, accelerated extinction of specific animals and plants, have placed citizens, institutions and governments under the obligation to act with that has been caused.

Companies, which historically have focused their duties on issues such as wealth creation and employment, are now required to comply with parameters regarding environment, health and safety of operations, the quality of their products and services, and the economic and social terms on which they hire workers. The question that arises from all this is whether companies should limit themselves to comply with the law or considers going beyond that.

This going beyond means breaking with the conformism of the minimum necessary effort in order to adopt social investment as one additional goal of companies, which is important as well as any other productive achievement. This adoption changes the role that companies have in society: when entities specialized in producing goods and services demanded by markets, they acquire even greater responsibility to be active factors in the construction of a more sustainable society in the socio-economic and environmental contexts.

When comparing the progress made so far, for example, in the last two decades, we are obliged to recognize that great steps have been taken. For instance, many companies from all sectors have their own programs or support organizations for the society's benefit. We should applaud and encourage this kind of actions. Nevertheless, that also requires us to know there is a wide range of opportunities and it is not possible to remain indifferent. Those companies that did not join this movement, which is essentially an international campaign for coexistence and the salvation of the Earth, should do so. They should not wait for facts or laws to compel them. For those of us who already have social investment practices, we must ask ourselves from time to time: what else can we do? Where can we improve? What partnerships can we establish to make our efforts more far-reaching?

Banesco has aimed to act within the legal framework in the strictest manner, while setting its own goals in each area of activity since its launching. Constant improvement is one of Banesco's grounds, which also means: renovation.



JUAN CARLOS ESCOTET RODRÍGUEZ
CHAIRMAN OF THE BOARD OF DIRECTORS OF
BANESCO BANCO UNIVERSAL, C.A.

TO OUR CLIENTS, WORKERS, SHAREHOLDERS AND SOCIAL PARTNERS

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efforts to do things properly. It is necessary to highlight that we are an organization that, while growing to become the first private bank in Venezuela, has known how to adapt to the realities of a country that is going through a complex set of difficulties.

These attributes and efforts, jointly with this culture that has been shaped and made deeper and more extensive over the years, have given us a special capacity to face difficulties. Today, we are a human and professional structure, especially ready to respond to and maintain the multiple commitments that we have acquired with clients, workers, and the operation of the Venezuelan economic system, but also with our social partners and communities where we operate.

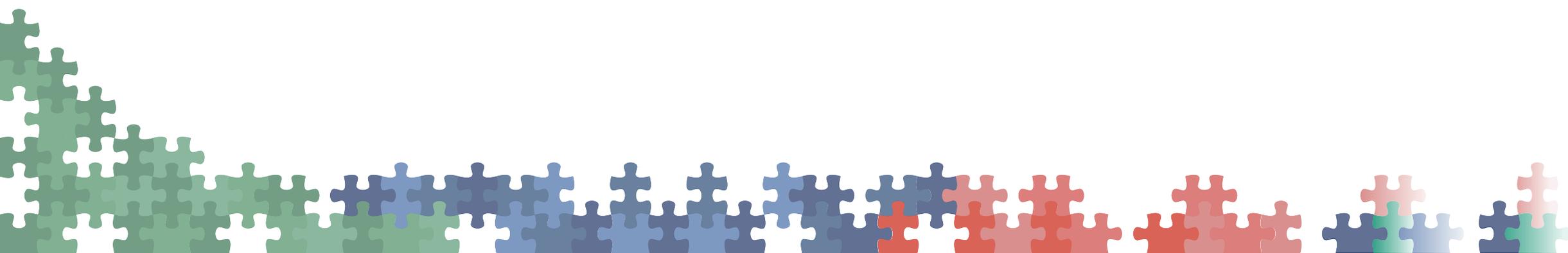
Despite the massive difficulties that dominated public life in 2018, Banesco did not fail to serve its clients and fulfilled its responsibilities in the entire year. At the end, we had 4.19 million customers in the country. For each customer, our organization used the best of its technological, human and logistical resources, through 328 Customer Service Points, 1,113 ATMs and 109,395 POS. Besides, a strong network is always ready to respond the needs of individuals and organizations.

In 2018, our social investment reached a significant amount of VEF 141.91 million. In fact, VEF 139.94 million (98.61%) out of this amount was allocated to our employees, while VEF 1.96 million (1.39%) went to social projects in the Education and Financial Inclusion areas, through the Microentrepreneurship Training Program. I would like to mention that this program celebrated its tenth anniversary; the number of graduates in 2018 was 3,426, meaning that between 2008 and 2018, 55,962 microentrepreneurs have been trained nationally.

The commitments we have made over time are more valid than ever. The promises we have made to our workers, customers and Venezuelan society will continue to be fulfilled. We are not only concerned about our country's fate, but also of people and families all over the planet. This is why we have taken the Sustainable Development Goals (SDGs) as our premises and we maintain our attachment to the United Nations Global Compact, which we signed in 2009. In addition, we are moving forward because our faith and hope in Venezuela is stronger than ever.

JUAN CARLOS ESCOTET RODRÍGUEZ

CHAIRMAN OF THE BOARD OF DIRECTORS
BANESCO BANCO UNIVERSAL, C.A.





MISSION, VISION AND VALUES

Banesco Banco Universal, C.A. is a financial institution incorporated with 100% Venezuelan capital and it is authorized to carry out all transactions, according to the Decree with Value and Force of Law of Institutions of the Banking Sector. It is also subject to the supervision, inspection, control, and regulation and monitoring by the Superintendency of Banking Sector Institutions (SUDEBAN, by its initials in Spanish).

Its headquarters, Ciudad Banesco, is located at Colinas de Bello Monte. It is the largest subscribed and paid-in capital bank in the Venezuelan financial system, which amounts to VEF 12,500.00.

We do have physical and digital channels by which we market our financial products and services to natural and legal persons in the country, based on our employees' values.

In 2018, our leadership led us to maintain the first place as a private bank in Venezuela, with total assets amounting to VEF 222.71 million, which we have achieved through the commitment, talent and shared vision of our employees, our clients' trusts and the constant support of our shareholders.

MISSION

FINANCIAL, COMPREHENSIVE AND INNOVATIVE SERVICES

We are a comprehensive financial services organization dedicated to understand our clients' needs, achieve them through relations based on mutual trust, easy and secure access and outstanding service quality.

We combine tradition and innovation with the best human talent and advanced technology, and we work to provide a premium customer experience.

We are committed to the well-being of our community, developing win-win relationships with our suppliers, employees, and optimizing shareholder's returns.



ORGANIZATION PROFILE

102-1, 102-3, 102-4, 102-5, 102-6

VISION

INNOVATION AND HUMANE EFFICIENCY SENSE

To be leaders in customer experience: this means providing attention and personalized services models, which are comprehensive, simple, fast and reliable, through the best omni-canal network in the country.

To be pioneers in innovation: To become acquainted with our customers' needs and habits leading us to anticipate their requirements with innovative, technologically integrated products, services and channels that result in a better life quality.

To be a model of human feeling: To continue training the best human talent in order to promote a balance between profitability and human quality, leaving the highest standards of quality and performance behind.

With innovation, efficiency and humane sense, we will sustain the premise of standing by our clients. This is the true meaning of our motto being with You.



Know | our
values

BANESCO VALUES

RESPONSIBILITY

We meet our tasks with accuracy and passion, and keep our promises. We make the best use of time and give our best to everyone.

RELIABILITY

We tell the truth under any circumstances and answer honestly. We recognize our mistakes and call for help when needed.

QUALITY

We do every task with the utmost care and intend to be the best for all of our partners.

INNOVATION

We are a visionary organization that offers new solutions. We look for ideas and technologies that promote change.

MAIN IMPACTS, RISKS AND OPPORTUNITIES

102-11, 102-15, 102-29, 102-40, 102-49, 103-1,103-2, 103-3, FS5

MAIN IMPACTS, RISKS AND OPPORTUNITIES

Banesco Banco Universal, C.A. is committed to strengthening its vision by developing strategies, not only aimed at satisfying the needs and expectations of its customers, but in the current competitive environment to maintain differentiation by anticipating customer needs, designing models of attention and personalized, comprehensive, simple and reliable services, through the best commercial network in the country.

We conclude 2018 even more convinced of our formula for success: working with high standards of performance and quality to achieve the highest profitability of business and the welfare of all our stakeholders. As a matter of fact, they are the ones who work in the Organization, they chose us as a financial services provider and the society to which we belong.

The economic contraction that the country experienced in 2018, the contraction in the activity of the financial system, exchange and price controls, hyperinflation, excessive regulations and strict rules on the banking sector are clear examples of the challenges that the financial sector must face in general, but especially Banesco Banco Universal, C.A. which additionally had to face a measure of administrative intervention during most of 2018.

However, in spite of having a poor scenario, the overall results regarding the system reveal a balance with significant growth, e.g.: a balance of VES 1.49 billion in customer deposits, recording a growth of VES 1.47 billion.

We consolidated our position as the reference in the financing of productive activity in 2018, by settling more than 85,298 loans throughout the country, which allow reflecting a 46.07% brokerage ratio, with an excellent quality portfolio (0.0003% of non-performing loans) and wide coverage for fixed assets. It is worth noting the significant growth of the agricultural portfolio, which increased by a total of VES 9.62 million, equivalent to a variation of 2,780% and reaching VES 9.97 million at the end of 2018. The results above represent Banesco's ongoing efforts to support the country's productive sectors.

In this period, shareholders made capital contributions totaling VES 799.6 million, in addition to the withholding of profits of VES 3.71million and the revaluation of assets in foreign currency, which led to an increase in equity of 215.051% during the year, ending the fiscal year at VES 18.54 million. The book equity adequacy ratio was 15.80% and the total equity adequacy ratio was 23.20%, both in compliance with current regulations.

In 2018, no significant changes were made to the organizational structure, shareholder ownership or supply chain.

MAIN IMPACTS, RISKS AND OPPORTUNITIES

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DIALOGUE WITH STAKEHOLDERS, CONSULTATION TO CLIENTS AND EMPLOYEES

As part of its Corporate Social Responsibility Policy, Banesco Banco Universal, C.A. believes that it is important to know and understand its stakeholders' opinion in all projects it carries out. This is why we have undertaken actions to develop a strategy based on the relevant issues for them. (See chapters on Shareholders p. 29, Human Capital p. 31, Our Social Partners and Social Action in the Community p. 62, Our Customers p. 71 and Our Suppliers p. 92).

CREATION OF DIRECT TANGIBLE ASSET: DETAILS BASED ON STAKEHOLDERS

AMOUNT IN VES

Stakeholders	Value Indicator	2018	2017
Shareholders	Dividends ¹	0	0,3
Employees	Personnel Expenses ²	1.282,7	1,1
Clients	Interest and similar charges ³	130.220	697
Suppliers	Other general administrative expenses ⁴	2.244,6	2,2
Company	Taxes ⁵	2.203.183	3.240
	Funds destined to support community ⁶	1.240	6

(1) Source Shareholders' Managerial Unit

(2) Source: SUDEBAN Results Publication Statement or CONRP, Transformation Fee,(Personnel fees, group 441).

(3) Source: SUDEBAN Results Publication Statement or CONRP, Public Deposits Expenditure (Financial Expenditure from Deposits, group 411).

(4) Source: SUDEBAN Results Publication Statement or CONRP, Transformation Expenditure (Item 440, General and Administrative Expenditure, exempt 441, Personnel Expenditure, 449-12, Contributions to the Deposits Guarantee Funds and Banking Protection. 449-13, Contributions to the Superintendency of Banking Sector Institutions.

(5) Source: CONRP (Financial Statements of Banesco Banco Universal, C.A.) Includes Income Tax, Municipal Taxes, Value Added Tax, Contributions to SUDEBAN, FOGADE, SSO,SPF, LPH, INCE and LOSEP. (Accounts 445-01 Municipal Taxes, 445-99 Other Taxes and Contributions, 441-22

Employer contributions, 449-12 Contributions to the Deposit Guarantee and Bank Protection Fund, 449-13 Contributions to the Superintendency of Banks and Other Financial Institutions, 471 Income Tax, LOSEP contribution see Publication Balance. Provisions referred in the Law on the Social Contribution to the Communes and the Contribution of LOCTI).

(6) Source: SUDEBAN Results Publication Statement or CONRP, Extraordinary Fee,(Group 450).

DIRECT TANGIBLE ASSET

The Economic Value Generated (EVG) by the end of 2018 reached VES 17,112,594 thousand and in 2017 amounted to VES 14,578 thousand.

In 2018 and 2017, among the items comprising the VEG, approximately 53.64% and 73.47% respectively (VES 9,179,954 and VES 10,711 thousand) correspond to the Brokerage Margin, while 46.33% and 24.25% correspond to the Net Fees.

DISTRIBUTED AND ECONOMIC VALUE GENERATED

AMOUNT IN VES

Stakeholders	2018	2017
Economic Value Generated (EVG)	17.112.594	14.578
Brokerage Margin ⁷	9.179.954	10.711
Brokerage Margin ⁸	7.928.967	3.681
Other ordinary income ⁹	3.515	18
Other profits and net profits ¹⁰	158	168
Economic Value Distributed (EVD)	5.730.467	6.537
Dividends ¹	0	0,31
Suppliers and other administrative expenses ⁴	2.244.578	2.152
Taxes ⁵	2.203.183	3.240
Personnel Expenses ²	1.282.705	1.144
Economic Value Retained (EVR=EVG-EVD)	11.382.128	8.041

(7) Source: SUDEBAN Results Statement Publication or CONRP (item 510 Financial Income less 410 Financial Expenses plus 520 Income from Recoveries of Financial Assets less 420 Expenses for Uncollectibility and Devaluation of Financial Assets plus 530 Other Operating Income (except 533 Income from Realizable Assets, 537 Special Programs Income and 539 Miscellaneous Operating Income) less 430 Other Operating Expenses (except 433 Expenditures for Realizable Property, 435 Expenditures for Depreciation, Amortization and Devaluation of Miscellaneous Property, 439 Miscellaneous Operating Expenses).

(8) Source: SUDEBAN Results Statement Income or CONRP (Item 530 Other Operating Income, except 533 Income from Realizable Assets, 537 Income from Special Programs and 539 Miscellaneous Operating Income) less 430 Other Operating Expenses (except 433 Expenses from Realizable Assets, 435 Expenses from Depreciation, Amortization and Devaluation of Miscellaneous Assets, 439 Miscellaneous Operating Expenses)

(9) Source: SUDEBAN Income Statement Publication or CONRP (Item 539 Miscellaneous Operating Income).

(10) Source: SUDEBAN Income Statement Publication or CONRP (Item 533 Income from Realizable Goods minus 433 Expenses from Realizable Goods)

MAIN IMPACTS, RISKS AND OPPORTUNITIES

102-11, 102-15, 102-29, 102-40, 102-49, 103-1, 103-2, 103-3, 201-1, FS5

PERCENTAGE SHARE OF ECONOMIC VALUE GENERATED AND DISTRIBUTED

Stakeholders	2018	2017
Economic Value Generated (EVG)	100%	100%
Brokerage Margin ⁷	53,64%	73,47%
Net Fees ⁸	46,33%	25,25%
Other ordinary income ⁹	0,02 %	0,12%
Other profits and net profits ¹⁰	0,00%	1,15%
Economic Value Distributed (EVD)	100%	100%
Dividends ¹	0,00%	0,00%
Suppliers and other administrative expenses ⁴	39,17 %	32,92%
Taxes ⁵	38,45 %	49,57%
Personnel Expenses ²	22,38 %	17,51%

BANESCO'S PARTICIPATION IN EMPLOYMENT AND THE BANKING SYSTEM GDP

Banesco Banco Universal, C.A., due to its size and business volume, is the first Venezuelan private banking group. It is a significant contributor to the creation of economic value at a national level and contributes significantly to the generation of the GDP with its business activity.

The Venezuelan financial system ended the fiscal year corresponding to 2018 comprised of 30 institutions, 23 of private capital and 7 of State capital. Out of this total, 76.7% of them belong to the universal banking segment. There were 3,406 bank branches, 56,143 workers, 6,530 ATMs and 403,751 points of sale at the end of 2018.

As for Banesco Banco Universal, C.A., we closed 2018 with 5,191 employees; in fact, 3,378 (65.07%) are women and 1,813 (34.93%) are men.

At the end of 2018, Banesco ranks first in private banking in Venezuela with total assets amounting to VES 222.71 billion. In addition, the bank ended the year with the largest gross loan portfolio in the financial system of VES 74.66 billion and a market share of 17.13%. Having consolidated itself as a reference bank in the financing of productive activity, we settled more than 85,298 loans throughout the country in 2018, which allowed us to reflect a 46.07% brokerage ratio, with an excellent quality portfolio (0.0003% of delinquencies) and wide coverage for fixed assets (571,602%). The total number of employees of Banesco Banco Universal, C.A., at the end of December 31, 2018, was 5,191. Among them, 3,378 (65.07%) are women and 1,813 (34.92%) are men.



MAIN IMPACTS, RISKS AND OPPORTUNITIES

102-11, 102-15, 102-29, 102-40, 102-49, 103-1, 103-2, 103-3, 201-1, FS5

INDIRECT VALUE AND INDUCED VALUE ADDED

Indirect Value is the creation of wealth and sustainable development derived from the social, environmental and economic actions promoted by the Bank, such as indirect employment. Collectively, these effects operate through multiple channels such as: activities stimulated by the Bank's customers by virtue of the products and services provided to them and the dynamics generated by suppliers through the operations they carry out to materialize the activities contracted by their customers. The identified effects may also be extended to the more indirect impacts on the environment and the various stakeholders generated as a result of the entity's actions, multiplying its range and, therefore, the social value derived from such actions.

FINANCIAL SUMMARY

Expressed in million VES	Six months 2017	Six months 2017	Six months 2018	Six months 2018	GROWTH			
					2nd half 2018		2nd half 2018	
					2nd half 2017		1st half 2017	
				Absolute	%	Absolute	%	
Total assets	48,6	307,9	4.862,5	222.712,9	222.405	72.237,6	217.850	4.480,2
Cash & Cash equivalent	23,1	211,5	2307,2	103098,6	102.887	48.639,4	100.791	4.368,5
Securities Investment	1,8	7,5	60,6	29176,5	29.169	390.482,6	29.116	48.014,3
Gross Credit Portfolio	21,1	74,2	2.242,3	73279,1	73.205	98.605,7	71.037	3.168,0
Public Deposits	43,3	280,9	4247,1	159.074,6	158.794	56.522,3	154.827	3.645,5
Demand deposits	39,5	262,2	4082,1	150.653,9	150.393	57.366,4	146.572	3.590,6
Savings Deposits	3,4	17,4	136,4	7.446,2	7.329	42.768,4	7.310	5.358,7
Time deposits	0,0	0,0	15,9	15,9	16	52.866,7	0	(0,1)
Others	0,4	1,4	12,7	958,5	957	69.359,4	946	7.459,5
Total Equity	2,9	8,6	186,9	18.546,1	18.537	215.051,4	18.359	9.821,9
Trust Assets	0,7	1,2	15,3	6.119,8	6.119	518.528,0	6.105	39.924,9
Special Contribution for Housing and Habitat	0,4	0,8	2,0	78,4	78	9.948,7	76	3.780,2
Financial Income	2,1	7,2	139,8	4.457,4	4.450	62.067,5	4.318	3.088,6
Financial Expenditure	0,2	0,5	3,3	132,2	132	24.839,6	129	3.929,9
Gross Financial Margin	1,9	6,6	136,5	4.325,2	4.319	65.039,0	4.189	3.068,2
Brokerage Margin	2,1	8,6	171,7	9.008,3	9.000	104.404,5	8.837	5.147,4
Transformation Expenditure	1,0	2,8	47,0	3.587,2	3.564	127.758,1	3.520	7.483,4
Income Tax	0,2	1,3	20,3	1.153,4	1.152	89.309,3	1.133	5.581,7
Net Result	0,7	4,0	89,1	3.627,6	3.624	90.816,5	3.539	3.972,7
Accrued Agricultural Portfolio	2,8	10,4	346,4	9.975,4	9.965	96.094,3	9.629	2.779,7
Official Entities Deposits	1,2	5,8	54,5	3.613,1	3.607	62.627,3	3.559	6.529,5
Microentrepreneurs	0,4	1,7	70,6	4.488,8	4.487	268.688,0	4.418	6.254,4

Ratio (%)				
Item Credit Portfolio / Gross				
Inmobilized Portfolio	4.986,88	32.673,42	926.662,37	571.602,88
Inmobilized Portfolio / Gross Inmob. Portfolio	0,05	0,01	0,00	0,00
Net Result / Average Assets	4,43	5,64	9,77	11,07
Net Result / Average Equity	83,18	140,05	277,63	179,44
Extended Liquidity	55,02	75,55	54,39	64,89

*Updated Percentages

MAIN IMPACTS, RISKS AND OPPORTUNITIES

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DIALOGUE WITH STAKEHOLDERS AND MATERIALITY

Banesco Banco Universal, C.A. believes that maintaining an open dialogue process with its stakeholders to identify relevant issues for each of them and thus define the sustainability strategy to be implemented is essential. It is only by listening to our stakeholders regarding the organization that we can identify not only the problems, but also the opportunities for growth and improvement.

These relevant issues are the objectives on which the bank has developed its Strategic Planning leading to a better relationship and approach with all stakeholders. This strategy is based on managing businesses in a sustainable, ethical and responsible manner for high impact.

The Bank has maintained a process of identifying, segmenting and prioritizing its stakeholders, taking into account the specific characteristics that make up each one of them. This process has been carried out on the basis of the experience of the relationships that we have maintained over the years. This has enabled us to set different objectives and to interact with each group to find out their demands and the environment in which they operate, devising strategies to meet their expectations over time.

To draw up the matrix containing the material issues on which this Sustainability and Corporate Social Responsibility Report is based; we take into account the country's context and needs that our stakeholders have expressed to us through the different forms of dialogue and listening that we have established with each of them.

According to the recommendations of the Global Reporting Initiative (GRI) the process consists of 3 stages: Identification, Prioritization and Validation.



MAIN IMPACTS, RISKS AND OPPORTUNITIES

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N°	ISSUES AND/OR MATERIAL ISSUES	STAKEHOLDERS						Level of Relevance		MAIN ACTINGS	2018 MATERIAL ISSUE REGARDING GRI
		Shareholders	Human Capital	Clients	Social Partners/Community	Suppliers	Authorities	Bank	Stakeholders		
1	Maintain the highest ethical standards and transparency in operations by managing risks comprehensively.	X	X	X	X	X	X	High	High	1. Maintain and promote Good Corporate Governance.	<ul style="list-style-type: none"> • Economic performance • Market presence • Anticorruption • Prevention of money laundering • Risk • Digital Maintenance
										1.1 Active answer to new regulating requirements.	
										1.2 Constant system supervision.	
									1.3 Economic Value Generation and indirect ML by developing efficiently in the banking.		
2	To ensure the bank's financial solvency and to communicate financial and corporate information adequately and sufficiently.	X	X	X	X	X	X	High	High	2. Maintenance of financial indicators solvency, profitability, liquidity, among others.	
3	To promote good corporate governance and the application of best practices.	X	X	X	X	X	X	High	High	3. Proactive delayed management and Provisions.	
4	Market Participation	X	X	X	X	X	X	High	Mid	4. Support to inclusion and banking and access to our platforms.	<ul style="list-style-type: none"> • Market participation
5	Prevention of Banking or Financial Crime and ML/FT Prevention and Control Training Programs	X	X	X	X	X	X	High	High	5. Keep updated technology and products and services innovation adapted to the needs of people.	<ul style="list-style-type: none"> • Anticorruption • Prevention of ML • Risk
6	To maintain lasting relationships with clients, with a long-term vision of permanence, through innovative products and services, adapted to the needs and risk profiles of each client.	X	X	X	X	X	X	High	High	6. Continue conducting studies allowing the bank to know the place where clients, community and the public interact, duly segmented enabling to know it and approach their needs timely.	<ul style="list-style-type: none"> • Client's experience • Accessibility • Products portfolio and services • Marketing and labeling
7	Information Security.	X	X	X			X	High	High	7. Constant improvement of processes and systems integrity	<ul style="list-style-type: none"> • Security and privacy of clients

MAIN IMPACTS, RISKS AND OPPORTUNITIES

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N°	MATTERS AND/OR MATERIAL ISSUES	STAKEHOLDERS						Level of Relevance		MAIN ACTIONS	2018 CORE ISSUE REGARDING GRI
		Shareholders	Human Capital	Clients	Social Partners/Community	Suppliers	Authorities	Bank	Stakeholders		
8	Fostering training and development personal and professional purposes.	X	X					High	High	8. Training and Development Program personal and professional purposes designed for all bank's personnel.	<ul style="list-style-type: none"> • Employment • Diversity and equal opportunities • Attraction and talent withholding • Training and Education • Environment • Health and security at work
9	Organizational Environment Management	X	X	X			X	High	High	9. Programs and activities oriented to worklife balance.	
10	Fostering the personnel's dialogue with top Management.	X	X					Mid	Mid	10. Development Programs for top Management. Corporate Volunteering	
11	Promoting non contracting benefit programs.	X	X					High	High	11. Holding activities for the benefits of collaborators and their families.	
12	Assessment and Performance Methods and Performance.		X					High	High	12. Collective Contract.	
13	Particular needs assessment of communities.	X		X	X			High	High	13. Assessments based on of communities the performance and level of responsibility /performed functions.	<ul style="list-style-type: none"> • Development of local communities • Private-public articulation • Participation of Stakeholders in social actions • Impact in social investments
14	Managing Social Programs that promoting people's development and undertakings.	X			X			High	High	14. Diversity and equal opportunities.	
15	Increasing the impact of our investment investments through multi-sector alliances to strengthen the Corporate Volunteering.	X	X	X	X	X	X	High	High	15. . Join alliances to encourage volunteering activities.	
16	Contribute to the adequate application of the ecoefficiency.	X	X		X			Mid	Mid	16. Programs Management.	
17	Process of Contracting Suppliers.	X				X		Mid	Mid	17. Promote the development and training of our suppliers.	<ul style="list-style-type: none"> • Environmental and social assessment of suppliers • Local development

MAIN IMPACTS, RISKS AND OPPORTUNITIES

102-15, 102-29, 102-30, 102-33, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1, 103-2, 103-3

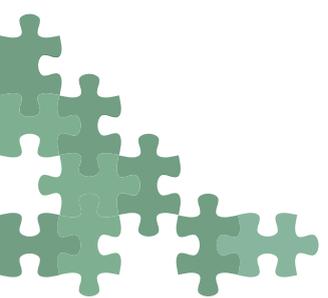
MATRIX OF MATERIALITY

The material issues involved in the materiality analysis are under constant review and, if adjustments are required over time, they will be made and reported to all stakeholders in a timely manner, indicating the impacts they cause, as well as the actions taken to ensure the strategies adopted. Thus, we remain at the forefront to consolidate our capacity to respond to future eventualities.

Our business model considers the material issues important to the stakeholders and the bank. Responding to the expectations of our stakeholders is among the priorities and strategies carried out by senior management.

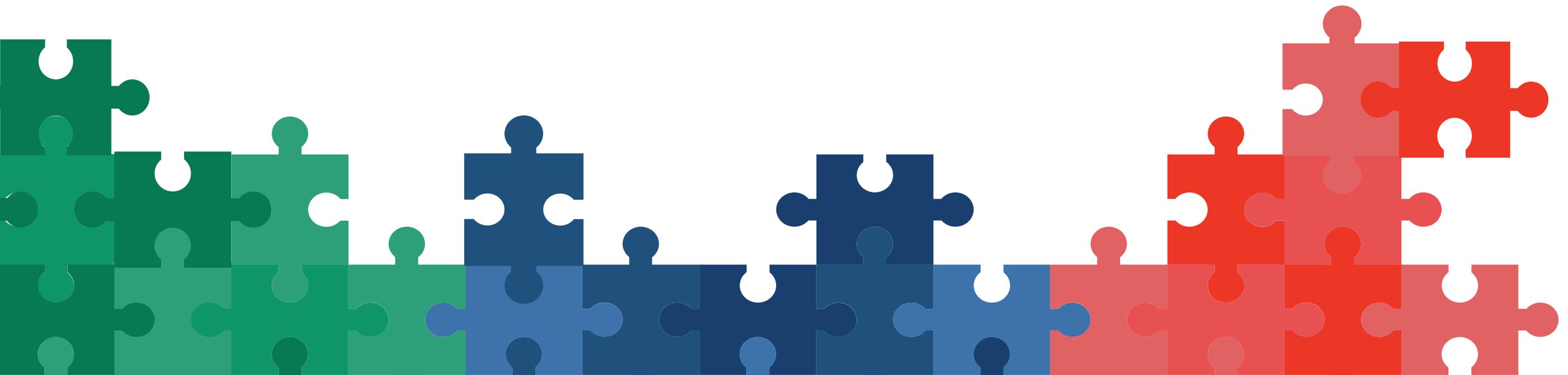
Impact at Stakeholders	HIGH		④	① ② ③ ⑤ ⑥ ⑦ ⑧ ⑨ ⑪ ⑫ ⑬ ⑭ ⑮
	MID		⑩ ⑯ ⑰	
	LOW			
		LOW	MID	HIGH

Current or Potential Impact for Banesco Banco Universal, C.A.,



THE INTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY

102-19, 102-22, 102-24, 102-33





OUR MISSION

We are the area in charge of designing, developing and executing effective strategies to optimize the management and performance of the Corporate Governance System in Banesco Banco Universal, C.A. In fact, We promote articulation and synergy schemes that ensure higher levels of efficiency in the decisionmaking process of the governing bodies, focusing on the profitability and sustainability of the institution.

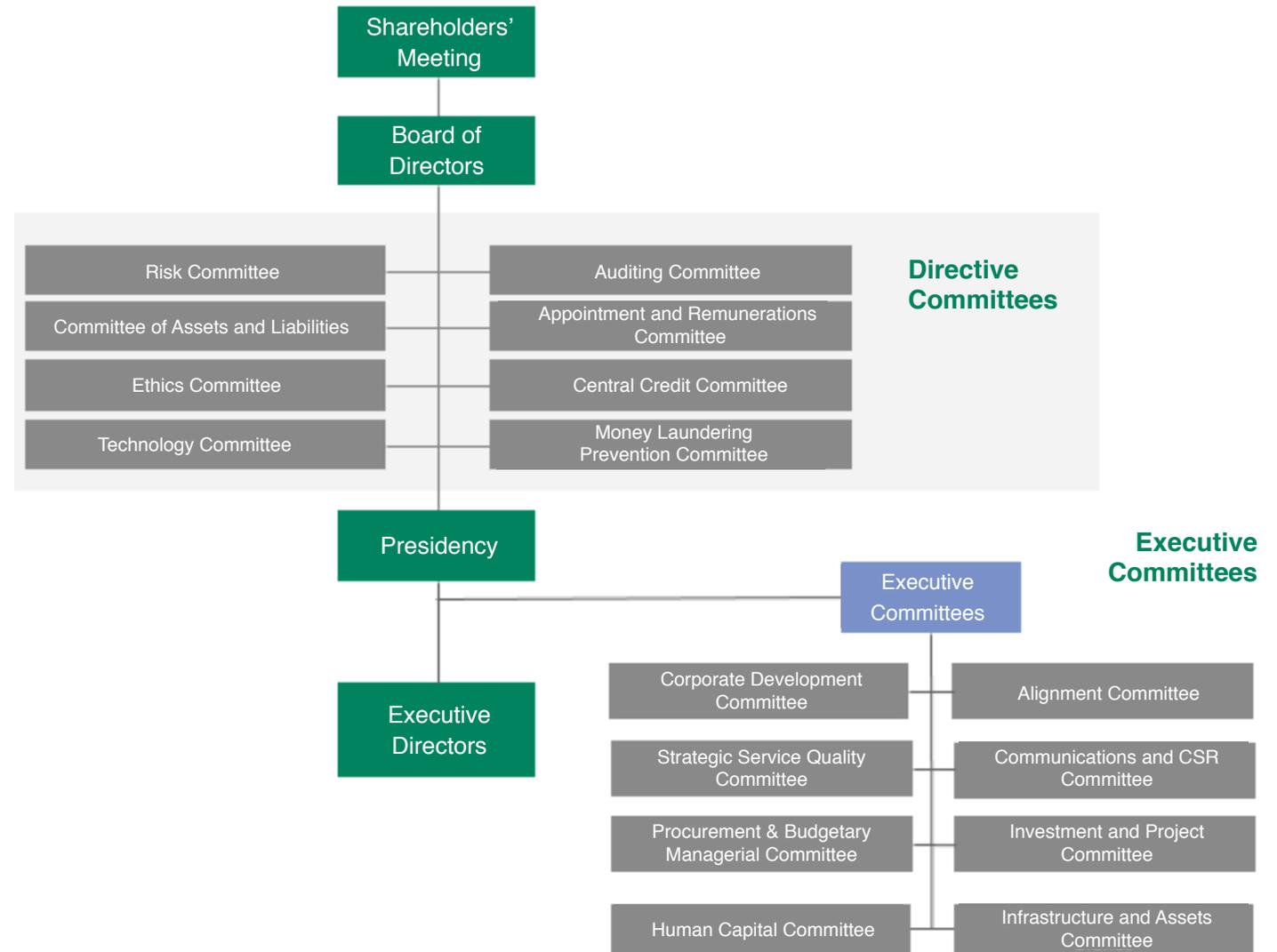
OUR MANAGEMENT

During 2018 Banesco Banco Universal, C.A. deepened the momentum of its practices with the application of global standards in the Corporate Lines. These standards are aimed at guaranteeing the effective operation of the Banesco Corporate Governance System.

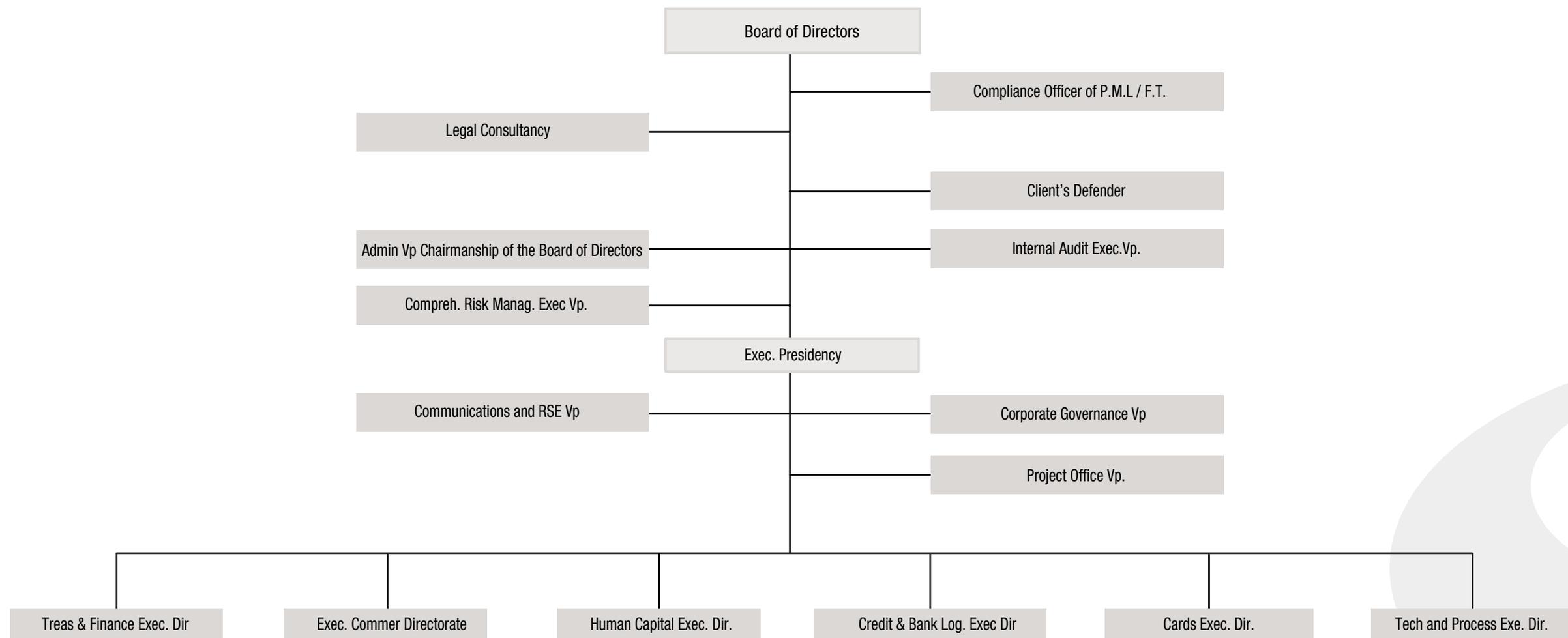
These are:

- ▶ Compliance with corporate guidelines regarding adjustments to the structure and operation of governing bodies.
- ▶ Review and standardization of minutes and reports of the Committees before the Board of Directors.
- ▶ We train leaders in good governance.
- ▶ Training for Directors and Executives through the "Knowledge Channel" tool.

CORPORATE GOVERNANCE CHART OF BANESCO BANCO UNIVERSAL, C.A.



ORGANIZATIONAL CHART OF BANESCO BANCO UNIVERSAL



BODIES AND MECHANISMS IN THE CORPORATE GOVERNANCE SYSTEM

The Bank operates a governance structure comprised of: Shareholders' Meeting, the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the Thematic Committees (Management and Executive), and the Bank's various Executive Boards, the Compliance Officer and the Internal Auditor.

All committees submit a monthly report on their management to the Board of Directors, as well as the control and follow-up of the commitments generated in the framework of their deliberations. This allows determining the level of effectiveness in the management of these governing bodies.



SHAREHOLDERS' MEETING

It represents the universality of shareholders and holds the upper management of the company, its acts and resolutions are binding both on the company and all its shareholders.

BOARD OF DIRECTORS

The Decree with Range, Value and Force of Law on Institutions of the Banking Sector (LIBS), published on the Extraordinary Official Gazette No. 6,154, dated November 19, 2014, reprinted on Official Gazette No. 40,557, dated December 8, 2014, establishes in its article 30 that the Board of Directors must be comprised of no less than 7 main directors and their respective alternates, of which one third of both main and alternate directors must be independent directors. This means that they may not be shareholders of the Banking Institution, directly or indirectly.

In accordance with the above, the appointment of the members of the Board of Directors of Banesco Banco Universal, C.A. is carried out in accordance with the LISB and other provisions that the Superintendency of Banking Sector Institutions (Sudeban). As a matter of fact; the "Norms that allow to determine the fulfillment of the requirements of Moral and ethical quality required for the exercise of the banking activity" and with the bank's bylaws.

This governing body is responsible for the general administration of the business and operations, including its Corporate Social Responsibility policy. The Board of Directors is made up of qualified individuals with extensive experience in different areas of the banking business of recognized solvency and honor. The Board of Directors is made up of more than 1/3 independent directors and is responsible for the definition and strategic direction of the organization, approving business principles and policies and regulating the autonomy of executive decisions. It also monitors the work of the bank's operating and functional areas, evaluates and compares the business projections and results of each year with those in previous years.

This governing body is also responsible for identifying the various risks to which the organization is subject, including economic, environmental and social risks. Accordingly, it establishes policies and processes for their management. Some of these tasks are carried out along with the Risk Management Committee, whose main function is the comprehensive management of the risks to which the institution is exposed.

CORPORATE GOVERNANCE

102-18, 102-19, 102-22, 102-23, 102-24, 102-26, 102-33, 102-34, 102-35, 102-36, 102-37

CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors exercises the legal representation of the Bank in the broadest sense before all authorities and any other public, private person or entity. It presides over the deliberations at such instance. Its powers include: representing the bank, granting contracts, agreements and, in general, any documents on its behalf. The Chairman and the Board of Directors exercise the broadest powers of administration and arrangement of the bank.

CHIEF EXECUTIVE OFFICER

He is appointed by the Board of Directors and has the functions of the management, daily operation and internal services of the Bank, including the administration and comprehensive management of the businesses related to the banking activity. He is responsible for the review and approval of the Corporate and Sustainability Responsibility Report prepared by Banesco Banco Universal C.A. The Chief Executive Officer reports to the Board of Directors on his actions and management.



* Two representatives in authorization process by SUDEBAN.



THE BANK'S BODIES INCLUDE:

COMPLIANCE OFFICER FOR THE PREVENTION OF MONEY LAUNDERING AND FINANCING OF TERRORISM

The Compliance Officer is a high level official exclusively dedicated to the prevention and control of ML/FT crimes. This person also reports directly to the Board of Directors of Banesco Banco Universal, C.A. and is responsible for the supervision and control of the Bank's ML/FT Prevention and Control Unit. This body has functional authority to make decisions in the framework of the execution of its attributions, among which are the following:

- a) To promote and supervise the compliance with policies, procedures, provisions and controls related to the Prevention and Control of Money Laundering and Financing of Terrorism, approved by the Board of Directors of the Obligated Party.
- b) Design together with the ML/FT Prevention and Control Unit the Annual Operational Plan.
- c) To submit annual and quarterly reports to the Chairman and the Board of Directors of the Bank, which among other aspects contain the progress of the Annual Operating Plan, Annual Training Program in the area of Prevention and Control of ML/FT and its recommendations for improving undertaken actions.
- d) To file to the National Financial Intelligence Unit (UNIF) the Suspicious Activity Reports deemed necessary, as well as the replies to requests for information related to the subject required by it and other competent authorities, within the deadlines established by the Law and request for information.
- e) To maintain institutional relations with this Superintendency/UNIF; as well as with other competent authorities, non-governmental organizations and institutions dedicated to the prevention, repression and control of ML/FT.
- f) Represent the Institution in conventions, events, forums, committees and official national and international acts related to the subject, when designated by the Board of Directors of the Obligated Party.
- g) To develop, together with the communications teams, communication strategies aimed at informing and raising awareness among customers and employees on issues related to the subject.
- h) To be part of the Banking Institution's Comprehensive Risk Management Committee, exercising the functions assigned to it by, among others, the current prudential regulations governing on the matter.



INTERNAL AUDITOR

He is responsible for evaluating the effectiveness and reasonableness of the internal control system and identifying risks, providing timely information, analysis and recommendations to ensure that the Organization acts in accordance with the legal and regulatory framework in force, as well as the policies and procedures established. This official also reports to the Board of Directors, organically, functionally and administratively, who relies on the Audit Committee to coordinate and supervise the Internal Audit function, evaluate the behavior, evolution of internal controls and identified risks, suggest the necessary modifications and corrections and follow up on the identified corrective actions.

DIRECTIVE THEMATIC COMMITTEES

These are the bodies that support the exercise of the Board of Directors' responsibilities, aiming to promote the fulfillment with corporate policies and the transparency of businesses, which are directed by the management. In 2018, the bank had the following committees:

▶ ASSETS AND LIABILITIES COMMITTEE

Committee of Assets and Liabilities (ALCO) This body supports the Board of Directors and the Bank's chairman in the definition, monitoring and control of general policies for the management of assets, liabilities and market and liquidity risks (price, interest and exchange rate), as well as the adequacy of assets.

▶ AUDITING COMMITTEE

The Audit Committee is responsible for reporting to the Board of Directors any deficiencies identified in the review of controls. Its main functions include: (i) preparing the Annual Audit Plan and, based on this, evaluating the performance and effectiveness of processes; (ii) knowing the financial statements to be submitted for the approval of the Board of Directors and the Shareholders' Meeting and (iii) assisting the Board of Directors in the implementation of measures aimed at preserving the integrity of the company's financial data. The Committee is presided over by an Independent Director.

In 2018, a total of 329 branches and 59 centralized areas were audited, accounting for 100% and 92%, respectively of the projected total. Besides, a total of 348 branches and 59 centralized areas were audited in 2017, representing 100% and 75%, respectively of the projected total. The Audit VP has carried out regulatory audits in the area of risk and ML/FT Prevention and Control, which are reported to the Audit Committee, the Bank's Board of Directors and the Regulatory Body in accordance with existing regulations.

A summary table is shown below:

Conducted audits	Issued reports during 2018		Issued reports during 2017	
	1st half	2nd half	1st half	2nd half
Branches and Agencies				
Gran Caracas	137	135	143	140
Centro Los Llanos	29	29	57	56
Carabobo	27	26		
Los Andes	24	23	50	49
South-eastern	29	29	59	57
North-eastern	27	26		
Center-Western	25	25	39	38
Southern Zulia	19	19	—	—
Zulia-Falcón	17	17	—	—
Gran Caracas Border Zone	1	—	—	—
Centro Los Llanos Border Zone	5	—	—	—
Los Andes Border Zone	20	—	—	—
South-eastern Border Zone	26	—	—	—
Zulia-Falcón Border Zone	35	—	—	—
Total	421	329	348	340
	750		688	
Centralized Areas				
Centralized Areas	27	24	21	45
Compreh. Risk	1	1	1	1
Compliance Office	4	2	4	7
Total	32	27	26	53
	59		79	

► CENTRAL CREDIT COMMITTEE

The purpose of this committee is to decide on:

- Credit applications that are submitted to it, according to the autonomy levels authorized by the Board of Directors and in accordance with the regulations in force on this matter.
- Credit applications, approval and release of credit guarantees.
- Proposals to renegotiate any of the terms and conditions of the approved credits. The renegotiation includes, but is not limited to, modifications in the approved conditions regarding: payment terms, interest rates, credit amortization extensions, substitution, addition or release of guarantees and any other aspect related to the credits approved by this committee. Additionally, it submits to the Board of Directors a monthly report regarding credit approvals according to the levels of autonomy.

► ETHICS COMMITTEE

Its role is to receive, analyze, evaluate and resolve issues that may be damaging to compliance with the rules established in the Banesco Code of Ethics and Conduct. Similarly, it is responsible for encouraging the promotion of the organization's values.

► COMMITTEE FOR THE PREVENTION AND CONTROL OF MONEY LAUNDERING AND FINANCING OF TERRORISM (CPC ML/FT)

It is a collegiate body made up of employees at the highest level of the Bank's sensitive areas with tasks of prevention and control of suspicious activities, coordinates the activities aimed at mitigating the risks of ML/FT and decides on sending reports of suspicious activities, in view of the elements and unusual.

events that may occur for consideration. It acts as an advisory and consulting body in support of tasks which are under the responsibility of the Board of Directors, the President of the Institution and the Compliance Officer, with respect to compliance with issues related to the prevention of ML/FT.

► RISK COMMITTEE

This committee is in charge of providing the correct comprehensive management of risks to which the institution is exposed. For this purpose, it must ensure that there is a system comprising objectives, policies, procedures and capacities for identifying, measuring, assessing and monitoring risks, which supports the Board of Directors in the achievement of its strategic planning and reasonably ensures the achievement of its goals. It also approves the methodology designed to identify, measure, control, monitor and assess the various risks assumed by the Financial Institution.

► TECHNOLOGY COMMITTEE

The general objective of this committee is to ensure that the technological implementations are aligned with the strategies and objectives of Banesco Banco Universal, C.A., maintaining a global and horizontal vision of the business, using resources responsibly and identifying and managing the risks associated with the area.

EXECUTIVE COMMITTEE

This is the executive body responsible for ensuring compliance with the policies, strategies, standards, procedures and guidelines established and approved by the Board of Directors, since the latter has delegated this responsibility to it. This committee is responsible for the execution and monitoring of the most relevant issues related to the administration, monitoring and control of the business plans, its financial results and the bank's profitability. It is in charge of adopting the necessary actions for the effective and optimum control of the executive management in order to achieve the objectives, indicators and growth targets established in the Strategic Planning.

EXECUTIVE THEMATIC COMMITTEES

► HUMAN CAPITAL COMMITTEE

It is the collegiate organ in charge of supervising the adequate handling of the human team in Banesco Banco Universal, C.A. Its main goal is to constantly evaluate the demands and requirements derived from organizational changes, the strategy and its interrelation with human capital and try to align the best practices in the handling of personnel with the real needs of the business. It is comprised of Directors members of the Board of Director, Executive Directors and representatives of the Human Capital division.



► COMMUNICATIONS, RESPONSIBILITY AND CORPORATE SUSTAINABILITY COMMITTEE

It is in charge of designing, implementing and ensuring the faithful fulfillment of the Bank's Corporate Strategic Communications Plan, which ensures the alignment of the variables of the communications processes with the business strategy; it facilitates the interrelationship with the different interest audiences and contributes to strengthen and improve the organizational identity and performance. Likewise, it defines and coordinates communication strategies that allow the incorporation of the company's culture into Banesco Citizens, bringing together its values and promoting the organizational philosophy to facilitate the processes of change. It works to generate identification and position the mission, vision, values and philosophy of the company by means of internal communications. This governing body enables the business to be managed with a long-term view, including the evaluation and monitoring of economic, social and environmental risks. It is appointed by the Bank's Board of Directors, reporting to the Executive President and is the body directly responsible for implementing and developing the responsibility and sustainability policy, involving all areas of the bank.

► CORPORATE DEVELOPMENT COMMITTEE

It is the body responsible for the definition, prioritization and monitoring of the commercial strategy of Banesco Banco Universal C.A. It is understood as the set of initiatives that allow making the business plans operative under a philosophy that aligns the segments, the products and the service channels, guaranteeing the customer's experience as a structural component of differentiation.

► STRATEGIC SERVICE QUALITY COMMITTEE

Its main purpose is to promote and ensure compliance with the offer of value and promise of service to customers, appropriate to their needs, through monitoring the policy, rules and standards, continuous improvement of processes, products, services and human capital, aiming to promote a culture of quality service aligned with the strategic framework of the organization and its profitability.

► PROCUREMENT & BUDGETARY MANAGERIAL COMMITTEE

Its main function is to direct and govern the bank's budget management and procurement processes from the formulation of budget to the contracting of goods and services, guaranteeing efficient levels of expenditure, as well as the selection of the best option in the market, in order to meet the organization's strategic objectives.

Its functions are the following:

- Ensure that the expenditure budget that will be recommended to the Executive Committee for approval (annual or emerging), complies with factors that justify the allocation of resources in terms of:
 - Guaranteeing business continuity without affecting operability, service quality and risk exposure of the bank's areas.
 - Regulatory Compliance.
 - Analysis of expenditure rationing including savings initiatives for the optimal use of the allocated resource.
- To ensure the reasonability and viability of the budget allocated to each of the bank's areas, as well as to guarantee its control and monitoring.
- To ensure within its autonomy level, the control of purchases and contracts in the organization, through mechanisms that ensure transparency in the selection of the best option offered by suppliers, evaluating the quality of goods and services offered. This is done in order to satisfy the requirements of the organization, leveraging the strategic vision and improving relations with suppliers.

► INVESTMENT AND PROJECT COMMITTEE

Its main objective is to ensure that the projects and investments portfolio, recommended to the Executive Committee for its approval (annual or emerging), complies with those factors that justify the allocation of resources regarding the impact on the strategy achievement, value generated for the institution; business continuity; compliance with regulations; feasibility of the amount to be invested and the required execution capacity; ensuring the reasonability and feasibility of business cases for each of the approved investments; and, finally, ensuring the control and monitoring of the approved projects and investment portfolio, specifically the return on investment as a promise of value.



MANAGERIAL REPORT ON THE COMPLIANCE OF GOOD GOVERNANCE REGULATIONS

For Banesco Banco Universal, C.A., complying with the principles of good corporate governance means carrying out its activity in accordance with the following standards:

- **Efficiency:** aimed at producing the highest value at the lowest cost in the shortest time and achieving the goals that have been set.
- **Equality:** strict respect for the right to equal treatment of shareholders, employees, customers and suppliers, as well as any person dealing with the company.
- **Respect:** to the shareholders' economic and political rights.
- **Transparency, communication and information:** building trust and credibility with the public, through the full and truthful disclosure of all information necessary for a proper understanding of the company.

Banesco Banco Universal, C.A. is therefore following the "one share, one vote" principle. Accordingly, it recognizes the proportionality that must be guaranteed between the percentage of participation in the capital and the corresponding right of participation in the formation of the will of the institution, always through the informed exercise of the shareholders' political rights.

The Bank, through the Corporate Governance Vice-Presidency, evaluates the governance mechanisms for the benefit and protection of its shareholders, customers and employees, as well as the creation of guidelines for the administration of the stimulus and management discipline.

In order to guarantee the compliance with the world standards of good corporate governance, the Corporate Governance VP evaluates annually the performance of each one of the bodies of governance, based on indicators that measure their management, and with their results undertakes the necessary actions to optimize their operation. This takes into consideration criteria of efficiency and effectiveness in the fulfillment of the objectives of each committee.

CORPORATE GOVERNANCE

102-13, 102-17, 102-18, 102-25, 102-26, 103-1, 103-2, 103-3, 205-2, 408-1, 412-1, FS3, FS12

It also implements annual reviews before the Board of Directors of compliance with the best practices and world trends and their standardization by each Committee: planning of agendas for alignment with objectives, control and monitoring of decisions, reporting to higher levels of government on its activity, among others. Similarly, the Corporate Governance VP periodically coordinates, with independent external consultants, the performance of surveys among directors and senior management to diagnose and measure the level of maturity in corporate governance. This is done in order to establish the level of compliance with the highest international standards for the institution.



REGULATION, CORPORATE AND UNIONS PARTICIPATION

Banesco Banco Universal, C.A. is regulated in accordance with the Law on Banking Sector Institutions, the Law on the Central Bank of Venezuela (BCV), as well as normative regulations issued by the Superintendency of Banking Sector Institutions, among others.

It is an active member of the Venezuelan Banking Association (ABV), especially in the Mortgage Affairs Committee, Swift Executive Committee, Legal Management Committee, Manufacturing Committee, Banking Security Committee, Agricultural Services Committee and the Tourism Committee.

It also participates in various committees before BCV, such as: Committee of Operations and cash at regional level, Means of Payment Project, Logging and Imaging and Electronic Clearing House (checks, transfers and direct credits).

In addition, it works with the franchises and committees related to its business, such as Suiche7B, Visa, MasterCard. The company participates in the Credit Card Chamber as well. From the perspective of its social action, Banesco Banco Universal, C.A. has a membership in the Venezuelan-American Chamber of Commerce and Industry (Venamcham) at national level.

OUR ETHICS AND HUMAN RIGHTS POLICY

We promote equality among our personnel and in the treatment of our clients without distinction as to ethnic origin, socioeconomic status, marital status, age, physical appearance, disability, political affinity, religious creed (or lack thereof), sexual orientation or any other particularity, respecting their dignity and guaranteeing equal opportunities. We base our business relationships on equity, fair transactions and mutual benefit and apply a non-discriminatory selection of suppliers.

Banesco Banco Universal, C.A. takes into account social and environmental issues in all its activities. We are signatories of the United Nations Global Compact. These are agreements by which organizations around the world make a voluntary commitment to establish in their strategies and operations, principles related to labor standards, environment, human rights, corruption and transparency.

Banesco reports annually its progress in implementing the Ten Principles through a public corporate report.

Banesco Banco Universal, C.A. seeks to implement these commitments as part of its business strategy. This is why it has complied with these initiatives:

- ▶ The content of the Ten Principles of the Global Compact was disseminated through our internal and external media (blog).
- ▶ 122 service contracts were signed with suppliers in 2018. Twenty of these included Clause 20 (J) regarding the Ten Principles of the Global Compact, based on the Universal Declarations and Conventions applicable in Human Rights, Environment, Labor Standards and Anti-Corruption.



OUR BANESCO POLICY ON RESPONSIBILITY AND SUSTAINABILITY

Our Responsibility and Sustainability Policy aims to achieve Economic, Social and Environmental Sustainability and a responsible management in all areas of the organization. We are committed to the Sustainable Development of our stakeholders and to achieve that goal we have established a value proposition, based on products, services and programs that promote economic, social and environmental development on a balanced basis. Thus, we assume our responsibility to respect and promote Human Rights; to contribute to the well-being of its areas of operation; to interact, under ethical principles, with all its different interlocutors: workers, customers, suppliers, authorities, shareholders and society in general.

Banesco Banco Universal, C.A. has proposed to be an active agent in the support of small and micro enterprises. It will also support the training of entrepreneurs and the development of inclusive products and services that will provide an opportunity for those sectors of the population that have not had access to financial system advantages.



COMPREHENSIVE MONEY LAUNDERING AND FINANCING OF TERRORISM RISK SYSTEM (SIAR ML/FT)

In the Prevention and Control of Money Laundering and Financing of Terrorism Division (PCML/FT), Banesco Banco Universal, C.A. follows Resolutions No. 119-10 and No. 427, Sudeban, which lay down "Rules for Administration and Control of Risks Related to Prevention, Control and Monitoring of Money Laundering and Financing of Terrorism Operations, applicable to institutions regulated by the Superintendency of Banks and Other Financial Institutions".

In addition, it is governed by the Organic Law on Organized Crime and Financing of Terrorism and the Organic Law on Drugs as well. Likewise, Banesco Banco Universal, C.A. is supervised through the National Financial Intelligence Unit (UNIF), attached to Sudeban.

Banesco Banco Universal, C.A., as a regulated entity, maintains its Comprehensive Risk Management System for Money Laundering and Financing of Terrorism, in accordance with applicable regulations, and has optimized it by taking into account the observations indicated by the Regulatory Entity through its official records and circulars, and those made by the External and Internal Auditors in their half-yearly and annual reports.

The members of the Board of Directors establish policies, strategies and control and prevention plans, which are included in the Manual of Policies and Risk Management regarding Money Laundering and Financing of Terrorism. The Board of Directors approves the Annual Operational Plan based on the terms established by the regulating body, as well as

Annual Training Program, the Annual Assessment and Control Program, which will be executed by the internal audit department. Furthermore, it maintains an approach based on risk to prevent, supervise, detect and control peculiar and / or suspicious activities concerning ML/FT, and after being assessed, they will be reported to the corresponding authorities.

The organizational structure of the Comprehensive Money Laundering and Financing of Terrorism Managerial Risks System of the bank, approved by the Board of Directors, is comprised of:

- ▶ Board of Directors.
- ▶ President of the Bank.
- ▶ Compliance Officer of ML/FT Prevention.
- ▶ Committee of ML/FT Prevention and Control.
- ▶ Unit of ML/FT Prevention and Control.
- ▶ Compliance Official.

As of December 31, 2018, the bank maintains a total of 390 Compliance Officials (ERC) distributed in 360 agencies and 84 centralized areas, areas, designed by the Board of Directors, who in addition to their duties must, based on SUDEBAN's requirements:

- ▶ To liaise with and support the Compliance Officer in the prevention, control and management of ML/FT risks.
- ▶ To implement and supervise the rules, policies and procedures for the prevention and control of ML/FT activities in its area of concern.
- ▶ To advise and support the personnel of its area of responsibility in matters related to prevention and control procedures and in the current regulations governing the matter.
- ▶ To draw up their respective Annual Monitoring, Evaluation and Control Plans, to be applied to ensure that its prevention and control of money laundering obligations are met.

BOARD OF DIRECTORS MEMBERS

Main Directors:

Juan Carlos Escotet Rodríguez
Chairman of the Board of Directors

Giuseppe Grasso Vecchio
Chief Executive Officer

Miguel Ángel Marcano Cartea
Emilio Durán Ceballos
María Josefina Fernández Maroño
Carlos Eduardo Escotet Alviarez*
Patricia Riera Chaparro*

Substitute Directors:

Juan Carlos Alviarez Hurtado*
Antonio Pardo Tolo Lalli*
Mario Vladimir D'Alfonso Schaffino*
Teresa Yabuur Ebrimain*
Marlo Germán Ovalles Martínez*
Vilma Angelina Rodríguez Vivas*
María Clara Alviarez Hurtado*

** Under authorization process by SUDEBAN.*



OUR POLICY

We confirm our willingness to manage the business in a pluralistic and participatory way. We firmly believe in the exchange of ideas and thoughts and, therefore, we involve our shareholders in our daily work. We have a broad base of private shareholders who benefit from high profitability and solvency.

We have a transparent relationship with shareholders through the Shareholders' Meetings and the Shareholders' Unit. We hold two Annual Shareholders' Meetings every year. In 2018, those were held on March 22 and September 27; and in 2017, they were held on March 30 and September 28. Likewise, two special meetings were held in 2018 and 2017 on the same dates as the annual meetings.

We have a broad base of private shareholders who benefit from high profitability and solvency. We respect the rights of all shareholders with regard to the dividend payment decree.

Our commitment is to correspond to the trust deposited by our shareholders in Banesco Banco Universal, C.A. through an adequate return on their capital, with solvency, transparent corporate governance, and careful risk management. The capital remuneration policy seeks a balance between the payment of dividends and sufficient levels of capitalization to meet the challenges, opportunities and difficulties that may arise.

SHAREHOLDERS' UNIT

It was created in 2008 with the aim of giving attention in timely and transparent manner to the holders of the shares. For this purpose, it keeps an attention service both at a telephone level and through e-mails in order to provide a better service to its users. By means of this management, shareholders obtain all the necessary information about their investment: account statements of their dividends (historical), claims, certifications by external auditors, assignment of shares in case of divorce or death, guarantee, delivery of reports to whoever requests it and, in general, everything related to their shares.

13,650 and 9,750 phone calls were answered, 11,718 and 8,370 emails were sent respectively in 2018 and 2017. The most frequent questions regarded the process of capital increase, preemptive subscription of shares, the stock position and the outstanding amount of receivable dividends.

PREFERRED SHARES

Banesco Banco Universal, C.A., at the end of 2018 had a total of 29,586 shareholders: 23,652 owners of preferred shares and 5,934 of common shares, while at the end of 2017, it had a total of 29,597 shareholders: 23,661 owners of preferred shares and 5,936 of common shares.



OUR SHAREHOLDERS

102-7, 102-21

DIALOGUE WITH OUR SHAREHOLDERS

Information transparency towards our shareholders is one of the principles we have set out in our policies.

We have the following communication channels:

- ▶ Shareholders' Unit.
- ▶ Annual and Special Shareholders' Meetings.
- ▶ Half-yearly Financial Reports.
- ▶ Annual Corporate Social Responsibility Report.
- ▶ Digital bulletin sent digitally to our clients.
- ▶ Contact and direct meeting with shareholders.
- ▶ Agencies Network
- ▶ Our website www.banesco.com which provides relevant information related to financial information issued by the Bank and by the external auditors, CSR reports, and the half-yearly financial reports.



BASIC FEATURES

Share capital (VES)	2018	2017
12.500,00	12,500.00	1,250,000,000

Shares	2018	2017
Number of shares	125,000,000	125,000,000
Circulation	122,045,467	122,045,467
Treasury	2,954,533	2,954,533

Number of shareholders	2018	2017
Common	5,934	5,936
Preferred	23,652	23,661
Total	29,586	29,597



In addition, in order to promote the strengthening of the institution's equity and growth, special shareholders' meetings were held from November 2017 to November 2018. At these meetings, it was agreed to increase the bank's share capital in the amount of VES 800.4.million through the preemptive subscription of shares, with the participation of the vast majority of our shareholders. As of this date, such increases are awaiting authorization by the Superintendency of Banking Sector Institutions (SUDEBAN), subject to the binding opinion of the Higher National Financial System Body (OSFIN).

OUR HUMAN CAPITAL

102-7, 102-16, 102-17, 102-25, 102-34, 103-1, 103-2, 103-3, 406-1, 408-1, 410-1, 412-1, 412-2



OUR POLICY

We promote equal opportunities and our employees' satisfaction, fostering harmony in the work environment and a better quality of life for all. We manage Human Capital through the experience of our corporate values and the competencies that all members of the institution should possess. The Individual and Social Responsibility is a fundamental aspect for both.

In this regard, the Human Capital policy favors levels of development, remuneration, motivation and teamwork is focusing on achievement, protection and comprehensive welfare. We firmly believe that our employees are the cornerstone of Banesco Banco Universal, C.A.

The Human Capital areas responsible for the selection and hiring process fulfill their responsibilities based on the methodology applied by Banesco Banco Universal, C.A. This includes adequate respect for non-discrimination and equal opportunities. We also undertake actions to facilitate the direct employment of people with disabilities.

OUR MANAGEMENT

We guaranteed the stability and security of our employees and covered the vacant positions with 1,212 new entries in 2018. We had 5,191 employees by the end of that year.

The distribution of employees by position and age proves that we are a young and dynamic institution, with an average age of 37. During this year, 86% of our human capital, or 4,360 workers, were between 18 and 50 years old.

The intention of Banesco Banco Universal, C.A. is to generate a stable source of employment without discrimination whatsoever, which is evidenced by the fact that 87% of the employees are permanent, 65% are female and the personnel that make up the base positions, both permanent and contracted, account for 47% of the entire workforce.

CODE OF ETHICS

Banesco Banco Universal, C.A. has a Code of Ethics and Conduct for Banesco Citizen approved by the Board of Directors. This is compulsory and applicable to all personnel and those related to the bank. Whenever an induction is given to new recruits or active personnel, the content of the Code of Ethics and Conduct of the Banesco Citizen is recalled and the importance of knowing its content is stressed, so that they always act in accordance with its principles. The Code is provided through electronic media and mass communications on subjects related to Values and Prevention of Money Laundering and Financing of Terrorism.

OUR HUMAN CAPITAL

102-7, 102-8, 102-11, 102-16, 102-21, 102-25, 102-33, 102-34, 103-1, 103-2, 103-3, 405-1, 406-1, 408-1, 410-1, 412-1, 412-2

In 2018, the Banesco Code of Ethics and Conduct was updated to reinforce aspects inherent to the Prevention of Money Laundering and Financing of Terrorism, especially the value of reliability and the declaration of Extraordinary Income to strengthen internal regulations and increase the level of control and supervision. Likewise, sessions were held to disseminate updates through classroom and virtual training and mass distribution through institutional newsletters. The updated Code of Ethics and Conduct is available at the intranet.

Additionally, you may visit <https://www.banesco.com/somos-banesco/informacion-corporativa/codigo-de-etica> for public consultation. Additionally, this legal document establishes rules aimed at regulating the treatment of possible conflicts of interest.

In our effort to maintain constant and direct communication with our employees, the Coordination of the Human Capital Attention Center (CACH) responds to the requirements of Banesco citizens who are linked to the management of Human Capital and deserve an immediate or short-term response. The requests received are dealt with a coordinated manner with the areas involved in resolution. The worker receives a response through the channels designed for this purpose:

- ▶ E-mail (Contigo_Capital_Humano@Banesco.com).
- ▶ On-site attention through customized interviews and visits to teams in agencies and other points of attention nationally.

In 2018, Banesco Banco Universal, C.A. did not receive any complaints regarding Human Rights of workers, shareholders, clients, community or suppliers.

AGE AND GENDER DISTRIBUTION

Average	2018			2017			Variation		
	Fem	Male	Total	Fem	Male	Total	Fem	Male	Total
15-17*	24	13	37	12	10	22	100%	30%	68,18%
18-25	403	320	723	523	406	929	(22.94%)	(21.18%)	(22.17%)
26-30	564	246	810	817	353	1.170	(30.97%)	(30.31%)	(30.77%)
31-35	582	266	848	900	397	1.297	(35.33%)	(33%)	(34.62%)
36-40	623	248	871	761	343	1.104	(18.13%)	(27.70%)	(21.11%)
41-45	456	230	686	541	276	817	(15.71%)	(16.67%)	(16.03%)
46-50	337	203	540	349	230	579	(3.44%)	(11.74%)	(6.74%)
51-55	207	162	369	214	160	374	(3.27%)	1.25%	(1.34%)
56-60	122	90	212	108	79	187	(12.96%)	13.92%	13.37%
61-65	43	24	67	42	23	65	(2.38%)	4.35%	3,08%
66-70	10	8	18	13	2	15	(23.08%)	300%	20%
71-75	6	3	9	2	2	4	(200%)	1%	125%
>75	1	0	1	1		1	0%	0%	0%
Total	3,378	1,813	5,191	4,283	2,281	6,564	(21.13%)	(20.52%)	(20.92%)

*The group of workers in this age range is INCES trainees.

OUR HUMAN CAPITAL

102-8,103-1, 103-2, 103-3, 202-2, 405-1, 410-1, 412-2

GENDER DISTRIBUTION AND POSITION CATEGORIES

Level	2018			2017			Variation %		
	Fem	Male	Total	Fem	Male	Total	Fem	Male	Total
AP/PA/TE	91	65	156						
Base	1,599	776	2,375	1,007	628	1,635	592	148	740
Professional/Technician	1,074	610	1,684	2,578	1,253	3,831	(1,504)	(643)	(2,147)
Supervision	78	65	143	116	85	201	38	(20)	(58)
Managerial	508	273	781	552	284	836	(44)	(11)	(55)
Vice-presidents	24	21	45	25	27	52	(1)	(6)	(7)
Directors	4	2	6	5	2	7	(1)	0	(1)
President	0	1	1	-	2	2	0	(1)	(1)
Total	3,378	1,813	5,191	4,283	2,281	6,564	(996)	(533)	(1,529)

CONTRACTING AND GENDER DISTRIBUTION

Level	2018		2017		Variación %	
	Fem	Male	Fem	Male	Fem	Male
Apprentices	81	62	91	87	19	(29)
Interns	10	3	21	11	7	(18)
Contracted	301	169	218	153	132	(49)
Fixed	2,986	1,579	3,953	2,030	1,407	(2,374)
Total	3,378	1,813	4,283	2,281	1,565	(2,470)
Total	5,191	6,564	(1,373)			

AGE AND POSITION DISTRIBUTION CATEGORY

Age groups	2018						2017					
	15-17	18-30	31-40	41-50	>50	Total	15-17	18-30	31-40	41-50	>50	Total
AP/PA/TE	32	124	0	0	0	156						
Base	0	957	858	349	211	2,375	22	842	546	157	68	1,635
Professional/Technician	0	420	646	441	177	1,684		1,230	1,547	735	319	3,831
Supervision	0	17	41	48	37	143		22	71	74	34	201
Managerial	0	15	178	367	221	781		7	227	407	195	836
Vice-presidents	0	0	2	20	23	45			7	21	24	52
Directors	0	0	0	1	5	6			1	1	5	7
President	0	0	0	0	1	1				1	1	2
Total	32	1,533	1,725	1,226	675	5,191	22	2,101	2,399	1,396	646	6,564



OUR HUMAN CAPITAL

103-2, 103-3, 202-2, 402-1

NATIONAL DISTRIBUTION

Our territorial division corresponds to the business strategy and therefore represents an important source of employment in the different regions in the country. 92.52% of our employees are permanent.

The selection and recruitment of personnel in the different regions of the country is done by following the same rules and procedures as in the Capital Region through the evaluation of candidates and profiles, which must be in accordance with the organizational requirements. This process is carried out by the offices that the Executive Directorate of Human Capital has in the main cities of the country, through a team of comprehensive advisors, experts in the management of Human Capital.

Inside the country, the Vice Presidents responsible for Sales Network are from each of these regions, which gives them a better understanding of the economic dynamics in each location and their customers.

The recruitment of sales executives in the regions helps to benefit the local communities and, at the same time, allows for a better understanding of the regional situation, which strategically strengthens decision-making based on the particularities of each area.

AVERAGE SENIORITY

Years	Seniority Average
2018	9.73
2017	8.29
Variation %	17.37%

TOTAL OF EMPLOYEES

Years	Total Employees
2018	5,191
2017	6,564
Variation %	(20.91%)

GENDER DISTRIBUTION

Years	Female	Male
2018	3,378	1,813
2017	4,283	2,281
Variation %	(21.13%)	(20.51%)

NATIONAL DISTRIBUTION

Region	2018		2017		Variation	
	Workers	% of total	Workers	% of total	Workers	% of total
Capital	3,259	41.59%	3,963	60.37%	(704)	(18.78%)
Center	578	11.13%	756	11.52%	(178)	(0.39%)
Western-Andean	496	9.55%	660	10.05%	(164)	(0.50%)
Eastern South	480	9.24%	667	10.16%	(187)	(0.92%)
North-western	378	7.28%	518	7.89%	(140)	(0.61%)
Total general	5,191	100%	6,564	100.00%	(1,373)	0%

VICEPRESIDENTS OF THE NET

Region	2018		2017	
	Quantity	% Fair from communities Local	Quantity	% Fair from communities Local
Capital	3	66.66%	4	75%
Center	1	0%	1	0%
Western-Andean	1	100%	1	100%
Eastern-South	1	0%	1	100%
Zulia-Falcón	1	100%	1	100%
Total general	7	53.33%	8	75%

OUR HUMAN CAPITAL

102-28, 102-31, 103-1, 103-2, 103-3, 401-1, FS13, FS14, FS16

INCOME AND EXPENDITURE VARIATION

The turnover rate is a function of the percentage rate between income and expenditure, in relation to the number of employees in the area in a certain time period. Between 2017 and 2018 this rate increased from 35.75% to 40.36%. The Collective Labor Agreement of Banesco Banco Universal, C.A. does not establish any minimum period of notice regarding organizational changes. The bank is governed by the legal provisions established in the Organic Law on Labor and Workers (LOTTT) and the Organic Law on Prevention, Conditions and the Working Environment (LOPCYMAT).

TURN OVER RATE

Item	2018	2017
Income *	1,212	1,145
Expenditure	2,978	3,548
Population	5,191	6,564
Turnover rate	40.36%	35.75%

(*)Transfers to fixed assets and contract renewals were not considered in income. The turnover rate is calculated using the formula $\{[(\text{Income} + \text{expenditure})/2]/\text{population at the end of the year} \times 100\}$.

TURN OVER RATE BY REGION

2018			
Region	Population	Income + Expenditure	Turnover rate
Los Llanos Center Region	578	364	31.49%
Metropolitan Region	3,259	2,870	44.03%
Western-Andean Region	496	382	38.51%
North-western Region	378	279	36.90%
South-eastern Region	480	295	30.73%
Total general	5,191	4,190	40.36%
2017			
Region	Population	Income + Expenditure	Turnover rate
Los Llanos Center Region	756	467	30.89%
Metropolitan Region	3,963	3,254	41.05%
Western-Andean Region	660	360	27.27%
North-western Region	518	312	30.12%
South-eastern Region	667	300	22.49%
Total general	6,564	4,693	35.75%

OUR HUMAN CAPITAL

102-28,102-31, 103-1, 103-2, 103-3, 401-1, FS13, FS14, FS15

TURN OVER RATE BY REGION

2018	<18		18-30		31-40		41-50		>50		
	Level	Fem	Male								
Los Llanos Center Region		0.00%	0.00%	0.94%	0.43%	1.13%	0.45%	0.37%	0.11%	0.03%	0.02%
Metropolitan Region		0.19%	0.17%	9.03%	6.68%	4.37%	2.53%	1.46%	1.12%	0.59%	0.45%
Western-Andean Region		0.00%	0.00%	0.92%	0.52%	0.95%	0.59%	0.30%	0.24%	0.05%	0.06%
North-western Region		0.00%	0.00%	0.55%	0.39%	0.80%	0.33%	0.27%	0.15%	0.13%	0.05%
South-eastern Region		0.00%	0.00%	0.48%	0.37%	0.80%	0.43%	0.39%	0.19%	0.10%	0.04%

2017	<18		18-30		31-40		41-50		>50		
	Level	Fem	Male								
Los Llanos Center Region		0.00%	0.00%	0.94%	0.43%	1.13%	0.45%	0.37%	0.11%	0.03%	0.02%
Metropolitan Region		0.19%	0.17%	9.03%	6.68%	4.37%	2.53%	1.46%	1.12%	0.59%	0.45%
Western-Andean Region		0.00%	0.00%	0.92%	0.52%	0.95%	0.59%	0.30%	0.24%	0.05%	0.06%
North-western Region		0.00%	0.00%	0.55%	0.39%	0.80%	0.33%	0.27%	0.15%	0.13%	0.05%
South-eastern Region		0.00%	0.00%	0.48%	0.37%	0.80%	0.43%	0.39%	0.19%	0.10%	0.04%

TURN OVER RATE BY REGION AND GENDER

2018	Population		Income+Expense		Ind. Turnover		
	Level	Fem	Male	Fem	Male	Fem	Male
Los Llanos Center Region		444	134	257	105	28.94%	39.18%
Metropolitan Region		2024	1235	1632	1148	40.32%	46.48%
Western-Andean Region		308	188	231	147	37.50%	39.10%
North-western Region		260	118	182	95	35.00%	40.25%
South-eastern Region		342	138	183	107	26.75%	38.77%
Total		3,378	1,813	2,485	1,602	36.78%	44.18%

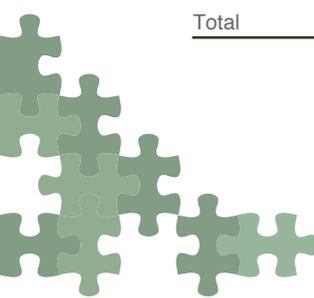
2017	Population		Income+Expense		Ind. Turnover		
	Level	Fem	Male	Fem	Male	Fem	Male
Los Llanos Center Region		561	195	295	172	26.29%	44.10%
Metropolitan Region		2,514	1,449	1,863	1,391	37.05%	48.00%
Western-Andean Region		397	263	209	151	26.32%	28.71%
North-western Region		353	165	184	128	26.06%	38.79%
South-eastern Region		458	209	177	123	19.32%	29.43%
Total		4,283	2,281	2,728	1,965	31.85%	43.07%

PERFORMANCE ASSESSMENT

We do constant performance assessment under the methodology of quantitative goals measurement for the entire bank's population. Thus, all the organizational levels record their targets while the performance is analyzed based on those standards. The total of employees assessed during 2018 was 4173, which accounts for 82.83 of the assets by the end of said year. The remain percentage corresponds to apprentices, who are not evaluated due to seniority and the leaving personnel at the time of performance assessment in 2018.

PERFORMANCE ASSESSMENT

	2018	2017	Var %
Total Employees	5,191	6,564	(23.25%)
No. of assessed employees	4,173	5,365	(22.22%)
% of assessed employees	80.39%	81.73%	1.35%



OUR HUMAN CAPITAL

102-28, 102-31, 102-35, 102-36, 102-37, 102-38, 102-39, 103-1, 103-2, 103-3, 202-1, 401-2, 404-3, FS6, FS13, FS14, FS16

PERFORMANCE ASSESSMENT BASED ON POSITIONS

Banesco Banco Universal	2018				2017			
	Male		Female		Male		Female	
	Assessment	%	Assessment	%	Assessment	%	Assessment	%
Base	239	14%	442	18%	395	22.75%	740	20.39%
Professional/Technician	825	49%	1675	68%	994	57.26%	2,245	61.86%
Supervision	59	3%	68	3%	83	4.78%	110	3.03%
Managerial	553	33%	274	11%	264	15.21%	534	14.71%
Vice-presidents	18	1%	20	1%	0	0.00%	0	0.00%
Directors	0	0%	0	0%	0	0.00%	0	0.00%
Gender total	1,694	100%	2,479	100%	1,736	100.00%	3,629	100%
Total General of Assessed	4,173				5,365			

POSITION PROMOTIONS

We believe in the talent of our collaborators. For this reason, we offer the possibility of growing internally towards positions of greater responsibility through our policy of internal promotion. We promoted 831 and 1,021 employees in 2018 and 2017 as a primary source for filling vacancies.

POSITION PROMOTIONS

Directorate	2018	2017	Variation%
Board of Directors	41	24	70.83
Executive Presidency	7	28	(75.00%)
Treasury and Finances Exec. Human Capital	24	30	(20.00%)
Commercial Exec. Dir.	534	555	(3.78%)
Credit and Logistics Exec. Dir. Banking	111	161	(31.06%)
Corporate Development Exec. Dir.	0	0	0.00%
Cards Exec. Dir.	20	37	(45.95%)
Technology and Processes Exec. Dir.	58	140	(58.57%)
Treasury and Finances Exec. Dir.	36	46	(21.74%)
Total general	831	1,021	(18.61%)



OUR HUMAN CAPITAL

102-28, 102-31, 102-35, 102-36, 102-37, 102-38, 102-39, 103-1, 103-2, 103-3, 202-1, 401-2, FS6, FS13, FS14, FS16

REMUNERATION POLICY

In line with our commitment to our employees and their families during 2018, we made six salary adjustments with an overall average increase of 38.30%. Given the sharp increase in minimum wage, the organization's adjustment was 889%, ending the year with an increase of 114% in November. In addition, improvements were made to the food voucher benefit in accordance with current regulations.

PAYMENT POLICIES FOR THE HIGH GOVERNMENT BODY AND THE TOP MANAGEMENT

Banesco Banco Universal, C.A. is committed to continuously evaluate its employees' needs, as well as to provide them with better working conditions. In 2018, a general average increase of 38.30% was made to all Banesco Citizens, at 6 different times; granting 50% in January, 120% in March and May, 150% in July and by September, considering the increase in the national minimum wage, the organization's adjustment was 889%, ending the year with an increase of 114% by November. In addition, improvements were made to the benefit of the food voucher in accordance with current regulations.

PROCESSES TO CALCULATE PAYMENTS

Banesco Banco Universal establishes its payments by analyzing the relative weights of its positions in each of its work units, which take into consideration the decrees on this matter by the Executive branch. The budget defined for this purpose, macroeconomic indicators and any other relevant variable allows the most appropriate allocation to be established for each case. The yearly remuneration of a collaborator includes: Basic Monthly Income, Vacation Bonus, Profits and Company Contribution to Savings Bank of 11%.

RELATION BETWEEN YEARLY PAYMENTS OF THE BEST WELL-PAID PERSON WITH YEARLY AVERAGE SALARY COMPARING TO OTHERS IN THE BANK

Payment	2018	2017
Average payment for remaining population	22,426	6,853,255.43
Total Yearly Payment Relation	3.86	7.12

- ▶ The average salary of the remaining population does not include the best paid person of the organization.
- ▶ The estimate includes full-time, part-time and contract workers.
- ▶ Given the local context where the activities of Banesco Banco Universal, C.A. are developed, information is kept confidential to safeguard the personal safety of our employees and the Institution's senior management.

OUR HUMAN CAPITAL

201-1, FS4, FS14, FS16

PERCENTAGE INCREASE OF YEARLY PAYMENT REGARDING THE BEST WELL-PAID PERSON IN COMPARISON TO THE YEARLY PERCENTAGE INCOME OF THE AVERAGE IN THE BANK

Payment	2018	2017
Posición Mejor Pagada	32.595%	69.98%
Best paid position	139.407%	539.50%
% of Annual Increase	38.300%	536.45%

Given the local context where the activities of Banesco Banco Universal, C.A. are carried out, there is information kept confidential to safeguard the personal security of our employees and the Institution's senior management.

DISABLED EMPLOYEES

We are aware of the significance of generating employment for people with disabilities capable of inserting themselves in the labor market. After preparation and training with specialized associations in the field, we have included people with special needs in our personnel in activities of a flexible and dynamic nature. Its development has undoubtedly allowed them to feel and be productive for society, making their efforts and perseverance worthwhile both inside and outside the bank.

Region	2018	2017	Variation
Metropolitan	13	13	0%
Center - Los Llanos	1	1	0%
Total	14	14	0%

DISABILITY

Tipo	2018		2017	
	Female	Male	Female	Male
Visual	2	1	2	1
Mental	-	2	-	2
Multiple	2	3	2	3
Muscle Disability Skeletal and others	1	3	1	3
Total gender general	5	9	5	9
Total General	14		14	

Let's pursue **inclusion** without discrimination



OUR HUMAN CAPITAL

102-12, 103-1, 103-2, 103-3, 404-1, 404-2, 404-3, FS14, FS16

TRAINING

We are committed to the growth and professional development of our human talent. For this reason, we are concerned with providing training experiences that promote the achievement of organizational goals and the development of working skills.

TRAINING BY POSITION LEVELS

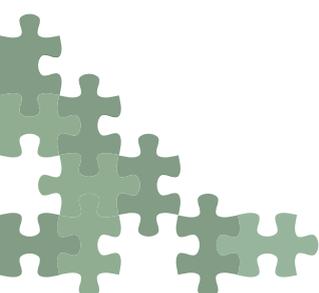
Level	Participation			Hours man			Average hours		
	2018	2017	Var	2018	2017	Var	2018	2017	Var
Base	4,468	2,503	78.51%	80,901	72,276	11.93%	18	29	(37.56%)
Professional	7,835	5,374	45.79%	222,376	223,737	(0.61%)	28	42	(32.42%)
Supervision	425	342	24.27%	16,536	15,690	5.39%	39	46	(15.42%)
Managerial	2,932	1,013	189.44%	88,955	62,098	43.25%	30	61	(50.26%)
Vice-presidents	193	48	302.08%	3,480	548	535.04%	18	11	63.92%
Directors	4	7	(42.86%)	68	25	172.00%	17	4	325.00%
President	1	2	(50.00%)	23	8	187.50%	23	4	475.00%
Total	15,858	9,289	70.72%	412,339	374,381	10.14%	26	40	(35.00%)

GENDER TRAINING

Nivel	Trained employees 2018				Trained employees 2017			
	Female	%	Male	%	Female	%	Male	%
Base	2,988	31%	1,480	24%	1,498	25%	1,005	30%
Professional / Technician	4,598	47%	3,236	53%	3,493	59%	1,881	55%
Supervision	258	3%	167	3%	200	3%	142	4%
Managerial	1,744	18%	1,187	19%	669	11%	344	10%
Vice-presidents	112	1%	81	1%	25	0%	23	1%
Directors	4	0%	2	0%	5	0%	2	0%
President	0	0%	1	0%	-	0%	2	0%
Total	9,704	100%	6,154	100%	5,890	100%	3,399	100%

TYPES OF SPECIALIZED TRAINING

Our training and development plans are managed in three main knowledge groups: Banking or regulatory knowledge that includes legal and regulatory matters, including industrial, physical and information security. On one hand, the type of technical knowledge includes training in management control, marketing, sales, technology, services and specialized knowledge according to the business area. On the other hand, the kind of competence development offers training and strengthening actions in personal development, people management and key competences of the organization.



OUR HUMAN CAPITAL

102-12, 103-1, 103-2, 103-3, 404-1, 404-2, 404-3, FS14, FS16

SPECIALIZED TRAINING

Area of Specialization	Training hours		
	2018	2017	Variation%
Banking or Regulatory Knowledge	93,100	183,807	(49.35%)
Technical knowledge	249,726	154,824	61.30%
Skills development	69,512	35,750	94.44%
Total Training hours	412,339	374,381	10.14%
Total employees	5,038	6,564	(23.25%)
Average Training Hours	82	40	105.00%
Total trained employees	4,803	9,289	(48.29%)
% Trained personnel	95%	141.51%	(32.87%)

OPERATIONAL RISK WORKSHOPS

Supported by a high performance team and a comprehensive vision of those elements that may impact goal achievement. Between 2018 and 2017, the maintenance of loss levels in line with financial aspirations and the risk appetite defined by the bank continued to be one of the key elements of Comprehensive Risk Management, which was in turn driven by the multiplier effect of the risk area on the rest of the organization, through advice, support and knowledge transfer for risk management.

The deployment of Banesco's Risk Culture Plan through the joint work and participation of those responsible for the processes within the organization was a key initiative to reinforce and leverage the continuity of communication, measurement and training actions for Banesco citizens in the Comprehensive Risk Management and the methodology for its administration.

OPERATIONAL RISK WORKSHOPS AND TRAINING

Name of the activity	2018		2017	
	Participants	Certificates / Approved	Participants	Certificates / Approved
Specialized talks on AIR, Managerial Methodology of Risk and Operational Risk Tools	3,045	3,045	5,432	5,432
Talks on Comprehensive Management of Risk to new employees	396	396	446	446
Training Program for Talent Youth	21	21	35	35
Total General	3,462	3,462	5,913	5,913

The purpose of the Young Talent Training Program is to train a new generation, including high potential and competence youths in the core areas in the bank. As a matter of fact, the Comprehensive Risk Management Executive Vice-presidency is one of them and it is in charge of recruiting young professionals and provides secured places for learning theoretical and practical approaches under internship rotation schemes. The program started with 21 trained participants, who were distributed in key areas (credit, finance, risk and technology).



OUR HUMAN CAPITAL

103-1, 103-2, 103-3, 205-2, 404-1, 404-2, 404-3

TEACHING BUDGET FOR OPERATIONAL RISK DELEGATES

During 2018 and 2017 this activity did not generate any cost for the bank since it was executed through the Human Capital and Risk facilitators team that was carrying out the training work for new recruits and the specialized training in Operational Risk. During these workshops there is an opportunity to provide employees with general knowledge about the area, their functions and the importance of identifying, assessing and managing the operational risks that exist in the Bank, as well as clarifying their doubts and learning about their work experiences, which allows them to relate the activities they perform with operational risk management.

TRAINING IN PREVENTION AND CONTROL OF MONEY LAUNDERING AND OF TERRORISM FINANCING

We carry out an annual training program in the Prevention and Control of Money Laundering and Terrorist Financing approved by the Board of Directors, which involves all employees abiding by provisions of legal regulations in force for the prevention, control and monitoring of operations that may take place through our bank to legitimize capitals and/or finance terrorism, coming from illegal activities in general, aiming at making good, responsible and safe businesses, as a way to survive the attacks of organized crime and the possibility of a judicial error affecting innocent third parties.

Likewise, innovative training strategies were included, such as work tables with real cases, theater forums and micro theaters, updating e-courses, sending of micro learning and tutorials, which allow to promote and leverage in a much more practical and experiential way the key aspects regarding PCML/FT.

Level	Number of workers			Amount in VES		
	2018	2017	Var	2018	2017	Var
New entries	1,109	1,142	(2.89%)			
Active personnel	4,082	5,809	(29.68%)	17.559,96%	17.304.538%	10.047,60%
Total	5,191	6,951	(25.28%)	17.559,96%	17.304.538%	10.047,60%

**DON'T GET INVOLVED
IN SUSPICIOUS
TRANSACTIONS!**



OUR HUMAN CAPITAL

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SKILLS DEVELOPMENT

In 2018, through the SAP Self-Service Portal in the Human Capital cloud, the Banesco Virtual Learning Positioning (AVB) was achieved, complying with the training strategy and the latest trends in organizational learning. We maintain our goal of 85% of the e-training and only 15% delivered on-site, resulting into virtual learning experiences with 46,751 participations and 347,272 hours of training. Similarly, SAP Cloud system benefits were enhanced carrying each collaborator to take these virtual courses from home.

The virtual learning platform is a tool that provides a top value for the professional development of each Banesco Citizen. We add new learning programs every year with the aim of expanding our training offerings where we reinforce behavior, codes and customer service procedures and quality, the development and closing of gaps in attitudinal skills, critical technical knowledge for fulfilling of regulatory standards and offer higher service to customers.

Over the last few years, we have continuously and permanently introduced a number of modular programs that address the different theoretical and practical aspects of Service Quality and Customer Experience, as well as content for the development of Banesco competencies. These allow us to strengthen and close the gaps identified in the performance evaluation processes.

There are programs oriented to reinforce the technical knowledge, business critics and the compliance with regulatory standards such as the updates in the matter of comprehensive risk management for the prevention and control of money laundering and financing of terrorism, learning programs, efficiency and risk culture and the main strategies for implementing savings, profitability and comprehensive risk management initiatives for the entire organization.

Virtual Training Programs were provided with internal and external certification, endorsed by different recognized universities, such as the following: Customer Experience Program certified by Universidad Católica Andrés Bello (UCAB); ITIL Training Program certified by Global Desk; Innovation Diploma certified by Universidad Simón Bolívar (USB). The following internal programs were implemented: Project Management Program promoted by the Exec. Project Management, Security Program promoted by the Loss Prevention Vp. Those were very well accepted by Banesco citizens and allowed them to enhance their self-development.



INTERNSHIP PROGRAM

The Internship Program of Banesco Banco Universal, C.A. allows the early recruitment of talent, in order to foster their long-term development. We annually receive a group of high school and advanced students for their occupational internships. We provide them with the opportunity for the studies completion and give them the theoretical-practical experience so that they may join the country's active labor force. The internship duration is set by the Ministry of Education and the Institutes of Higher Technical and University Education, and may not be less than two hundred and forty (240) hours, according to the Regulations on the National Internship Program.

We are responsible for appointing the business tutor to each intern, who will review the execution of the activities program and will watch over its fulfillment. This leads to guarantee that our interns' learning experience will be successful.

We actively participate in the fulfillment of the Law, training 143 INCES Apprentices. 100 of these are in the theoretical phase in institutes of delegated action at national level, achieving technical knowledge and developing skills that allow them to join the banking area.

We managed to have 43 trainees in various units of the organization performing their practical phase. Approximately 25% of that supporting people are effectively included in the organization's permanent positions. Thus, INCES Apprentices trained at Banesco become an excellent option for the acquisition of new talent.

*External Interns: These are high school and advanced technical students. In 2018, 78 external interns were granted the program.

** *Internal Interns: Employees who are studying and wish to pursue internships with us.

INTERNSHIPS

Internships	2018	2017	Variation%
External*	78	137	0%
Internal **	40	24	118.18%
Total	118	161	(20.30%)

HEALTH AND WORKING SECURITY

The Service, Health and Safety Work Management directs the aspects related to our collaborators' epidemiological surveillance. It also aims to integrate all actions in the field of preventive policy, complemented by the prevention of occupational risks.

We are committed to provide a safe and healthy working environment by guaranteeing the right of people to the protection of their health and integrity, beyond the working environment itself and involving their family group.

The healthy company model, based on the guidelines of international bodies such as the World Health Organization and the European Network for Safety and Health at Work, focuses on people and covers the physical and mental aspects in the workplace, in accordance with the country's policies and hosted by Banesco Banco Universal, C.A.

As a matter of fact, 3,947 and 4,547 consultations were carried out in La Gran Caracas in 2018 and 2017, respectively. Likewise, there were 3,480 and 3,940 return-to-work medical examinations by following prolonged sick leave (rests) nationwide, which generated 22,166 and 27,966 lost days, accounting for 1.00 and 1.00% of medical absenteeism. In conclusion, almost 100% of the population is healthy. It is worth mentioning that consultations or rests include the assistance of a collaborator for several pathologies.

$$\begin{aligned} \% \text{ Working Absenteeism} &= \frac{\text{N}^\circ \text{ Total loss days}}{\text{No. Total of Employees} \times \text{No days of the period}} \times 100 \\ \text{due to medical conditions} & \end{aligned}$$

The Service, Health and Safety at Work Department monitors and controls sick leave, especially long-term leave by applying the following programs:

- ▶ Primary Health Care Program.
- ▶ Program for the Prevention of Common and Workplace Accidents.
- ▶ Program for the Prevention of Common and Occupational Diseases.
- ▶ Application of Standards of both the Regulatory Body (IVSS) and the Management.
- ▶ We encourage the employee to be their own health and safety working manager.



OUR HUMAN CAPITAL

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In addition, there is a group of specialists analyzing special situations of employees concerning serious health problems.

Periodically, these activities were held:

1. Activities

- ▶ Hypertension screening to 625 employees evaluated in 2018 that were followed up to control risk.
- ▶ We continue fumigating (thermo-nebulization) in all offices of the Metropolitan area and nationwide, cleaning ducts and air conditioning grilles. Agencies with the majority of cases experienced an increase in preventive measures regarding clean-up.
- ▶ Garbage collection, storage and water handling.
- ▶ Three days of cervical and prostate cancer prevention were held with the Venezuelan Anticancer Association.
- ▶ A talk on the basics of cancer was held and supported by SenosAyuda.

2.Information campaigns were held to promote healthy lifestyle habits (diet, sport, most common diseases and major health risks, cervical cancer screening, breast cancer screening through preventive consultation.

3.Hearing tests following the preventive issue due to the type of activity carried out by the collaborator. In 2018, 40 hearing tests were conducted in order to control the risk. Given the "country situation", none was carried out in 2017.

4.Annual data evaluations based on type of disease/accident. In 2018 and 2017 these were presented at a general level and detailed by region, sex and number of rests:

ABSENTISM ACCORDING TO DISEASE/ACCIDENT

Disease / Accident	2018			2017	
	Rests	Lost days	%Absenteeism Work Medical	Rests	Lost days
Common Disease	2,534	14,457	0.7	3,463	23,203
Occupational disease	0	0	0	0	0
Work accidents	12	98	0.05	8	39
Common accidents	247	2,083	0.95	469	4,724
Total absenteeism due to Disease/Accident	2,793	16,638	1.7	3,940	27,966

ABSENTEEISM DUE TO ACCIDENTS AT WORK - NO. OF RESTS

Disease / accident	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro Los Llanos	0	0	0	0	0	0
Metropolitana	5	6	11	4	3	7
Western-Andean	1	0	1	0	0	0
Eastern-South	0	0	0	1	0	1
Zulia-Falcón	0	0	0	0	0	0
Total	6	6	12	5	3	8

ABSENTEEISM DUE TO ACCIDENTS AT WORK - NO. OF DAYS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro Los Llanos	0	0	0	0	0	0
Metropolitana	9	75	84	27	10	37
Western-Andean	30	0	30	0	0	0
Eastern-South	0	0	0	2	0	2
Zulia Falcón	0	21	21	0	0	0
Total	39	96	135	29	10	39

ABSENTEEISM DUE TO ACCIDENTS AT WORK - NO. OF RESTS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro Los Llanos	9	27	36	27	36	63
Metropolitana	55	133	188	115	199	314
Western-Andean	3	7	10	15	33	48
Eastern-South	1	5	6	15	13	28
Zulia Falcón	4	3	7	9	7	16
Total	72	175	247	181	288	469

ABSENTEEISM DUE TO ACCIDENTS AT WORK - NO. OF DAYS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro Los Llanos	118	335	453	342	445	787
Metropolitana	393	1,003	1,396	920	1,937	2,857
Western-Andean	29	59	88	180	388	568
Eastern-South	19	53	72	177	142	319
Zulia-Falcón	47	27	74	78	115	193
Total general	606	1,477	2,083	1,697	3,027	4,724
% Absenteeism Common accidents						

OUR HUMAN CAPITAL

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TOTAL GENERAL ABSENTEEISM DUE TO N. OF RESTS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Total	751	2,042	2,793	1,017	2,923	3,940

The data by type of illness/accidents in 2018 and 2017 are presented at a general level and detailed by region, sex and number of days lost:

ABSENTEEISM DUE TO COMMON DISEASE - NO. OF DAYS

Regiones	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro - Los Llanos	36	237	273	950	4,526	5,476
Western-Andean	34	110	144	515	3,244	3,759
Metropolitana	565	1,362	1,927	2,539	8,633	11,172
Eastern-South	19	81	99	103	1,444	1,547
Zulia-Falcón	19	71	90	197	1,052	1,249
Total	673	1,861	2,534	4,304	18,899	23,203

ABSENTEEISM DUE TO COMMON DISEASE – RESTS DAYS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro - Los Llanos	36	237	273	950	4,526	5,476
Western-Andean	34	110	144	515	3,244	3,759
Metropolitana	565	1,362	1,927	2,539	8,633	11,172
Eastern-South	19	81	100	103	1,444	1,547
Zulia-Falcón	19	71	90	197	1,052	1,249
Total	673	1,861	2,534	4,304	18,899	23,203

The total number of days lost due to common illnesses in 2018 and 2017 was 14,457 and 23,203 which corresponds to 2,534 and 3,463 rest days respectively.

The most frequent pathologies during 2018 and 2017 are considered within the common diseases presented below:

MOST FREQUENT DISEASES REST

	Muscle-Skeletal and Articular	Respiratory	Gastro intestinal	Gynecologic	Dermatologic	Disease / Viral
Total 2018	604	481	281	226	226	589
Total 2017	1,033	574	480	556	556	354

In relation to itinerant accidents, Banesco Banco Universal, C.A. has emphasized the education of employees to avoid unsafe acts or conditions.

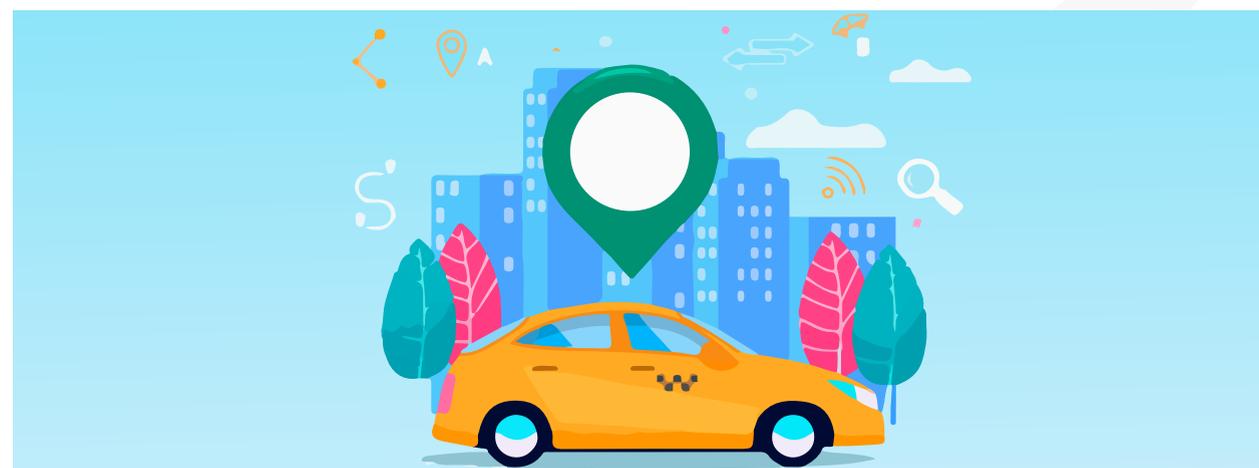
OUR HUMAN CAPITAL

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ABSENTEEISM DUE TO TRAVEL ACCIDENTS

Regions	2018			2017		
	Male	Female	Total	Male	Female	Total
Centro Los Llanos	0	1	1	0	1	1
Metropolitana	7	26	33	24	55	79
Western-Andean	0	1	1	1	5	6
Eastern-South	0	0	0	1	0	1
Zulia Falcón	1	0	1	6	2	8
Total	8	28	36	32	63	95

Banesco Banco Universal, C.A. investigated 8 complaints and 2 that were certified by the INPSASEL for alleged origin of occupational disease and whose conclusions showed that the pathology acquired by the worker or former worker was of common origin that is not caused by work. In addition, in order to encourage the prevention of this type of complaint, the Occupational Safety and Health Department investigated 10 and 4 suspected internal cases of occupational disease during 2018 and 2017, respectively, with the aim of making the appropriate corrections in terms of ergonomics and postural hygiene in the workplace.



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WORKING HEALTH INDICATORS

Absenteeism rate*	
Year	%
2018	1.19
2017	1.00
Variation	1.96

Total rest days**	
Year	Days
2018	22,166
2017	27,966
Variation	(20.74)

*This does not include pre and postnatal leave

**Rest days include epidemiologic diseases, common and travelling accidents.

WORKING HEALTH INDICATORS

	2018		2017	
	Male	Female	Male	Female
No. of employees entitled to parental leave	1,323	2,647	2,281	4,283
No. of employees that exercise such leave	24	193	53	218
No. of employees that its completion, they return to work	24	192	51	210
Return to work rate upon completing the parental leave	100%	99.48%	96.23%	96.33%
No. of employees that in a year after the parental leave remain in the organization	17	124	24	117
Withholding employee rate	70.83%	64.25%	45.28%	53.67%

It is important to note that the numbers were obtained according to the following criteria:

- 1) Age for employees entitled to parental leave: 45 years of age, this by virtue of the fact that the Insurance Policy keeps the coverage active until the age of 45.
- 2) The principle of uniformity over the age of 45 was established for the right to parental leave for both ladies and gentlemen.
- 3) It was taken for granted that 100% of the workforce who took parental leave returned to the organization. That any subsequent decision is a cause for reentry.

WORK SECURITY

We are aware of the importance of protecting our workers against possible occupational hazards. That is why we promote safe working conditions, in a suitable and adaptable working environment for our collaborators' good performance, beyond compliance with current labor legislation.

Our efforts are aimed at achieving the quality and reliability of the services provided by the organization. We focus our efforts on minimizing fraud, service interruption time, occupational accidents and diseases, maximizing the availability of our services and maintaining effectiveness in all our activities.

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As Banesco Banco Universal, C.A. is part of the financial sector, the activities carried out by the personnel working in this organization are considered to be of minimum and low risk, due to the fact that most of them do office work. Taking into account the aforementioned consideration, we can affirm that the greatest risk for musculoskeletal pathology is located in the workers who work in the different warehouses of the organization. In the case of the psycho-social and physical risk, it is found in the cashiers and operational administrators, followed by the agency managers.

At the end of 2018, Banesco Banco Universal, C.A. had 425 employees who represented both the workers and the employer in the Occupational Safety and Health Committee (CSSL), among agencies and headquarters. These are distributed as follows:

DISTRIBUTION OF THE COMMITTEE FOR SECURITY AND HEALTH

Region	CSSL	Collaborations
Centro los Llanos	44	138
Metropolitana	89	145
Western-Andean	47	142
East	8	16
Zulia Falcón	35	108
Total	126	425

The CSSLs have worked in line with the guidelines of the Occupational Health and Safety Service Management, in order to help control and advice on the Occupational Health and Safety Program required by the LOPCYMAT. In 2018 we have:

WORKING CENTER WITH PROGRAMS FOR SECURITY AND HEALTH

Region	CSSL
Centro los Llanos	44
Metropolitana	89
Western-Andean	47
East	8
Zulia Falcón	35
Total	126



DELIVERED TRAININGS

Event	Participation	Total hours
Fostering work harmony (harassment)	133	514
Hygiene and Industrial Security Talk	139	278
Hygiene and Industrial Security Talk	241	430
Healthy habits at my workstation (Ergonomics)	113	284
1st and 2nd Banesco Brigadist Group	27	432
Total	653	1,938

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410-1, 412-1, 412-2

OTHER TRAININGS DELIVERED BY THE INDUSTRIAL HYGIENE AND SECURITY

Trainings	Total events	No. of beneficiaries
New entries Security and Health at workplace	12	507
Use of the firefighting system	1	14
Action plan and Emergency Control	1	14
How to proceed in the event of Emergency , (Eviction, earthquake)	1	50
Emergency Brigade Certification	2	25
Total	17	610

2018 VIRTUAL TRAINING

Training actions Participations	Virtual	Total hours
SLLL Diploma	63	10,080
Our goal is 0 accidents	3,321	53,136
Recommendations to handle working stress	3,809	60,944
Prevention of 2018 travelling accidents	1,085	17,360
Total	8,278	141,520

WORKING RELATIONS

The Collective Labor Agreement of Banesco Banco Universal, C.A. was approved by the Directorate of National Inspection and other Collective Labor Affairs of the Private Sector on October 10, 2013, still in force at the end of 2018. According to its 3rd clause, it covers all employees hired for an undetermined period of time and at a determined time, who provide services in any part of the country, with the exception of the Presidents of the Board of Directors, Executive Presidents, Directors, Vice Presidents, Interns and INCES Apprentices. In this regard, 95.83% of our workers are covered by the current convention. The Collective Labor Agreement consists of preliminary, general, economic and socioeconomic clauses, union clauses and final clauses. The policy provides competitive socioeconomic benefits in the market. It is focused on improving quality of life for workers and their families, as in addition to economic benefits, it offers benefits such as a hospitalization, surgery and maternity policy, which covers workers and their families (spouses and children), as well as scholarships for workers, toys for their children and help with school supplies, among others. Welfare, improvements in working conditions and quality of life for the employees are the result of applying the principle of Social Responsibility to our main asset, talent.

Covered under the agreement	2018	2017	Variation%
Total Employees	5,191	6,564	57.19%
Employees covered by the collective Agreement	3,680	6,290	70.87%
% Employees covered by the collective Agreement	71%	95.83%	

FREEDOM OF ASSEMBLY

At Banesco Banco Universal, C.A., each and every one of the rights enshrined in the National Constitution, the Organic Law on Labor, Workers and their Regulations, and other labor laws are guaranteed, especially the right of assembly for lawful purposes and the right to unionize. It is guaranteed that these rights are effectively exercised by its employees, without any restrictions other than those established by the same laws.

At the end of December 2018, 3,672 workers remained affiliated with the National Workers' Union of Banesco Banco Universal, C.A. (SITRABANESCO), which accounts for 73.69% of the Bank's total payroll. In addition, as a further expression of the freedom of assembly, the right to collective bargaining and to conclude collective labor agreements is guaranteed. The twelve principal members of the Executive Committee of the trade union are recognized as having no right to be removed from their posts, and a contribution from the organization to the trade union is envisaged. All of these are effective ways of recognizing the trade union organization.

COMPLIANCE WITH THE MATTER OF PREVENTION AND CONTROL OF MONEY LAUNDERING AND FINANCING OF TERRORISM

Banesco maintains a Comprehensive Risk Management System to tackle Money Laundering, from Financing to Terrorism (PCML/FT). Its scope, design, structure and obligations have been implemented in accordance with the regulations in force; for this reason, this banking institution adopts appropriate, effective and sufficient measures aimed at identifying, evaluating and applying measures to reduce the possibility of being used as a mechanism for concealing illicit capital, or for diverting funds intended for the financing of terrorist groups or activities.

In this regard, Banesco Banco Universal, C.A. prepares and executes annually an Annual Operational Plan (POA), approved by the Board of Directors and contains, among other components, the Annual Training Program (ATP), developed based on the training needs and adjusted to the Bank's operational profile, according to the specific functions of each area. The execution of this plan allowed the active participation of the organization's employees, through classroom and online learning with different focuses and content related to the basic aspects of the ML/FT, applicable regulations, the Know Your Employee Policy, the Know Your Customer Policy, as well as specialized training for the employees responsible for compliance.

EQUALITY AND NO DISCRIMINATION

Likewise, the Bank maintains Communications Strategies aimed at Customers and Employees in the area of ML/FT Prevention and Control. Intranet has served as an information tool related to the subject, to provide all the Institution's employees with information that helps to prevent, control and detect attempts to launder capital or finance terrorism. Our employees are also encouraged to support the actions of the Unit for the Prevention and Control of Money Laundering and Financing of Terrorism. We have direct lines of communication with the Ethics and Conduct Committee (see chapter on Corporate Governance), as well as a mailbox: "Banesco Unit for the Prevention of Money Laundering", in which notifications of unusual or suspicious activities, which may be detected in customers or employees, can be made.

The main tool for reducing these risks is to maintain standards, policies and procedures in alignment with current PCML/FT regulations. These include control mechanisms for customer knowledge ("Know Your Customer" policy in the Sales Network), in order to avoid relationships with customers that represent a risk for our Financial Institution, as a means for them to carry out illicit activities, such as fraud, money laundering, swindles or acts of corruption of any kind.

In this regard, to ensure transparency and the application of the "Know Your Employee" policy, the institution's personnel are required to notify the origin of any funds they may receive in their accounts, other than payroll payments.

We take all the measures that tend to generate a dignified, ethical, respectful, cordial and equal work environment for all the employees that work or aspire to join the organization. At Banesco Banco Universal, C.A. we treat each other equally without distinction of age, race, color, creed, political or sexual tendency, or for any other reason; giving the same opportunities to all our workers. We encourage our employees to strengthen their capacities, skills and competences. To date, no incidents involving worker discrimination have been reported.

Internally, we also have rules that prevent discriminatory practices, such as the Collective Agreement (Clause 2 of the General Declaration of Principles) and the Banesco Code of Ethics and Conduct, which came into force in 2009. Our activities are subscribed to in areas where there are no indigenous rights situations.



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GENDER SALARY RELATION BY PROFESSIONAL CATEGORY

In the Venezuelan labor market there is more supply of men than women for certain areas and positions. We offer equal opportunities by gender, as evidenced by the fact that 53% of our vice presidents are women and 59% of our directors are women too.

Position Category	2018	2017
Base	1.48	1.01
Professionals/Technicians	1.57	1.24
Supervision	1.83	1.08
Managerial	1.54	1.03
Vice-presidents	1.88	1.01
Director	1.75	1.24

CHILD EXPLOITATION

The essence of banking activity demands activities and functions that with great difficulty favor children's exploitation. The workers forming the Banesco Banco Universal, C.A. personnel are of legal age, except for those working as apprentices, whose work is focused on learning administrative and accounting functions, regulated and supervised by INCES. Therefore, no risks of incidents concerning child exploitation have been identified.

FORCED LABOR

As a leading and socially responsible financial institution we have guaranteed, at all times, that the current legal framework in this area is met, in addition to all the international treaties signed by our country. Therefore, no cases involving forced or non-consensual labor have been recorded.

It is important to highlight that the regulations in force in Venezuela set forth norms for the contracting and performance of work, which prohibit the exploitation of children, forced labor, as well as the establishment of measures of a mandatory nature for the protection of workers, which are supervised by the Venezuelan state institutions.

BENEFITS RECEIVED BY OUR WORKER

Improving the personnel's' life quality in the great family of Banesco Banco Universal, C.A. has been one of our main objectives. Our constant challenge is to remain a leader in providing benefits and the best working conditions.

Efforts are made year after year to evaluate the socioeconomic conditions of our country to offer competitive benefits and the best conditions to improve their quality of life to our talent. Our benefits program is aimed at all our personnel regardless of their work status, since it includes those who work part-time and on a fixed-term basis. This keeps us at the forefront of the country's financial sector, mainly in the areas of food, health and housing.

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BENEFITS RECEIVED BY OUR WORKERS

Some of the main benefits include those which cover fundamental aspects of well-being, especially those aimed at promoting preventive health, sport and recreation and positive use of free time.

CONTRACTING BENEFITS

Type of knowledge	Investment (VES)			No. of beneficiaries		
	2018	2017	Variation%	2018	2017	Variation%
Contributions to savings fund	8,528,563.57	16,730.12	99.80%	7,141	9,174	28.46%
Aid to families due to worker's death	12,002.24	50.29	099.58%	7	6	14.28%
Aid to school tools	341,959.80	4,924.00	98.56%	2,883	4,118	42.83%
Scholarships	244.16	171.02	29.95%	1,775	426	76%
Contribution to Cashiers and Promoters	4.86	8.39	72.63%	1,991	2,103	5.62%
Contribution to death by direct Relatives	11.80	0.19	98.38%	56	49	12.05%
Contribution due to the Mother	17,241.24	165.17	99.04%	2,701	3,428	26.91%
Contribution by Marriage	3.80	0.18	95.26%	24	61	154.1%
Contribution due to birth and children	7.22	0.69	90.44%	88	224	154.5%
Christmas toys	5,659,240.13	1,988.29	99.96%	2,488	3,215	29.22%
Award Policies – Recognition due to seniority	157.07	649,400.00	46.23%	1,063	1,312	22.42%
HSM Collective Insurance Policy	25,586,485.66	26,811.86	99.89%	5,295	6,560	23.89%
Family subsidy	1,003.52	3.39	99.66%	1,956	2,637	34.81%
Uniforms and Equipment	741,394.34	991.2	99.86%	1,941	3,267	68.31%
Vacations and Bonus	5,746,125.4	10,607.49	99.81%	3,916	5,597	42.92%
Total General	46,634,441.01	66,689.65	1,329.05%			



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NON CONTRACTING BENEFITS

It should be noted that permanent and fixed-term personnel enjoy the contractual benefits, and in the case of non-contractual personnel, they are granted under the same conditions. In addition, both enjoy the benefits established by current legislation.

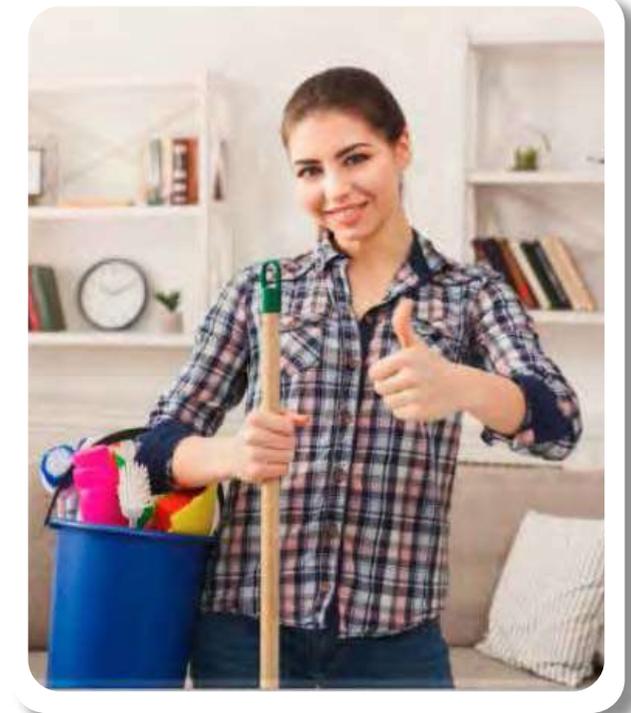
Non Contracting Benefits	Investment (VES)			No. of beneficiaries		
	2018	2017	Variation%	2018	2017	Variation%
Unsecured credit for purchasing house	0	7.81	0	0	33	0%
Parking subsidy	1,713	128.89	12.29%	7,465	8,744	0.14%
Parking subsidy	1,223.51	80,556.70	0.98%	31,784	3,881	7.18%
Medical service	11.25	947.82	0.98%	3,014	3,578	0.15%
Medical aid for severe Diseases	6.44	2,559.00	0.99%	26	34	0.23%
Total General	2,954.2	84,200.22	15.24%			



OUR HUMAN CAPITAL

ACTIVITIES FOR ESSENTIAL PRODUCTS

Type of activity	Number of activities	Region	Collaborators Attended
Proteins	10	Barquisimeto, Puerto la Cruz, Metropolitan Area	7,736
Personal Hygiene	2	Metropolitan Area	5,431
Lubricants	1	Metropolitan Area	170
Other products	7	Metropolitan Area	16,064
Total activities	20		29,401



OUR HUMAN CAPITAL

103-1, 103-2, 103-3, 201-3

Legal obligations table	Investment (VES)			No. of beneficiaries		
	2018	2017	Variation %	2018	2017	Variation %
Nursery school	682,806.63	2,737.30	99.59%	600	1,035	72.5%
INCES	1,487,289.53	3,412.01	99.77%	5,191	10,034	93.29%
Law on Workers' Food	2,697,207.09	141,720.38	94.74%	5,191	9,975	92.15%
Employment Law	1,319,333.78	3,125.37	99.76%	5,191	10,063	93.85%
FAOV (Housing and Habitat Law)	4,271,325.65	6,525.91	99.84%	5,191	10,034	93.29%
Mandatory Social Security	6,596,538.93	15,620.68	42,129.52%	5,191	10,063	93.85%
Training for preventing Money laundering	56,106.96	173.05	99.69%	5,191	5,809	11.90%
Total	17,110,608.57	173,314.67				



BOOK YOUR HOUSE WITH BANESCO

Your house in Banesco	Investment (VES)		No. of beneficiaries	
	2018	2017	2018	2017
Mortgage Purchase Loan (Faov + Own Funds)	4,272.00	17,792.28	11	87
Mortgage Remodelling Credit + Extension (Faov + Own Funds)	928,935.00	28,052.19	29	60
Total	933,207.00	45,844.48	40	147



OUR HUMAN CAPITAL

103-1, 103-2, 103-3, 201-3

OTHER BENEFITS GRANTED TO WORKERS

Benefits	Investment (VES)			No. of beneficiaries		
	2018	2017	Variation%	2018	2017	Variation%
Aid to medical emergencies of the Savings fund	0	1.00	0%	0	5	0%
Banesco Banco Universal Credit, to vehicle	2,648,818.13	8,021.53	32,921.35%	678	60	1,030%
Vacation plan for workers' Children	31,620.48	797.41	3,865.33%	2,383	3,607	(33%)
Sports and Recreational Activities	3,407,900.59	7,842.17	43,356.09%	8,805	25,410	188.5%
Teaching and Training Programs	3,335,071.30	379,684,521.95	10,384.6%	4,468	9,289	107.9%
Total	9,423,410.5	8,818.93	90,527.37%			

Organizational environment survey

In 2018, as part of the actions to foster a High Performance culture, Banesco Banco Universal, C.A. carried out the Annual measurement of Organizational Environment and Culture. This measurement applies to the entire organization. 76% of the employees participated this year. Six variables were considered to measure organizational culture, i. e: Adaptability and Flexibility, Anticipation to Difficulties, Development and Self-Development, Corporate Identity, Innovation and Continuous Improvement. The result achieved for the year 2018 was 86%, this result shows that the employees perceive that the culture of the organization is characterized by actions oriented to our values: Quality, Responsibility, Reliability and Innovation.

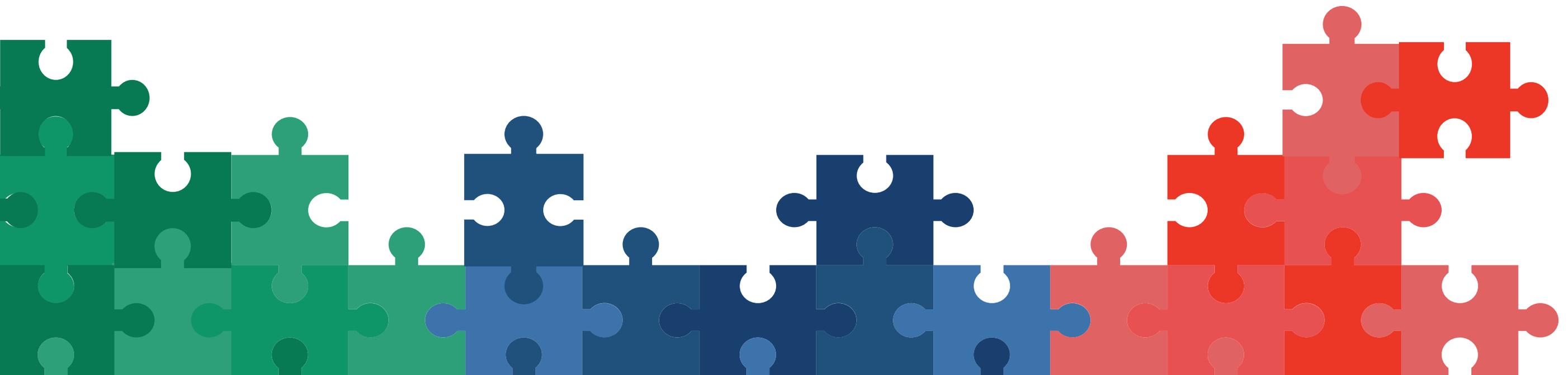
As for the result of the environmental measurement, the stability, leadership, engagement, reward, well-being and quality of life variables were taken into account. The result for the measurement corresponding to 2018 indicates a favorable atmosphere for employees which reached 79%. Organizational environment studies identify gaps and areas of opportunity in the different variables, and establish action plans for each unit and reinforce the variables.



EMPLOYEES' SATISFACTION INDEX

Program	Score	
	2018	2017
Dining service	6.29	6.25
Satisfaction index	6.29	6.25
Activities for essential products	93.25%	N/A

THE EXTERNAL DIMENSION OF OUR SOCIAL RESPONSIBILITY



OUR SOCIAL PARTNERS AND COMMUNITY

102-12, 103-1, 103-2, 103-3, 203-1, 203-2



OUR POLICY

Our Corporate Social Responsibility policy is focused on contributing to our stakeholders' Sustainable Development, through a valuable proposal, based on products, services and programs that promote Economic, Social and Environmental Development on a balanced basis.

We respect and promote Human Rights and interact under ethical precepts with all our interlocutors: workers, clients, suppliers, authorities, shareholders and society in general.

Our social investment is focused on supporting education, financial inclusion and health projects, which are executed by social organizations with nationwide reach and with whom we have established social alliances: Social partners.

We maintain a long-term relationship with them that not only guarantees the implementation of the projects, but we also establish close relationships to ensure that the support provided is not economic aid but rather that there is a relationship that will allow us to get involved, in a transparent and ethical manner, so that the project management and accountability processes enhance the importance of sustainability.

We are committed to the communities and their development, under this premise we exercise the "Good Neighbor" policy. Hence, we join the society and interact with the different actors that live there, paying attention to their problems and making a contribution that responds to some of their expectations.

OUR MANAGEMENT

At Banesco Banco Universal, C.A., we offer well-being and generate positive transformations for our stakeholders. We aim to contribute to the sustainable development of the communities in which we are present.

In 2018, our social investment was VES 141.91 million, of which VES 139.94 million (98.61%) corresponded to social benefits for our employees, while VES 1.96 million (1.39%) went to social projects, education, financial inclusion and health.

Our Social Investment strategy is executed by the Vice-presidency of Communications and Corporate Social Responsibility that has an annual budget planning in which include and approve social projects according to the particular needs of communities.

With the promotion of these initiatives Banesco Banco Universal, C.A. contributes with 4 of the Sustainable Development Goals (SDGs) in the 2030 agenda for the UN Sustainable Development. Next, we will reflect the assistance we have provided for years to the institutions involved in our Corporate Social Responsibility Program.

OUR SOCIAL PARTNERS

102-12, 103-1, 103-2, 103-3, 203-1, 203-2, 413-1

Body / Institution	Project	2018				2017				
		Amount	Beneficiaries		Territorial Impact	Project	Amount	Beneficiaries		Territorial Impact
			Direct	Indirect				Direct	Indirect	
Micro entrepreneurs	Training National for Micro entrepreneurs	44,667.62	3,427	13,708	Program	Training National for Micro entrepreneurs	1,312.61	5,685	22,623	Program
Fe y Alegría	Project "Believing in healthy food"	23,908.38	20	100	Portuguesa, Táchira, Barinas y Apure.	Project "Believing in healthy food"	497.57	1720	5160	Zulia state
A.C. Red de Casas Don Bosco	ARIS Project Unidad Móvil Bosco Bus	6,712.20	60	157	Capital District and Miranda state	ARIS Project Unidad Móvil Bosco Bus	225.01	52	116	Capital District and Miranda state
Fundana	Annual contribution	0	250	1250	Capital District and Miranda state	Annual aid	50.00	480	4800	Capital District and Miranda state
	Program of Food	7,875.00				Program on Food	710.63			
Fundación Museo to Children	Annual aid	5,000.00	No provided			Annual aid	3.00	No provided		
UCAB	Scholarship Program UCAB Caracas and Guayana	825,936.66	82	246	Caracas and Ciudad Guayana	Scholarship Program UCAB Caracas and Guayana	1,701.10	77	231	Caracas and Ciudad Guayana
		30,000.00	No provided			Sponsorship Fair UCAB Western campus	200.00	No provided		
	El Ucabista	0	No provided			El Ucabista	10.00	No provided		
AVEC	Consolidation National Educational and Recreational	4,924.75	840	4200	Programs	Consolidation of programs Educational and recreational	92.40	1417	7085	National
Fundación Venezolana Contra la Parálisis Infantil	Donation Treatments M.D.	2,436.86	8	20	Capital District	Equipment provision H.O.I. M.D.	112.88	40,452	161,808	Capital District
A.C. Apoye	Annual aid	360.00	60	120	Capital District and Miranda state	Annual aid	5.36	72	220	
Asociación Civil de Damas Salesianas	School aid	4,208.58	368	368	Capital District and Miranda state	Extension of kindergarten of School Don Felipe Rinaldi.	90.00	44	42	Capital District and Miranda state
Fundación Musical Simón Bolívar	Aid to Juan José Juan José Orchestra	48,147.70	180	350	National	Alma Project Llanera	50.00	100	700	National
Total Bs.		1,004,177.75					5,060.56			

SOCIAL ACTION IN THE COMMUNITY

103-1, 103-2, 103-3, 413-1, 413-2, FS5

BANESCO PARTICIPATORY BUDGET

We started the Participatory Budget with the Bello Monte Community 10 years ago as an initiative to approach and dialogue with one of the neighbors surrounding our headquarters and learn first-hand about their needs. The success of this initiative has enabled us to expand it to the most important cities in the country. It has also allowed us to replicate it so that NGOs and foundations that make life in these communities may participate and continue working according to their needs. At present, we have taken this initiative to 9 states in the country. In 2018, the distribution of resources by location was as follows:

PARTICIPATORY BUDGET INVESTMENT

Region	2018	2017
Zulia	300.00	32.00
Nueva Esparta	0.00	34.30
Mérida	0.00	20.00
Gran Caracas (Libertador, Chacao, Baruta, El Hatillo and Sucre)	163.00	60.00
Anzoátegui	20,000.00	33.60
Carabobo	0.00	30.00
Lara	300.00	33.20
Táchira	10,000.00	32.40
Total	30,763.00	275.50

SCHOLARSHIPS AND BANESCO LIFETIME SCHOLARSHIP

One of the fundamental cornerstones of our Corporate Social Responsibility Program is education. We are adamant that this is the mechanism for the country's progress. Therefore, we have set up agreements with different universities in the country to develop a Scholarship Program for those graduates who do not have as many resources as necessary to complete their higher education. The beneficiaries are chosen by the houses of study according to the socio-educational indicators that these universities have established.

INVESTMENT IN SCHOLARSHIPS AND LIFETIME SCHOLARSHIP

Institution	2018		2017		Variación	
	Beneficiaries	Amount	Beneficiaries	Amount	Beneficiaries	Amount
UNIMAR	30	86,670.05	29	203.87	3.45	42,412.93
Scholarship Program Banesco - UCAB	98	825,936.66	137	1,701.10	(28.47)	48,452.96
University Monteávila	20	3,600.00	0	0.00	0.00	0.00
Asociación Civil Queremos Graduarnos	1,000	2,000.00	0	0.00	0.00	0.00
Total	1,148	918,206.71	166	1,904.97	591.57	48,100.53

SOCIAL ACTION IN THE COMMUNITY

103-1, 103-2, 103-3, 413-1, 413-2, FS5

BANESCO PUBLISHING FUND

We have three decades of editorial work through the Banesco Publishing Fund. This collection is a kaleidoscope of the modern day Venezuelan: a diverse human being with traditional features and multiple contemporary ways of relating to his environment. This is who we are and we want these books to be available for download for free.

In 2018, our Digital Library increased with the 3 new titles: "101 Razones Para Amar a Los Leones, 10 Razones Para Ser Antimagallanero"; "70 años de Crónicas Policiales" and "Nuevo País del Cine". These books and the entire collection are available in our Digital Library and may be downloaded at "<https://www.banesco.com/somos-banesco/biblioteca-digital-banesco/biblioteca-digital-banesco-2>".



OUR COMMITMENT TO THE COMMUNITY BASED ON ATTENTION AREA

Attention Area	Investment (VES)		Variation %
	2018	2017	
Care for children at risk, older adults and disabled persons	3,317.22	458.70	623.18
Health	24,961.91	785.48	3,077.91
Education	107,638.05	596.38	17,948.56
Unions	500.00	61.64	7.11
Culture	0.00	190.59	0
Editing projects	15,800.44	430.83	3,567.44
Events for community	781,035.88	990.84	78,725.56
Total	933,253.50	3,514.47	86,001.2

In 2018 there were no negative impacts on communities from our operations.

IMPACT OF OUR SOCIAL INVESTMENT BY REGIONS

Indicator	2018	2017	Var%
Capital Region (Capital District, Miranda and Vargas)	1,512,206.02	5,878.01	25,626.48
Central Region - Los Llanos (Carabobo, Aragua, Guárico, Cojedes and Apure)	0.00	214.92	(100.00)
Western Andean Region (Lara, Yaracuy, Portuguesa, Mérida, Táchira, Trujillo and Barinas)	34,208.38	86.39	39,496.70
Eastern Region - South (Anzoátegui, Sucre, Monagas, Bolívar Amazonas, Delta Amacuro, Nueva Esparta y Dependencias Federales)	334,553.99	427.34	78,187.81
Western-north Region (Zulia -Falcón)	12,540.52	773.50	152,127.18
National Territory	44,667.62	1,405.01	3,079.16
Total National	1,938,176.53	8,785.18	21,961.89

SOCIAL ACTION IN THE COMMUNITY

103-1, 103-2, 103-3, 413-1, 413-2, FS5

ACCOUNTABILITY

For Banesco Banco Universal, C.A, it is important to measure the progress of the financed projects. Therefore, we carry out a survey among our Social Partners in order to monitor the evolution of the projects under execution and the level of satisfaction.

This is how we can follow-up on the different initiatives, as well as investment and advice we provide to bring them to happy endings, correcting possible deviations and creating indicators that allow measuring the impact of the programs in question.

INDICATORS OF SATISFACTION REGARDING OUR SOCIAL ALLIES

Indicator	2018	2017
Banesco's response times	77.78%	100%
The supporting guidance received from Banesco	88.89%	89%
The amount of information received from banesco	88.89%	89%
The results	56%	78%
Weighted satisfaction index	70%	89%



These photographs correspond to AC APOYE, one of our eleven Active social partners in 2018

SOCIAL ACTION IN THE COMMUNITY

103-1, 103-2, 103-3, 413-1, 413-2, FS5

MICROENTREPRENEURSHIP TRAINING PROGRAM

The Microentrepreneurship Training Program aims to strengthen the entrepreneur's knowledge through a set of administrative, managerial and technological tools, helping to improve the productive capacity of businesses and optimizing market competitiveness.

During this decade, the Microentrepreneurship Training Program trained 3,427 people adding a total of 55,962 entrepreneurs in Venezuela, this is how we abided by a promise to Venezuela in 2012 in order to certify 50,000 people in the 2013-2018 period.

INNOVATION

Along with our FundAcción Social allies, the Training Program for Micro-entrepreneurs was delivered online from the Mega Sala Digital Movistar, and the Christian Revival Church Maranatha Venezuela, Valencia headquarters. Using the technological module of the Microentrepreneurship Training Program, which includes using I.T. as a tool for productivity and business strategy, we were able to train 1,276 people. Thanks to University Institute of Management and Technology (IUGT), we also trained 16 members of the organization's volunteers as successful facilitators, providing them with tools and practical methods that will enable them to develop skills as high-impact facilitators of this training program.





OUR POLICY

Banesco Volunteering is aimed at motivating all its citizens to participate in all those social responsibility actions developed by Banesco Banco Universal. These are carried out by its social partners for the community's benefit.

The Executive Human Capital Vice-presidency, through the Life Quality Unit, is responsible for the Administrative Management of Banesco Volunteers. This is carried out in association with the social action lines of the Communications and Corporate Social Responsibility Vice-presidency, guaranteeing its training according to activities to be undertaken in priority areas such as: health, education, environment and culture. The Volunteer Program is governed by the same requirements and banking guidelines for requesting and executing the assigned annual budget.

Banesco Volunteers' activities are developed safeguarding the physical and psychological well-being of its participants. All Banesco citizens who apply annually participate as volunteers; the family member inclusion in the voluntary action will depend on the type of activity to take place, subject to the authorization of the corresponding entities and whether they are covered by the insurance policy of the employee who is volunteering.

An annual Volunteer Action Plan is developed, containing the proposed schedule for the implementation of the program and the resources available for it. This has a budget allocated within the Executive Human Capital Vice-Presidency

This budget is intended to cover the costs concerning logistical and operational activities of the program throughout the country. Under no circumstance will this budget be used for the granting of donations.

ACTION AREAS BY BANESCO VOLUNTEERING

Guided by Banesco's Corporate Social Responsibility strategy, Corporate Volunteering has the following priority areas of attention:

- ▶ **Education:** Support for care institutions dealing with children and adolescents at risk and training in alcohol, tobacco and other drug prevention.
- ▶ **Health:** Support and accompaniment of institutions that care for children and adolescents with poor health.
- ▶ **Environment:** Initiatives for contributing to environment care. Developing training activities for the rational use of natural resources.
- ▶ **Cultural:** Protocol support in the activities planned by the organization for the enjoyment of all collaborators and nearby communities.



TYPE OF VOLUNTEERING

Specific events: Those volunteer actions where protocol or logistic support is provided in corporate events.

Group projects: Volunteer actions where the volunteers team plans, designs and executes the activity to be carried out, under the supervision of the Coordination.

Professional volunteers: This is comprised of professionals from the Bank who facilitate learning experiences for our Social Partners through workshops, conferences, consulting and organizational aspects.

Free time spending: Volunteer actions in which one or more volunteers, on their own initiative, contribute their time or talent for the benefit of the social partners.

DISTRIBUTION OF BANESCO CORPORATE VOLUNTEERING BY LEVEL POSITION/ MAN-HOURS DEDICATED:

Position category	2018		2017	
	Volunteers	% of total	Volunteers	% of total
Apprentices / Interns / Dissertation student	0	0,00%	4	1,03%
Base	18	6,74%	23	5,93%
Professionals/Technicians	116	43,45%	206	53,09%
Supervision and Managerial	105	39,33%	150	38,66%
Vice-presidents	28	10,49%	5	1,29%
Total volunteers	267	100,00%	388	100
Total hours / Man provided	534	-	416	-
Average annual hours per volunteer	8,9	-	4,6	-

Participation mode	2018	2017
Specific social action events	481	297
Free time spending:	0	0
Group projects	45	0
Professional volunteers	349	0
Environmental volunteers	60	119
Volunteers training	349	0
Total hours	1284	416

OUR MANAGEMENT

In 2018, it is evident that the largest numbers of people who make up the Banesco Corporate Volunteers are distributed among professional and technical positions, which account for 43.45% of the total of participants.

The working hour average per volunteer was 8.9 with the participation of 139 Banesco citizens who worked with commitment and dedication to serve our social partners.

The greatest number of working hours of corporate volunteers is distributed among the types of volunteers in specific social action events, with 481 hours, and 60 hours dedicated to the environment.

In order to strengthen and sensitize the collaborators that make up the Corporate Volunteer Program, working groups and training sessions were held with experts.

In 2018 we innovated to strengthen volunteerism and recognize its strategic value in building share capital. In this regard, we established a joint initiative to boost the Banesco volunteering, along with the Life Quality (Volunteering), Culture and Corporate Social Responsibility Managerial Offices, within the framework of a Corporate Social Responsibility policy. Also, our social allies and companies involved in this area participated.

BANESCO'S INVESTMENT IN VOLUNTEERING

2018	2017	Variation %
299.35	0,00	100%

SOCIAL VOLUNTEERING

In 2018, one of the activities that had the greatest participation was the visit to the "San Judas Tadeo" Special Education School of Fe y Alegría with its Arepas de Colores activity.

This activity, which we carried out with Unicasa and Bimbo Volunteers, involved 120 hours of social action work and a group of children and young people

ACTIVITIES HELD WITH OUR SOCIAL PARTNERS

Social partners	Activity	Volunteering hours
FUNDANA	FUNDANA auction	30
AVESID	Mother's Day Concert	15
Fe y Alegría	"San Juan Tadeo" Special Education School	60
Unicasa	Realización de Arepas de colores en Hogares Bambi	48
Unicasa / DIRECTV	World Beach Day	60
Other events	Book Launching • "101 Razones para Amar a los Leones y 10 motivos para ser antimagallanero" • "70 años de Crónicas Policiales"	15
	Protocolar activities	100
	Exposiciones • "Nuevos País de las Artes" • "Caracas en 450" • "Fundación Paso a Paso"	15
	Total	343

OUR CLIENTS

102-2,102-6, 103-1, 103-2, 103-3, 412-1, FS6, FS7, FS13



OUR POLICY

Banesco Banco Universal, C.A. is committed to all our clients, whether natural or legal. That is why we are constantly reviewing and improving our range of products and services, so that they are increasingly competitive and in line with our clients' short, medium and long term financial needs.

OUR MANAGEMENT

Our institution faced challenging obstacles in 2018, a context that involved economic environment characterized by constant changes.

However, we maintained our leading position in the private banking in Venezuela, with total assets amounting to VES. 222.71 million (72,237.6%) in the last twelve months.

The results of our operations during this period were successful, including the granting of 85,298 loans. Our gross portfolio registered the highest growth in overall terms in the financial system, reaching VES. 74.66 billion, the first place in the market. Besides, a balance of VES. 886,480.61 was recorded in the public collection account.

In relation to the deepening of the digital transformation process, we made substantial investments to enhance our platforms, adapting them to the new and multiple needs of our clients, who had the highest availability of electronic Digital channels and an extensive network of agencies to carry out all their

financial transactions: 328 points of service, 1,113 ATMs, 109,395 points of sale and more than 4,438 million transactions on all our digital platforms.

Managed Portfolios settled a total of VES 16.67 billion including Agricultural Loans for VES 9.97 million and Micro Loans for VES 4.48 million.

The effort is maintained with the support of the sales force in the management of data and client files, applying the policy "Know your Client" in each contact that is made, through visits and interviews that allow obtaining updated information.

Commercial management maintains the strategy of migrating transactions to our electronic channels aimed at a more efficient management of financial operations by allowing agility in the flow of collections and payments from customers.

ATM

Region	2018	2017	Variation %
Human	453	564	(19,68%)
Centro Los Llanos	186	224	(16,96%)
Western-Andean	179	218	(17,89%)
Eastern-South	173	220	(21,36%)
Zulia - Falcón	122	151	(19,21%)
Total	1.113	1.377	(19,17%)

OUR CLIENTS

102-2,102-6, 103-1, 103-2, 103-3, 412-1, FS6, FS7, FS13

TOTAL LIQUIDATED CREDITS

Total liquidated credits			
No. of clients			
Bank	2018	2017	Variation %
Natural + Legal entities (SMEs)	12.416	1.192.054	(98,96%)
Community Bank	1.065	32.340	(96,71%)
Specialized Banking Natural Persons	36.708	58.191	(36,92%)
Specialized Banking Legal Persons	35.109	8.833	297,48%
Total	85.298	1.291.418	(93,40%)

TOTAL CREDIT HOURS

Total credit cards			
Number of cards	2018	2017	Variation %
Number of credit cards	2.313.399	2.804.817	(21,24%)

CUSTOMER POINTS

Region	2018	2017	Variation %
Human	135	139	(2,88%)
Centro Los Llanos	54	57	(5,26%)
Western-Andean	48	49	(2,04%)
Eastern-South	55	57	(3,51%)
Zulia - Falcón	36	38	(5,26%)
Total	328	340	(3,53%)



PRODUCT AND SERVICES

Main Liability Products

- Current Account with Interests.
- Current Account without interests
- Electronic Account.
- Savings Account
- Electronic Savings Account.
- Current Account in dollars.
- Investment Time deposits

Main credit products

- Extracredit for purchases in commerces
- Extracredit in cash
- MultiCredits in 48 hours
- CrediCarro
- Commercial credits
- MicroCredits
- Credit Lines
- Mercantile Loan
- Letter of credit
- Deposit
- Promissory Note
- Housing credits
- Agricultural credits
- Tourism credits
- Construction credits
- Construction credits sector credits

Other relevant products

- Investment trusts.
- Insurance.

Banesco Banco Universal, C.A. has developed its activity in a responsible way with the fulfillment of Human Rights. It has applied the principle of observance in 100% of its products and provided services.

Banesco Banco Universal, C.A. is committed to equal opportunities to favor the socioeconomic integration of people with special needs, continues with the adaptation of ATMs and multifunctional equipment to allow access and use by all users, including those who have mobility limitations or require the use of wheelchairs.

OUR CLIENTS

102-6, 103-1, 103-2, 103-3, FS6, FS7, FS13

ELECTRONIC, TELEPHONE VIRTUAL AND MOBILE CHANNELS

At the end of December 2018, Banesco has an extensive network of physical and electronic distribution channels by which it offers a wide range of products and services nationwide:

- ▶ 328 Points of Attention (Agencies, Ticket Offices and Banesco Express)
- ▶ 109,395 Points of Sale (Physical, Merchant, Loteros and Web POS)
- ▶ 1,113 ATMs (587 Monofunctional and 526 Multifunctional).

In 2018, our customers were able to carry out more than 4.43 million transactions on all our digital platforms through electronic channels. The most widely used electronic platforms include Internet Banking and Mobile Payment.

NUMBER OF TRANSACTIONS

Number of transactions			
Channel	2018	2017	Variation %
E-banking	3.679.842.220,61	2.998.369.887,00	22,73%
Mobile Banking (SMS)	559.952.087,64	526.001.613,00	6,45%
ATM (BE)	60.924.228,00	103.229.964,00	(40,98%)
Points of Sale	1.509.215,83	1.088.947.931,00	(99,86%)
Telephone Banking	43.684.622,64	82.731.511,00	(47,20%)
E-Payment (EDI)	27.880.944,78	31.582.236,00	(11,72%)
Agencies Network	24.580.580,00	44.275.582,00	(44,48%)
Mobile Payment (P2P)	40.300.148,00	9.972.041,00	304,13%
Non-responsible banking	-	324.696,00	(100,00%)
Total	4.438.674.047,50	4.885.435.461,00	(9,14%)

DEBIT AND CREDIT CARDS

ISSUING BUSINESS CREDIT CARDS

At the end of 2018, the credit card portfolio presented a growth of 74.805% with respect to the end of 2017 and an increase in sales of 47.861%.

During that time, we made credit limit increases to 2,485,800 cards.

The extra credit product increased its sales by 61,336%, exceeding the amount of VES 2.373 MM of the liquidated

The benefits for our employees included the award of the "My First TDC" product to 2,323 Banesco citizens and various credit limit increases to the cards of 4,328 employees.

ISSUING BUSINESS CREDIT CARDS

The Banesco Debit Cards registered a growth in sales of 86,466% at the end of 2018, with the Point of Sale being the most used channel by customers, reaching a share of 99.7% with a year-on-year growth of 86,596%.

OUR CLIENTS

103-2, 103-3, 102-17

The leadership of Banesco Debit Cards is framed in the maintenance of optimal levels of service to customers for the use of electronic channels, with the improvement of daily limits in Banesco Points of Sale, increasing the amounts at the end of December in VES 200,000 TDD Classic, Electronic, Plan Estrella, Pensioners and in VES 300,000 the TDD Gold and Legal. Additionally, 408,893 pensioners already enjoy the convenience of moving their pension through Points of Sale, ATMs, BOL, quickly, conveniently and safely with their Pensioner Debit Card.

CLIENT AND BANK USER'S DEFENDER

In 2018, the Customer and Bank User Defender attended to a total of 6,228 cases, distributed as follows: 2,182 monetary cases, 452 service cases and 3,594 non-monetary cases. From this number, 1,920 monetary cases were admitted.

The cases that were not admitted were duly responded to, explaining the non-admission of the application and were referred to the Customer Service Unit, which follows up on them until they are closed.

The main requirements were met:

- a) Unrecognized debits (debit card).
- b) Unrecognized consumption (credit card).
- c) Failed or Duplicate Point-of-Sale purchases with Banesco Maestro Card
- d) Validation of BanescOnline Transfers not credited in the Receiving Bank
- e) Wrong transfer made by the client in Banesconline

Following our value of Responsibility, Banesco Banco Universal, C.A. offers through its web page to all its clients and general public, a section dedicated to the Banesco Customer and Bank User's Ombudsman, where the interested parties will find all the necessary information to carry out procedures before this instance.

CLIENT AND USER'S REQUIREMENTS AND CLAIM MANAGEMENT

Banesco Banco Universal, C.A. continued to manage the requirements and claims of customers and users processed through the various service channels, such as: Banesconline, National Agency Network, Call Center and Administrative Offices, offering them a timely and effective response, aligned with the current legal framework.

In 2018 we managed 4,258 cases out of 5,006 cases reported through our Integrated Requirements System, (SIR). From the number of cases managed, 1,901 cases were settled.

OUR CLIENTS

102-6, 102-17, 103-1, 103-2, 103-3, FS6, FS7, FS13

The distribution of claims and requirements by financial instrument in 2018 was as follows:

Financial Instrument	2018			2017		
	Number of Requirement and/or Claims	Amount of Claim	% on total	Number of Requirement and/or Claims	Amount of Claim	% on total
Credit Cards (CC)	857	1.382.055.860	17,12%	1.122	238.044.000	2%
Debit Cards (DC)	4.076	30.943.708.225	81,42%	23.864	9.659.372.888	92%
Savings Book	7	202.503.721	0,14%	113	204.151.791	2%
Check	54	497.006.280	1,08%	514	444.235.312	4%
Customer Service	12	-	0,24%	1	0	0%
Total	5.006	33.025.271.086	100,00%	25.614	10.545.803.991	100%

INFORMATION TECHNOLOGY, PROCESSES FOR BUSINESS AND OPERATIONS

We guarantee the availability of each of the services, systems and business processes of the customer's value chain during 2018, ensuring the execution of their operations under safe and reliable conditions, through robust contingency schemes.

We continue with our strategy of transforming actions into business opportunities, promoting self-management of processes, enabling growth strategies and development of new markets, providing a reliable experience to our customers, ensuring stability, continuity, and growth of services, with quality and profitability criteria.

PROCESSES

With the application of the methodology of capacity and productivity studies in the different areas of the organization, we have been able to assess productivity according to the effort made during each activity, in order to identify and implement strategies that enable us to reduce or eliminate unproductive tasks.

In the same way, we continuously improve our processes, leveraging strategic objectives and implementing controls to mitigate operational risks.

Among the achievements of this period is the implementation of the new process custody procedure, which consists of the systematic evaluation that is made to the business processes to ensure that they are met under the standards defined and expected by the organization.

OUR CLIENTS

DEVELOPMENT AND MAINTENANCE OF APPLICATIONS

We deliver technological solutions aligned with the strategic vision and growth of the business. In this regard, projects and requirements such as the effective management of cash through person-to-person interbank payments (Banesco Mobile Payment), improvements in Electronic Payment platforms, Points of Sale and the implementation of new communication channels with the client have been carried out, including: Virtual Chat, implementation of the new IVR platform and attention to regulatory initiatives. We also developed the Person-to-Commerce (P2C) interbank payment application and balance query by SMS, allowing customers to check the balance of their active accounts at Banesco by means of a simple text message.

As for the regulatory framework, we observed the established times in all the requests made by the different governmental entities, highlighting the compliance in date and time of the implementation of the Monetary Reconversion Project and the new Monetary Cone. We successfully completed the implementation of the Advanced Compliance Risk Manager (ACRM) tool to facilitate the management of the Money Laundering and Prevention area. This tool enhances the properties of the previous system to allow the evaluation of clients and their timely detection of unusual activities.

TECHNOLOGY OPERATIONS

The Technology Operations area guaranteed the levels required by the platforms that support the Bank's different services, products and channels in 2018. We continued with the permanent updating of the main storage, processing, monitoring, communications and data center architectures, guaranteeing the reliability, security and quality of the services offered to our clients.

Adaptations were made to the technological infrastructure based on the new business services, managing to satisfactorily maintain the operational levels of the Bank's information technology platform, which are measured through the corporate technology service management processes: changes, incidents, problems, configurations and releases.

In this period, we installed the new telecommunications infrastructure with the MasterCard and American Express franchises and expanded the server infrastructure for our Private Cloud. We also increased processing capabilities and upgraded the server infrastructure for ATM security schemes.

The most important achievement was the migration of the current infrastructure that supports the Core Banking and Card System to a new technological processing platform, expanding the processing capacity of the central computer and ensuring transactional growth for the next three years.

SECURITY CERTIFICATES

Our portal Banesco.com and BanescOnline have the international security certification granted by the renowned companies McAfee and Norton to sites with the highest levels of security against Internet attacks.

SPECIALIZED SEGMENTS

MASSIVE SEGMENTS

The indicators of public recruitment showed positive results. Almost 80,000 loan applications were approved in 2018, which allowed for a significant increase in the total portfolio within this segment. These results were leveraged in commercial actions aimed at customers in the various natural and legal segments.

CORPORATE BANKING

This segment maintains its focus on strengthening its links with customers, mainly in products and services adapted to financial and transactional needs according to the sector in which they operate. It has been supported significantly by financing the country's productive sectors.

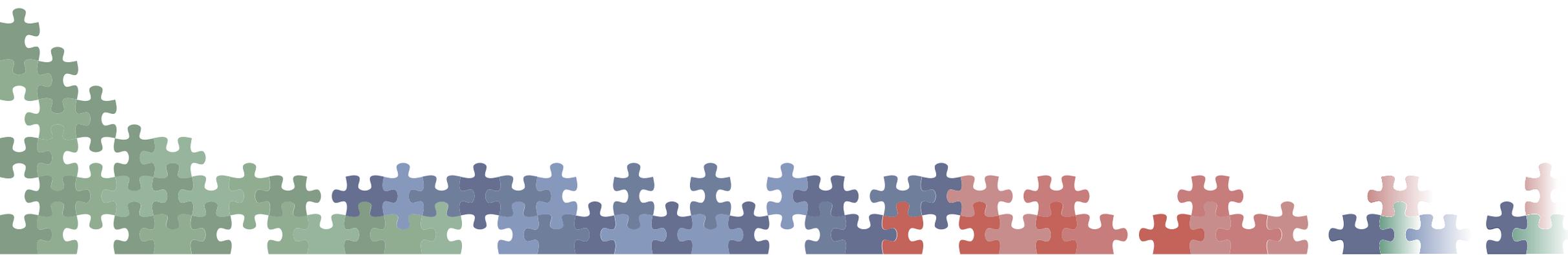
AGRICULTURAL BANKING

We are committed to supporting and growing the country's productive sectors, among which the agricultural activity stands out, whose portfolio increased by a total of VES 9.62 million, equivalent to a variation of 2,780%, reaching VES 9.97 million at the end of 2018. These results allowed us to achieve compliance with the obligatory nature of the Agricultural Portfolio established in the Law.

CORPORATE BANKING

The role of Corporate Banking is to provide attention and advice on financial products and services to the main economic players in the country. This segment achieved an important increase in the business of the captures that the business teams maintain to their client portfolios for the placement and use of products of Means and Services of Payment and of the commercial business (Points of Sale) in 2018.

Loans granted to our clients showed a growth of 3.937%, which were destined to cover working capital needs, equipment and infrastructure expansions in the main national companies, mostly in the manufacturing, commercial and tourism sectors.



OUR CLIENTS

102-2, FS4

PUBLIC SECTOR BANKING

Public sector banking continued to focus on strengthening its links with customers, mainly in collection and payment products adapted to the financial and transactional needs of the government sector. The coverage of the Banesco Agency Network at the national level made it possible to continue providing services to pensioners and main nominees.

BANESCO COMMUNITY BANKING

At the end of 2018, we added more than 378,000 micro-entrepreneurs belonging to the working class in Venezuela; and we granted 1,065 loans.

The Community Banking loan portfolio amounted to VES 7,371,690.

It should be noted that the above-mentioned loan portfolio shows excellent quality by reaching a default rate of 0.00%.

In the period analyzed, we encouraged the attraction of funds through various products, achieving a significant increase in the balances of our community clients by 38.328%.

As a strategy of optimization in the community segment, the total inclusion of the attention in the business ecosystem of our agency network was carried out. Through this, we seek to broaden the scope of our points of service and value offerings for this important segment, which strengthens our Social Responsibility program to support microentrepreneurs and which will continue to be available to all our clients.

The implementation of the new Community Banking Business Model began in March 2018. The aim is to integrate the Community Advisors and the BCB customer service into the Banesco branch network, so that all our customers have a comprehensive service model with BBU products and services.

The strategies were framed in three pillars under the current models of the Bank, allowing to improve and optimize the management and profitability of the business: Segment Management, Product Management and Financial Management; which allowed us to transform the commercial business model of independent banking to a segment model.

With the new customer service model from 2019, the integration is completed by migrating our web portal from BancaComunitaria Banesco to Banesco.com. The portal will have a communication display informing the customer of new accesses to our On-Line Banking.



COLLECTION AND PAYMENT SERVICES

The Collection and Payment services registered more than 80 million transactions driven by the growth of Multi-payment and Collection electronic transactions.

QUALITY MANAGEMENT

Fulfilling the promise of brand value consistently and with quality continued to be the primary purpose driven by the customer experience strategy in 2018. In order to achieve this objective, actions that had as their fundamental axis the link between the client and the organization under a centralized client vision were promoted.

Similarly, as part of the strategy, we continue to measure experience indicators, identifying and understanding the state of the voice of the customer, gathering their opinion on the service we provide, their satisfaction and level of preference, not only of Banesco Banco Universal, C.A. but of the main banks in the country. Thanks to this monitoring, we identify expectations and experiences, which is valuable information that constantly allows us to deepen our actions to attract, link and build loyalty.

In order to optimize resources in the Voice of the Customer measurement process and to expand the scope and versatility of the surveys, we also undertook a self-management mechanism of operational indicators to track the opinion of the Banesco Customer, its perception and level of recommendation on our channels and main portfolio products.

As a result of this ongoing analysis and the use of Customer Journey as a methodology, 42 initiatives were completed by the end of 2018 which impacted the experience, providing valuable moments at key points of contact where customers interact with our main products and services.

We also initiated the Multi-management project in order to advance our goal of transformation towards digital banking. The first deliverable of the initiative was available by the end of the year, so all our agencies had a more robust client file allowing us not only to comply with the current regulatory framework, but also to increase our knowledge about clients.

Other in-depth strategies in 2018 come from the continuous analysis of our clients' interactions with channels, products and services; a highly complex volume of information that has allowed us to identify stakeholders that represent important potential for the development of commercial actions, or other actions that leverage different segments of the organization's business management. The development of the knowledge of our clients through information has allowed us to refine more and more our "Behavioral Segmentation". This has allowed us to have precision in the clients' targets obtained to generate business, to characterize and understand the interaction in our channels and to promote personalization through Relational and Experiential Marketing.

OUR CLIENTS

103-1, 103-2, 103-3, FS5

RELATIONAL AND EXPERIENCING MARKETING

We will continue with our personalized relationship and experiential marketing plan through 2018, aimed at both internal and external customers, in addition to building loyalty and long-lasting relationships with our clients, improving their relationship value with the organization.

In this period, we sent nearly 39 million emails to promote personalized commercial and relationship actions, with an average open mail rate of 39.4% among all distributed campaigns. In this regard, we accompany the business management of the products and services executed by the bank's commercial area.

Within the framework of these actions, special mention must be made of the management carried out within the Monetary Restructuring project, which required the establishment of an integral communication strategy to guarantee the timely delivery of information, in an easy and simple manner, in order to adequately guide all our stakeholders within the framework of a process of vital importance for the country.

STAKEHOLDERS GROUP

Natural persons	2018		2017		Segments
Focus Groups/ Interviews / Survey	Quantity	Participants	Quantity	Participants	
Experience Survey of clients	12	92.441	12	42.096	Natural persons
Community Bank Survey	0	0	12	2.310	BCB Clients
Brand Survey	1	800	1	800	Natural persons
Satisfaction surveys / Quality Service	5	1.074	5	1.489	Natural persons
Banesco.com Assessment	1	162	4	426	Natural persons
Internal Client Survey / Banesco employees	11	7.575	13	9.573	Banesco employees

Legal persons	2018		2017		Segments
Focus Groups/ Interviews / Survey	Quantity	Participants	Quantity	Participants	
Product Assessment y Servicios	0	0	1	170	SMEs and Stores
Knowledge Segment	0	0	1	40	SMEs, Enterprises, Big Enterprises and Corproations

AWARDS AND RECOGNITIONS GRANTED IN 2018

Award	Granting institution
• Soy Responsable Venezuela Award Category: Assistance	Mundo Bonad Foundation
• Transport Process and storage and electronic residues recycling Certificate.	Recicladora Industrial Metalmorfohis, C.A.

OUR CLIENTS

103-1, 103-2, 103-3, 416-1, 416-2, 417-1, 417-2, 417-3, 418-1, 419-1, FS15

MESSAGES

We guarantee that the messages that we transmit to our final client/consumer are in the most understandable and close way, aligned with the realities of the offer or service, taking care of the fulfillment of what we offer.

We are also respectful of the existing legal framework in the country regarding advertising and communications:

- ▶ Law on Social Responsibility in Radio and Television.
- ▶ Law on the Defense of Persons in the Access to Goods and Services.
- ▶ Rules governing the administrative processes related to the issuance and use of credit, debit, prepaid and other financing or electronic payment cards, Articles 23, 24 and 25 of which (Chapter I, On issuers' obligations) refer to cases of prize offers and promotions.
- ▶ Reform of the Technical Rules on Definitions, Time and Conditions of Advertising, Propaganda and Promotions in Radio, Television and Subscription Broadcasting Services of the National Telecommunications Commission.

- ▶ Organic Law on the Protection of Children and Adolescents (LOPNA).

Once the product has been designed, we send all the information required by SUDEBAN. This body may comment on or suspend products as indicated.

Furthermore, the advertising of products and services is subject to the regulation established in the Law on the Defense of Persons in the Access to Goods and Services.

It is important to note that all advertising for the Bank's promotions contains the indication that they have been previously approved by the Institute for the Defense of Persons in the Access to Goods and Services (INDEPABIS) and SUDEBAN. In the event of products or services to which they are applicable, it is stated that they are covered by the Deposit Guarantee and Bank Protection Fund (FOGADE).

It should be noted that the law establishes that information must be submitted to the BCV in the event of requesting authorizations for new commissions or fees.

All new products are designed in accordance with current regulations and, in the event of a change in the legal framework, the product is adjusted. For this reason, our contracts and general conditions contain a clause that limits the responsibility of the breach by Banesco Banco Universal, C.A., in the provision of products or services derived from regulatory changes.

OUR CLIENTS

416-1, 416-2, 417-1, 417-2, 417-3, 418-1, 419-1, FS15

In accordance with the requirements of the regulatory body, a risk analysis for depositors and investors in the new instrument or financial product is always submitted, as well as the opinion of the ML/FT Prevention Compliance Officer on the new instrument or financial product. A survey of the risks which the product means for Banesco is also carried out, which although it does not prevent the occurrence of such risks, it does define the mechanisms which mitigate them.

As a financial institution, the products and services offered do not directly affect users' health. However, as fraud cases may arise, both the security and monitoring areas are involved in the processes. It is important to note that Banesco defines and disseminates all possible policies and mechanisms to avoid information security risks, and possible fraudulent actions that make use of the products and services offered as a vehicle for committing crimes, but it will always be the sole responsibility of the customer to apply them.

BUSINESS PARTNERSHIPS AND PROMOTIONS

Committed to our customers in building lasting relationships, during 2018 we launched more than 30 advertising campaigns aimed at communicating the benefits of the products and services offered by our Banesco Digital Banking, contributing to their training and education in the use of digital channels, and providing information on technological and financial innovations.

Some of the communication initiatives aimed at generating remembrance in the minds of our clients are:

OUR CLIENTS MUST NOT STOP THEIR PATH

We promote the use of BanescoOnline, BanescoMóvil and Banesco PagoMóvil, reminding them that they do not need to go to the bank to carry out their operations since they have the digital channels to do so quickly and easily, so as not to interrupt their destination. We launched the Banesco Digital Banking campaign with the mass deployment of a TV, radio, social networking and Banesco.com commercial within the framework of the FIFA World Cup Russia in 2018.

KEEP MOVING
WITHOUT INTERRUPTION
USE BANESCO
DIGITAL BANKING!

BanescoOnline BanescoPagoMóvil BanescoMóvil

Banesco
Cooptivo

WFLJ-07013380-5

The advertisement features a central image of a smiling couple embracing. Below this, there are three icons representing digital banking channels: a laptop for BanescoOnline, a smartphone for BanescoPagoMóvil, and another smartphone for BanescoMóvil. At the bottom, there is a collage of smaller images showing people in various settings, including a cyclist, a couple, and a woman. The Banesco logo is in the bottom right corner, and a small ID number 'WFLJ-07013380-5' is in the bottom left.

WE TEACH OUR PENSIONERS ABOUT THE USE OF E-BANKING

We address permanent communication to IVSS beneficiary customers and their relatives in order to educate them in the use of Banesco Digital Banking, highlighting the benefits offered by our services to carry out their operations more quickly and easily, without needing to go to the agencies, as well as informing them of the new benefits of the Pension Savings Account and reinforcing the existing ones. We promote the campaign on a monthly basis on Banesco.com and social networks in the days prior to the IVSS payment notification.

ATTENTION, PENSIONERS!



BANESCO UPDATE WITH MONETARY RECONVERSION

We held a constant communication regarding the process for monetary reconversion, addressed to educating our natural and legal clients, as well as the public about the re-expression of the national currency. A campaign to update the landing page of Banesco.com was fostered along with the deployment in social networks, sending of focalized e-mailing and the placement of informative posters in the agencies network. This is how we contribute to the knowledge regarding the new bank notes in Venezuela.



AT BANESCO WE ARE UP-TO-DATE ON THE MONETARY RECONVERSION



OUR CLIENTS

WE KEPT PERMANENT INFORMATION REGARDING “PREVENTION”

In accordance with our responsibility and commitment to society in the fight against Money Laundering and the Financing of Terrorism, we communicate on a monthly basis, through newsletters on our web portal Banesco.com, the different tips that contribute to making clients and users aware of both existing regulations and actions that may involve risks.

In addition, we carry out a monthly campaign through our social networks, to promote awareness of the newsletter, thus contributing to the mitigation of operational, legal and reputational risk associated with Money Laundering and Terrorist Financing.

WE INVITE OUR CLIENTS TO NOTIFY THEIR TRAVELS ABROAD

Aiming to continue offering a better service to our customers, we promoted the "Notification of Trips Abroad" campaign. We inform our customers and users through our social networks and Banesco.com the availability of the option in BanescOnline to make the appropriate notification in case of travel abroad.

NOTIFY THE
ORIGIN OF ANY
FUNDS



HAVE YOU PACKED YOUR BAGS?
DON'T FORGET TO NOTIFY
ABOUT YOUR TRAVEL ON
BanescOnline



OUR CLIENTS

FOSTERING THE USE OF BANESCO POINTS OF SALES AND AWARD OUR CARDHOLDERS

The "Avoid Frights" campaign was aimed at promoting the use of Banesco points of sale through the awarding of the Banesco Permanent Ticket Award Program during October, November and December. It included a massive deployment of our commercial on TV, radio, Banesco.com and social networks.

INFORMING OUR CLIENTS THAT DEBIT CARDS HAS NO EXPIRATION DATE

We are pleased to announce that as of October Banesco debit cards no longer expire, so customers can continue to use them safely and it will not be necessary to request new plastic unless it is damaged or lost. The campaign was publicized through Banesco.com, social networks and emailing.

LAUNCHING OF THE NEW BANESCOMOVIL APPLICATION

In order to publicize the new image and new features, we launched a campaign in November to encourage the download and use of the new BanescoMóvil application, as part of the services offered by Banesco Digital Banking.

This was accompanied by publications on Banesco.com, social networks, emailing to customers and radio announcements.

DON'T BE SCARED OF MAKING BANKING TRANSACTIONS!

Banesco points of sale are secure channels



BE PART OF BANESCO DIGITAL BANKING THROUGH **BanescoMóvil**

RIF: J-07013380-5



SEVERAL INITIATIVES TO FOSTER THE USE OF BANESCO PAGOMÓVIL

To promote the download and use of the Banesco PagoMóvil application, several actions were carried out, focused on both individuals and businesses. In the first quarter of 2018, benefits offered by the service for individuals were reinforced and in a second stage it was promoted with a new modality to make payments to merchants. It now integrates the possibility of paying through the scanning of a QR code generated by the application to optimize transactions. This makes Banesco the first bank in the country to include payments to merchants in its mobile payment service, once again leading the Venezuelan market.

A campaign focused especially on Digital Media was deployed through the launch of three videos representing real situations where PagoMóvil service facilitates the banking operations of protagonists. These highlight the benefits of the service and guide the customer through the process of downloading, registration and affiliation for efficient use.

CONSTANT OPTIMIZATION OF BANESCO.COM FOR OUR USERS' SATISFACTION

Aligned with our purpose of providing the most efficient digital banking service in the country, we coordinated the "Frontend" and "Backend" optimizations to improve user experience and productivity in the administration and maintenance process of Banesco.com. We are constantly monitoring to assertively identify opportunities for improvement, providing our users with a better experience and positive perception of our website.



PARTICIPATION IN FAIRS IN THE COUNTRY

- 2018 International Caribbean Fair (FILCAR)
- 2018 Social Perspectives at Venamcham
- Sponsorship for the Book fair held in the West area of Caracas

SOCIAL NETWORKS

In order to maintain a constant dialogue and communication with all our stakeholders, we have relied on new technologies and 2.0 attentions. The social networks have been an effective communication channel for our followers; this is evidenced by the 18,063 cases, including queries and requests, which were attended by our different accounts through social networks.

Banesco Banco Universal, C.A. has official accounts on Twitter, Facebook, Instagram, Google+, YouTube and LinkedIn, as well as a blog. As for its presence in social networks, Twitter - through the @Banesco account - remains the social network of choice for social network users, reaching 708,842 followers as of December 2018. In addition to serving as a link for queries and requirements, it provides relevant information on personal finance, entrepreneurship, technology, anniversaries, history, sports, business, energy and news about the Bank's products, services or promotions.

Banesco on Facebook had 264,628 followers, while on Instagram reached 147,074 followers last year. Videos on YouTube channel "Banesco in Pictures" channel have registered more than 4.7 million views, in addition to 10,208 subscribers.

By the end of December 2018, the Banesco Blog had received more than 7.93 billion visits. On this site, in addition to corporate information on products and its Corporate Social Responsibility policy, the institution has exclusive content prepared by renowned journalists.

Social Networks		2018	2017
Twitter	@Banesco	708.842	672.507
	@Baneskin	190.165	182.799
Facebook	Banesco Banco Universal	264.628	257.227
Youtube	Reproductions	4.713.708	3.916.293
	Subscription	10.208	8.167
Linkedin	Followers	40.679	19.514
Instagram	Followers	147.074	98.992
Banesco Blog	Visits	7.938.915	6.925.989
Google +	Followers	10.715	10.354
	Visits	N/A	N/A

OUR ENVIRONMENTAL COMMITMENT

103-1, 103-2, 103-3, 201-2, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-6, 305-7, 306-2, FS1, FS2



OUR ENVIRONMENTAL POLICY

The protection and preservation of the environment is a must for the benefit of this and future generations. In Banesco Banco Universal, C.A., we have assumed as a commitment, to continuously deepen the actions that guide our behavior in the promotion of Sustainable Development. We carry out constant evaluations, diagnoses, establishment of indicators and goals aimed at a better use of natural resources, energy savings and recycling of waste and materials so that our activity does not impact the environment.

Therefore, we endeavor and apply measures that reduce the environmental impact that our activity may generate, making a rational use of energy, optimizing resources and making our surroundings aware of environmental preservation.

OUR MANAGEMENT

Consistent with the bank's Corporate Social Responsibility policy and maintaining our support for the environment, we have undertaken a series of actions for Sustainable Development, among which the following stand out:

E-MANAGEMENT FOR DOCUMENTS

The digitalization of files has been for many years a business strategy which supports our environmental policy. Banesco Banco Universal C.A. has an Electronic Document Management unit (GELECON) which has as its main objective the digitization of files, avoiding the duplication of unnecessary copies and streamlining workflows in the organization. The inclusion of Gelecon, in the core banking areas, contributes to the reduction of paper consumption, the optimization of space and the organization of the custody of files.

E-MANAGEMENT FOR DOCUMENTS

Area	Number of operations			Number of pages		
	2018	2017	Var. %	2018	2017	Var. %
Commercial credits	28.985	18.514	56,56%	561.691	582.000	3,61%
CC (Request/Service)	50.987	25.439	100,43%	303.042	133.444	127,09%

RECYCLING PROGRAM

Our paper and cardboard recycling program is carried out mainly in Ciudad Banesco, the bank's headquarters, and in Los Galpones in San Vicente, Aragua state. By the end of 2018, the program had achieved satisfactory results by recycling 178,960 kg of paper and cardboard, resulting in VES 303.87 million in resources that have been allocated to support projects executed by our Social Partners.

On the other hand, we maintained our Efficient Banesco Culture and reinforced the awareness campaign for the responsible use of the equipment we have available to do our job (multi-functional printing equipment) with a special program for saving paper.

PAPER SAVING

	2018	2017	Var. %
Number of paper saved	6.605.009	5.167.453	27,82%
VES Saved	145.310.198	34.229,50	424.417,45%

TOTAL PRINTINGS

2018	6.605.009
2017	25.717.850
Variation %	78%

Due to the nature of our activities, no destructive substances are emitted to the ozone layer nor NO or SO.

OUR ENVIRONMENTAL COMMITMENT

103-1, 103-2, 103-3, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3, 306-5

ENERGY CONSUMPTION

As part of the energy saving plan, we permanently maintain the reduction of office lighting by implementing schedules per work block according to productivity; reduction in operating hours of air conditioners at the office level and restricted hours in the use of escalators.

The main source of energy used in our organization, Banesco Banco Universal, C.A., is produced by hydropower plants, distributed through the national electric grid. Our electricity consumption from the national grid during this period was 236,582.93 G. This represents a decrease of 1.17% with respect to the previous year.

For emergency situations, we have six (6) diesel generators in Ciudad Banesco and two (2) diesel generators in El Rosal and other administrative locations, supporting between 80% and 100% of services. Currently, these generators are activated in the event of a power failure in the commercial network.

In 2018 we generated 1,006.20, which mean an increase of 333.33% with respect to the previous year, mainly due to the electrical failures in the commercial network.

This resulted in a growth of 329.73% regarding CO2 emissions by diesel equipment.

Currently, the only foreseeable way that climate change could affect the activities of our organization would be a greater need for air conditioning in our headquarters and agencies, which would increase electricity consumption and subsequent emissions into the atmosphere. These consequences have not been systematically identified or quantified.

ENVIRONMENTAL INDICATORS

Consumption	Total consumption			Total by people		
	2018	2017	Var. (%)	2018	2017	Var. (%)
Water(m ³) ¹	262.045	249.405,58	0,05%	50,48	38,00	(0,32%)
Energy Gigajoule (Electrical system National) ¹	236.582,93	239.382,73	(1,17%)	45,58	35,78	27,39%
Energy Gigajoule / own generation ²	1.006,20	232,2	333,33%	0,19	0,10	91,16%
Paper (Kg) ¹	24.566	38.334	(35,92%)	4,73	5,84	(18,97%)
Paper (Kg) / Clients ⁵	35.548	65.282	(45,55%)	0,01	0,01	(44,29%)
Waste	Total consumption			Total by people		
	2018	2017	Var. (%)	2018	2017	Var. (%)
Recycled paper (Kg) ¹	178.960	63.440	182,09%	34,48	9,66	256,71%
Toner and/or Cartridges ³	0	69	(100%)	0	0,01	(100%)
Electrical waster and Electronic (Kg) ¹	54.960,70	320.559,40	(82,85%)	10,59	48,84	(78,32%)
Emission greenhouse gases	Total emissions			Emissions by people		
	2018	2017	Var. (%)	2018	2017	Var. (%)
CO ₂ emissions equipment diesel generators (Only Ciudad Banesco) ⁽⁴⁾	269.624,25	62.742,75	329,73%	136,519	27,40	398,27%
CO ₂ car emissions of employees ⁽²⁾	777.647,07	457.513,45	69,97%	393,75	199,79	97,08%
Total emissions of CO₂⁽²⁾	1.047.271,32	520.256,20	101,30%	530,26	227,19	133,41%

1. Total national is based on 5,191 employees in 2018 and 6,564 employees in 2017.

2. Ciudad Banesco and El Rosal Towers 1,975 employees in 2018 and 2,290 employees in 2017.

3. Donated to FUNDANA en 17. No donations of this nature were made in 2018.

4. Own Generation in Ciudad Banesco. It is based on 1,975 employees in 2018 and 2,290 employees in 2017.

5. 4,531,671 customers taken in 2018 and 4,635,468 in 2017

OUR ENVIRONMENTAL COMMITMENT

103-1, 103-2, 103-3, 301-3, 306-4, 307-1, FS8, FS9, FS10, FS11

WATER CONSUMPTION

The water used in our headquarters and agencies is obtained through the water network fed by the different reservoirs in the country.

The activities developed by the bank do not produce chemical, oil and/or fuel spills that have negative effects on health, the environment, soil, water, and air, nor do they impact protected natural spaces or unprotected areas of high biodiversity.

BANESCO OPERATIONS WITH ENVIRONMENTAL IMPACT

► **Product and services:** For granting credits to builders, we carry out feasibility studies to guarantee not only the success of the project but also the least possible environmental impact in the area in which the work will be carried out. We take care that the financed projects have the certificates of housing before starting the sales process.

► **Products transport:** Banesco Banco Universal, C.A. has no measurable environmental impact for this activity, since the products transferred to our network of agencies throughout the national territory are office materials, printed matter, as well as technology equipment and its consumables. Also, the bank does not export or import waste. The waste considered dangerous (toners, batteries, monitors...) are transported locally taking into account all the necessary safety measures.

► **Personnel movement:** Personnel move from their homes to the Bank and vice-versa at own expense. When there is some kind of event for which the personnel must move from place of work, the bank covers the costs incurred in this move and, if necessary, contracts transport services. Workers in El Rosal and El Recreo towers are offered transportation to Ciudad Banesco during lunch hours. For night workers in Ciudad Banesco, transportation is provided to the closest station in the Caracas Metro system.

► **Agency inaugurations:** We do not carry out prior environmental impact studies in the areas where we open agencies, except when required by municipal authorities, and they are specific depending on the dimensions of the work to be executed.

No fines or lawsuits were received in 2018 for non-compliance with national or local environmental regulations.

The Medical Service for employees located in Ciudad Banesco does not generate biological sanitary waste because it only offers primary care and uses disposable material. Emergencies are referred to health centers near the headquarters.



OUR ENVIRONMENTAL COMMITMENT

301-1

DONATIONS OF FURNITURE AND REPLACED COMPUTERS

DONATIONS OF FURNITURE AND REPLACED COMPUTERS

	2018	2017	Variation
Number of donated equipment	851	230	270%
Total Kg.	8.581	7.802	9,98%

DONACIÓN DE MOBILIARIO DESINCORPORADO

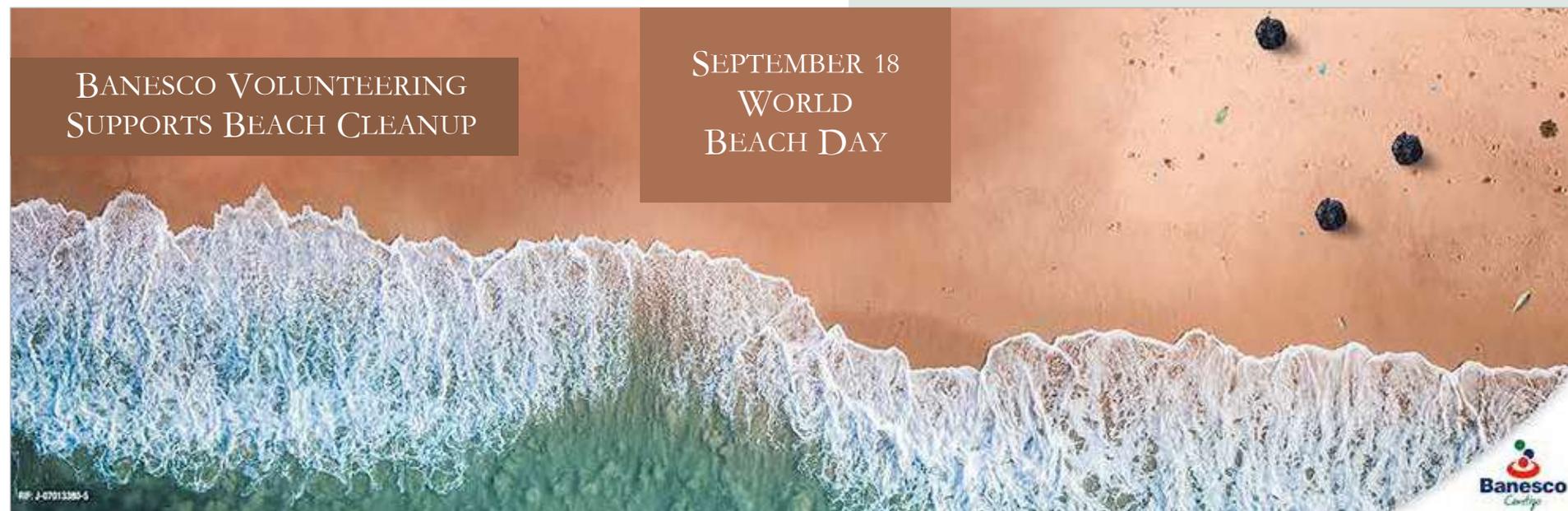
	2018	2017	Variation
Number of donated furniture	63	230	(72,60%)
Total Kg.	3.085	13.512	(77,16%)



CORPORATE VOLUNTEERING

Our Corporate Volunteers, committed to the environment, carried out activities that minimized the environmental impact, executing different initiatives and training activities to be promoters of a culture of care for the environment and the proper use of natural resources.

60 man-hours were invested in environmental activities in 2018, including a partnership between Banesco Volunteers, Supermercados Unicasa, Directv and Alfonso Rivas to carry out a clean-up and awareness day in the framework of World Beach Day with the collection of 240 kg of waste in Playa Verde, located in Catia la Mar, Vargas state.



OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3, 204-1, 308-1, 308-2, 409-1, 412-1, 412-3, 414-1, 414-2, FS3



OUR POLICY

The Procurement and Administration Vice-presidency is responsible for the execution of procurement strategies, contracting and management of services with specialized personnel and technical tools, to ensure a timely supply of goods and services, adjusted to business needs and financial aspirations with the best balance (price - quality - time - risk management); based on transparent negotiations and supported by contracts that ensure operational continuity and compliance with service agreements. This unit has a Budget and Procurement Management Committee whose main function is to direct and govern the Budget and Procurement Management processes, from the formulation of the budget to the procurement of goods and services.

OUR MANAGEMENT

We kept commercial relations with 1,248 local suppliers (97.81%) and 28 non-local (2.19%) with whom we trade a purchase volume amounting to VES 12 billion, accounting for 67% of local suppliers. This means that companies that operate in the same geographical area where the purchase take place, while 33% corresponds to non-local suppliers.

Regarding our commitment with the World Pact of the United Nations, which Banesco signed in 2008, it is important to highlight that Banesco Banco Universal, C.A. signed 122 service contracts with suppliers. In fact, 20 include the first clause, sub-paragraph 20, letter J related to the Ten Principles of the World Pact based on the Universal Declaration and Conventions, applicable to Human Rights, Environment, and Working and Anticorruption areas. The remaining signed agreements are under supplier model, including confidentiality agreements or those instruments which does not include the abovementioned clause.

PROCUREMENT PROCESS REGULATIONS

1. Procurement and contracting processes for the purchase of goods, materials, works and services must be made at the most convenient total cost. It is necessary to take into account the price, quality, opportunities for delivery and the subsequent service to purchase in order to guarantee at all times the balance and transparency to choose the supplier.
2. The Procurement and Management Vice-presidency must guarantee the compliance of regulations, processes and established norms, based on the autonomies and instances to approve the different purchasing process phases.
3. For the purchase of goods and services it is necessary to carry out selection processes at least with 3 suppliers, exempting from the cases that may occur in the Venezuelan economic environment.
4. The Procurement process is centralized, the requesting areas are responsible for providing the specifications of purchases and/or contracting and, if any, the matrix for technical evaluation concerning the specialization area must be consolidated.

OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3, 308-1, 308-2, 409-1, FS3

5. The documentation of qualified suppliers registered in the bank's database will expire annually. Then, they must be re-evaluated to participate in the provision of goods and services in general. For those requirements that have a certain validity period, we reserve the right to request the updating of the documents.

OUR POLICY FOR HIRING SUPPLIERS

All suppliers interested in providing services to Banesco Banco Universal, C.A., must go through a review process and must submit legal, financial and technical-commercial documentation.

NUMBER OF SUPPLIERS

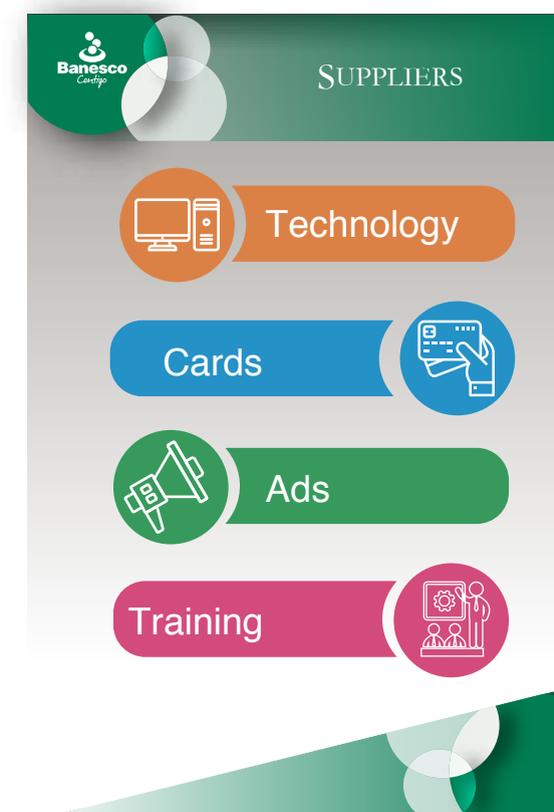
NAME	No. of Suppliers		% of the total No. of Suppliers
	2018	2017	2018
Equipment, Articles and Furniture	28	28	2,19%
Hardware, Software and Technology	90	115	7,05%
Printings and Value Paper	2	13	0,16%
Debit and Credit Cards	1	3	0,08%
Other equipment	0	3	0,00%
Maintenance and Constructions	120	118	9,40%
Advertising and Marketing	64	99	5,02%
Fees and Advisory	177	152	13,87%
Equipment leasing	1	3	0,08%
Condominium and Leasing	308	334	24,14%
Training	13	37	1,02%
Other services	134	108	10,50%
Services	245	289	19,20%
Human Capital	93	27	7,29%
Total	1.276	1.329	100%

OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3, 308-1, 308-2, 409-1, FS3

AMOUNT PAID TO SUPPLIERS

NAME	Amount paid in VES		% of the paid total	
	2018	2017	2018	2017
Equipment, Articles and Furniture	32.218.134,26	28.996.623.617,58	0,39%	5,20%
Hardware, Software and Technology	6.095.768.471,35	343.544.598.963,04	74,15%	61,56%
Printings and Value Paper	2.503.181,41	1.966.686.500,60	0,03%	0,35%
Debit and Credit Cards	145.540.747,13	10.405.840.024,14	1,77%	1,86%
Other equipment		29.667.748,16	0,00%	0,01%
Maintenance and Constructions	806.303.138,04	35.061.438.315,46	9,81%	6,28%
Advertising and Marketing	2.257.828,22	18.010.902.758,35	0,03%	3,23%
Fees and Advisory	255.736.614,50	16.970.487.146,39	3,11%	3,04%
Equipment leasing	884.889,32	2.897.894,02	0,01%	0,00%
Condominium and Leasing	78.486.471,78	20.074.281.641,14	0,95%	3,60%
Training	1.961.702,66	274.979.432,37	0,02%	0,05%
Other services	34.834.652,73	353.399.355,20	0,42%	0,06%
Services	679.048.323,21	54.504.268.846,67	8,26%	9,77%
Human Capital	84.841.044,71	27.835.101.479,26	1,03%	4,99%
Total	8.220.385.199,31	558.031.173.722,38	100%	100%



OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3, 308-1, 308-2, 409-1

MOST IMPORTANT SUPPLIERS BY REGION

CAPITAL REGION

Services	Suppliers		Amount VES			% of the total	
	2018	2017	2018	2017	Variation %	2018	2017
Hardware, Software and Technology	67	67	4.751.786.027,38	342.830.360.169,17	(2,90%)	78,12%	78,12%
Services	131	131	671.727.297,92	51.099.892.808,38	(43,48%)	11,04%	11,04%
Maintenance and Constructions	95	95	370.588.393,68	26.277.908.520,03	0,00%	6,09%	6,09%
Condominium and Leasing	156	156	34.878.343,49	16.893.000.201,81	(24,64%)	0,57%	0,57%
Fees and Advisory	149	149	253.817.255,24	12.338.799.154,86	39,13%	4,17%	4,17%
Total	598	598	6.082.797.317,71	449.439.960.854,25	(32%)	100%	100%

SOUTH-EASTERN REGION

Services	Suppliers		Amount VES			% of the total	
	2018	2017	2018	2017	Variation %	2018	2017
Maintenance and Constructions	6	7	43.593.647,56	3.272.492.353,00	(14,29%)	67,00%	76%
Services	26	36	229.418,50	541.850.928,54	(27,78%)	0,35%	13%
Condominium and Leasing	47	42	21.239.764,98	469.611.297,21	11,90%	32,65%	11%
Total	79	85	65.062.831,04	4.283.954.579	(7%)	100%	100%

LOS LLANOS CENTER REGION

Services	Suppliers		Amount VES			% of the total	
	2018	2017	2018	2017	Variation %	2018	2017
Equipment, Articles and Furniture	2	4	366.435,85	24.506.118.079,00	(50%)	0,09%	84%
Maintenance and Constructions	9	5	379.029.842,73	1.738.838.291,03	80%	95,29%	6%
Condominium and Leasing	41	46	13.425.705,49	1.609.203.283,68	(11%)	3,38%	6%
Services	34	29	4.944.481,24	1.265.890.067,99	17%	1,24%	4%
Total	86	84	397.766.465,31	29.120.049.721,70	2%	100%	100%

OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3, 204-1, 308-2, 409-1

MOST IMPORTANT SUPPLIERS BY REGION

NORTH-WESTERN REGION

Services	Suppliers		Amount VES			% of the total	
	2018	2017	2018	2017	Variación %	2018	2017
Equipment, Articles and Furniture	8	15	1.708.844,68	4.519.266.972,96	(47%)	6%	41%
Equipment, Articles and Furniture	10	11	13.099.669,07	3.772.199.151,40	(7%)	48%	34%
Condominium and Leasing	54	61	3.372.396,41	1.565.457.702,97	(11%)	12%	14%
Services	63	71	8.942.657,82	1.099.872.839,56	(11%)	33%	10%
Total	135	158	27.123.567,98	10.956.796.666,89	(15%)	100%	100%

SUPPLIERS DISTRIBUTION BASED ON QUANTITY AND PAYMENT

Type	Number of Suppliers		% of the total No. of Suppliers		Amount paid in VES		% of the total Invoiced	
	2018	2017	2018	2017	2018	2017	2018	2017
Local suppliers	1.248	1.329	98%	96%	8.220.385.199,31	558.031.173.722	67%	100%
Non-Local suppliers	28	51	2%	4%	4.036.900.372,02	165.220.450	33%	0%
Total	1.276	1.380	100%	100%	12.257.285.571,60	558.196.394.172	100%	100%

OUR SUPPLIERS

102-9, 103-1, 103-2, 103-3

ALLIANCES

Our suppliers are aware of the importance of creating alliances to mitigate social problems and offer a better quality of life to citizens.

PROCUREMENT & BUDGETARY MANAGERIAL COMMITTEE

The Committee is an organizational coordination body that promotes the efficient management of the budget and the optimal design of procurement operations, which include any event of acquisition of goods or services and their negotiation.

PURPOSE

Its main function is to direct and govern the Bank's budget management and procurement processes, from the formulation of the budget to the contracting of goods and services, guaranteeing efficient levels of expenditure, as well as the selection of the best option offered in the market, in order to meet the organization's strategic objectives.

ROLES AND MEMBERS OF THE PROCUREMENT COMMITTEE

The following are the various committees, which have approval limits according to the autonomy established for each of them.

OPERATIVE PROCUREMENT COMMITTEE

- ▶ Coordinator Procurement VP
- ▶ Secretary of Committee: Procurement Unit Manager
- ▶ Main members entitled to speak and vote: Managers and Executive Managers appointed by the Procurement Thematic Committee
- ▶ Advisors entitled to speak: Legal Consultancy Manager and Tax Consultancy Executive Manager

PROCUREMENT & BUDGETARY MANAGERIAL COMMITTEE

- ▶ Coordinator: Exec. Director of Treasury and Finance
- ▶ Secretary of Committee: VP of Procurement and Management
- ▶ Main members entitled to speak and vote: Processes and Technology Exec. Director; Credit and Banking Logistics Exec. Director; Comprehensive Risk Management Executive Vice-Presidency; Finance and Economic Studies Executive Vice-Presidency; Procurement and Management Executive Vice-Presidency; Infrastructure Operations Executive Vice-Presidency; Executive. Manager of Budgets and Expenses Control and Executive Director of Administrative, Electronic and Physical Channel Processes.

OUR COMMITMENT WITH AUTHORITIES

103-1, 103-2, 103-3, 201-4, 206-1, 417-2, 415-1



OUR POLICY

At Banesco Banco Universal, C.A., responsibility, reliability and quality are fundamental values that make us participate as an active factor in the country's growth.

We work to strengthen the social fabric through the banking of the social groups most excluded from the financial system, the generation of employment and the economic growth of the country.

For an adequate decision making and reliable and transparent disclosure of information to its Board of Directors, shareholders, employees, customers, competent authorities and the general public (all stakeholders), it is necessary to rely on information systems of the required quality, sufficiency, security and timeliness.

OUR MANAGEMENT

All our products and services are designed and conform to current legal regulations. Our contracts and general conditions contain a clause that limits the responsibility of the breach by Banesco Banco Universal, C.A., in the provision of products or services derived from regulatory changes.

In accordance with the requirements of the regulatory body, a risk analysis study is sent to the bank's depositors and investors on any new instrument or financial product. Therefore, although it does not prevent the occurrence of possible inconveniences, the Bank is constantly adjusting its mitigation mechanisms.

The Bank's Legal Department personnel are constantly analyzing any new law issued by the regulatory bodies or modifications to existing regulations in order to determine any aspect that could impact the Bank, the stakeholders and the financial sector. Likewise, as part of this process of ensuring a permanent update, the publications in the Official Gazette related to this area are reviewed daily and sent to all areas involved in order to take pertinent action.

TAXES DUE TO OWNED OPERATIONS

	AMOUNT IN VES		
Amount in VES	2018	2017	Variation %
Income Tax	1.173.685,00	1.527,86	76.719%
Taxes on Economic Activities	138.108,57	235,85	58.458%
Value Added Tax	1.231.120,88	417,52	294.766%
Taxes on Commercial Ads	0,49	0,03	1.533,33%
Taxes on Urban Property	0,60	0,16	270%
Taxes on Financial Transfers (TFT)	204.929,36	0	100%
Total	2.747.844,90	2.181,42	125.866%

Corresponding to the income tax obtained and paid in the last year.

LEGAL CONTRIBUTIONS

AMOUNT IN VES

	2018	2017	Variation %
Contribution to the Law on Technology and Innovation			
Contribution to the National Innovation, Technology and Science Fund (FONACIT)*	69,06	10,62	550%
Law on Workers' Food			
Law on Workers' Food	2.697.207,09	183,81	1.467.270,22%
Parafiscal Contribution			
Housing and Habitat Law	4.271.325,65	6,54	65.322.552,71%
Mandatory Social Security	6.596.538,93	13,66	54.736.123,82%
Employment Law	1.319.333,78	2,79	54.096.259,65%
INCES	1.487.289,53	3,42	43.532.358,34%
Contributions to FOGADE, SUDEBAN, the National Anti-Drugs Office-ONA, and the Social Contribution to the Communes, Sports Law			
FOGADE	32.702,25	448,35	719.395,00%
SUDEBAN	54.293,99	51,16	106.021,51%
LOSEP CONTRIBUTION (ONA - FONA)	49.956,93	66,64	74.865,38%
SPECIAL CONTRIBUTIONS TO COMMUNES	575.891.783,36	327,48	1.657,82%
Contributions to Sports Law	48.345,23	37,56	128.614,67%

(*) The funds corresponding to these contributions are transferred to the National Fund for Science, Technology and Innovation (FONACIT). It decides on the projects to be financed based on the guidelines and priorities defined in the National Economic and Social Development Plan of the Nation, as well as the ethical implications and potential cultural, social, environmental and economic impact of these projects.



OUR COMMITMENT WITH AUTHORITIES

201-4, 206-1, 417-2, 415-1

Modality	Reached amount (VES)		Amount		% Kept	
	2018	2017	2018	2017	2018	2017
Tourism	4.686.558	429.539	5,25	5,25	6,17%	6,30%
Microentrepreneurs	4.488.757.637	1.667.206	3	3	196,18%	7,72%
Agriculture	9.975.353.532	10.373.654	25	20	110,59%	48,01%
Manufacture	2.203.875.658	5.547.572	30	10	2.901,61%	56,79%
Mort. Owned Resources (Long term)	31.010	94.847	7	7	0,15%	0,98%
Mort. Owned Resources (Short Term)	0	3.403	13	13	0%	0,03%

This contribution is administered by the Autonomous Service National Fund of Community Councils (SAFONACC), whose main activity is the administration of the resources assigned to the Community Councils, financing the community, social and productive projects of the People's Power in their financial components

FINES AND BREACH OF REGULATIONS

In 2018 and 2017, Banesco Banco Universal was not subject to any type of sanction for breach of regulations established by the Central Bank of Venezuela or Fogade. Besides, there were no sanctions for non-compliance with the guidelines established by current regulations regarding free competition or monopolistic practices.

With regard to the communications received from the Superintendency of Banking Sector Institutions, no events were presented that have had a significant impact on the financial situation and asset structure of the Bank.

In the Bank's audited financial statements, on a semi-annual basis, in accordance with the requirements of the regulatory body, litigation, contingencies, contractual and fiscal commitments are disclosed, and on which the Bank does not anticipate any impact on the financial statements as a whole. The audited financial statements corresponding to December 31, 2018 and 2017 are published, upon prior authorization of the Regulatory Body, on the website of the Venezuelan Banking Association (www.asobanca.com.ve) where they may be viewed by the public in general.

At Banesco Banco Universal, C.A., employees at all levels, including the Board of Directors, are constantly vigilant in terms of strict compliance with legal provisions to which it is subject as a financial institution.

Banesco Banco Universal, C.A. is a private banking institution and has received no financial assistance from the public sector during the period under review. Furthermore, it has not financed political parties, trade unions and similar associations.

PROCESS FOR DRAFTING THE REPORT

102-10, 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-56

BASICS TO DEFINE THE CONTENT

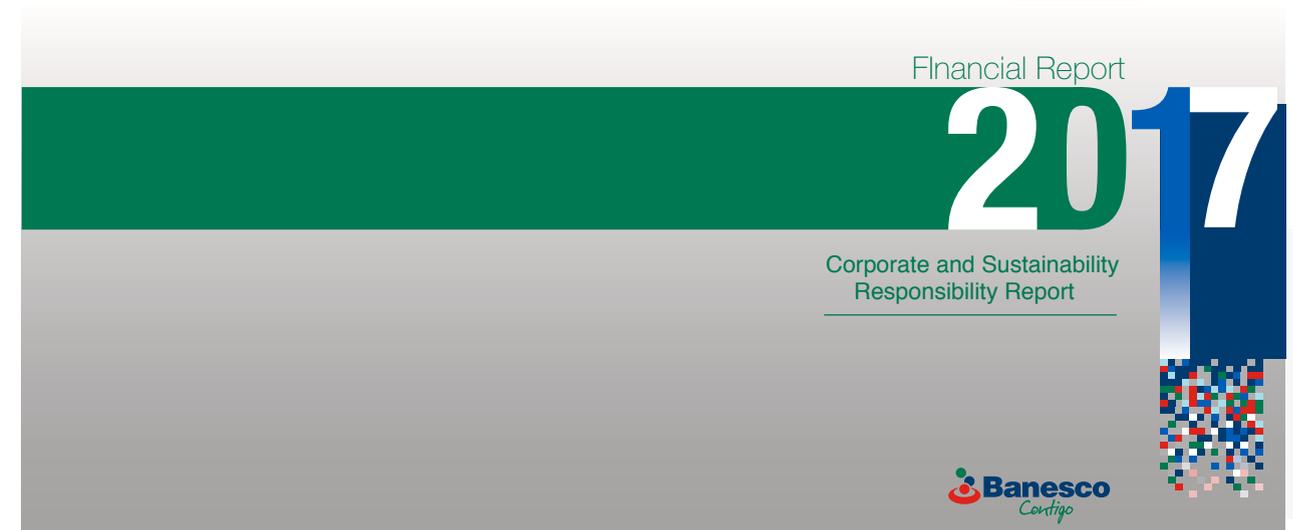
The Responsibility and Sustainability Report of Banesco Banco Universal, C.A. has been the mechanism through which the Organization gathers the main actions that have been developed in the field of Corporate Social Responsibility as well as the interrelationship with each of its stakeholders (shareholders, customers, employees, suppliers and community).

The strategic planning of the Corporate Social Responsibility (CSR) Program is prepared by the Vice Presidency of Communications and Corporate Social Responsibility of Banesco Banco Universal, C.A., which reports directly to the Executive Presidency and leads the CSR practices. This Vice Presidency is the contact point for all matters related to the content of this Report.

This version of our Corporate Social Responsibility and Sustainability Report covers the period from January 1 to December 31, 2018. As in previous editions, we highlight the relevant aspects of the year and the level of compliance with the commitments and objectives set out during the previous year, as well as those planned for the following year. This report is prepared in Spanish and English and can be consulted on our website (<http://ow.ly/Spp93>) and at Banesco's blog: <http://blog.banesco.com/rse/>.

In 2004 Banesco Banco Universal, C.A. published its first Responsibility and Sustainability Report. However, since 2007, the Global Reporting Initiative (GRI) has verified the report with Application level B+; while in the Reports presented from 2008 to 2014, the "A+ GRI Checked" level was obtained from the Global Reporting Initiative (GRI). As of 2015, Banesco Banco Universal, C.A, has applied the services of Context Index and Materiality Disclosure, as well as the adhesion to the "Community GRI" program by which we reflect our relationship and commitment to the GRI.

The structure of this report is based on the GRI Standards and the Financial Services Sector Supplement issued by the Global Reporting Initiative (GRI). This is presented under the same scheme as in previous years, organized in two large blocks: the Internal Dimension and the External Dimension of our Social Responsibility, with specific chapters for each stakeholder.



PROCESS FOR DRAFTING THE REPORT

102-10, 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-56

It is important to highlight that, in accordance with the GRI Standards, this report is complemented by a detailed description of the performance regarding material issues. As a result of applying the principle of materiality and with the participation of a multidisciplinary team represented by different areas of the Bank, including the members of the Board of Directors and, stakeholder participation, through surveys and exploratory meetings, all relevant issues for each stakeholder are included. The content of this Sustainability and Corporate Responsibility Report 2018 includes the results of the actions carried out from the interrelationship with the stakeholders and those that will be completed during 2019.

In this report, from our business perspective, we not only report our performance within a sustainability context, but also report our work within a broader context that includes, among others:

- ▶ Emphasis on supporting Social Partners working to improve coverage of education and health services.
- ▶ The importance given to the organization's human capital, which is reflected in salaries above the legal minimums, promotions, continuous training, and support programs for acquiring their homes, among others.
- ▶ The organization's impact on the generation of direct jobs in the different regions of the country, indirect jobs through the regional distribution of its suppliers, regional opportunities and services for clients and regional donations.

This report is governed by the principle of completeness in terms of the scope, coverage and timescales envisaged therein.

The coverage of the report includes only the operation of Banesco Banco Universal, C.A. in Venezuela. The information's materiality is evident in the indicators that reflect the organization's significant impacts in the economic, social and environmental spheres.

Due to the standardization of the data collection process and the awareness of the timely provision of information, greater fluidity is maintained by the different areas of the Institution.



PROCESS FOR DRAFTING THE REPORT

102-10, 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-56

To ensure the quality of the information contained herein, Banesco Banco Universal, C.A. has been monitoring the compliance with the principles for defining the quality of its elaboration based on the GRI Standards and the Sector Supplement for Financial Services issued by the Global Reporting Initiative / FSSS Final Version. The principle of balance is satisfied by the transparency of the data provided during the drafting of the report.

The figures reported are detailed for the years 2018 and 2017, with the respective variation rates, which allows the comparability of the performance in these two periods. Likewise, in cases where information has been restructured for the purposes of presentation and comparability, reference is made to this.

In order to guarantee the accuracy of the information, we have used the main international guidelines and standards and have subscribed to the most relevant initiatives as a supplement to the quantitative and qualitative sustainability contents presented in this report.

The quantitative contents are generally reported together with variables that originate their calculation, which facilitates the understanding of how they are obtained.

The data reported correspond to the organization's records in its various information management systems or internal mechanisms. In general terms, they correspond to information published and reported to regulatory bodies, i.e. they are perfectly verifiable.

The Responsibility and Sustainability Report is presented annually. Clarity is a further premise, and hence this report contains the most relevant elements in a document that is readable in terms of language simplicity, the display of management figures and graphic expressions, and the volume of pages. To ensure the reliability of the submitted information and the procedures followed in the drafting of the Report, all internal sources of each aspect reported are documented and submitted to verification by external auditors before publication.

It is worth mentioning that the information provided includes not only the contents that have been considered significant according to the analysis done in accordance with the GRI standards, but also those that senior management has deemed to be disclosed, even if they are not significant for the Bank's performance.

**OBJETIVOS
DE DESARROLLO
SOSTENIBLE**



PROCESS FOR DRAFTING THE REPORT

102-10, 102-32, 102-45, 102-48, 102-50, 102-51, 102-52, 102-54, 102-56

During the preparation of this report, there were no significant changes in the size, structure and ownership of the organization or in the supply chain. There was also no changes in the restatement of information as compared to previous years' reports.

This report has been prepared in accordance with the comprehensive option of GRI standards.

Likewise, the report has been reviewed by the Management of Agencies, Banking and Financial Processes Network belonging to the Executive Vice-presidency of Internal Audit of Banesco Banco Universal, C.A.



OUR COMMITMENTS

Area	Main action lines 2018	2019 Commitments
Corporate Government	<ul style="list-style-type: none"> ■ Increase of the maturity level differentiated in the management of the corporate government focusing on the compliance with the regulatory framework. ■ We design and establish communication schemes, follow up and control to consolidate the mechanisms of corporate government and reach an efficient corporatization. ■ We guarantee the existence of mechanisms that allow of the decision-making with optimal effectivity. ■ We will ensure the corporate standard in terms of regulations, norms, guidelines and government processes. 	<ul style="list-style-type: none"> ■ We will continue to work on consolidating, optimizing, standardizing and simplifying process, formats and methodologies for management planning and control in the Group entities. ■ Promoting high levels of implementation and management control and monitoring of transformational projects to ensure the achievement of the value promises and the fulfillment of shareholder's expectations. ■ Promoting the application of agile schemes for the development of software/ projects. ■ Strengthening the GE team in the subsidiaries, both in terms of substance, form and trends. ■ Ensuring that the PIPEs reflect the implementation roadmaps of the corporate lines. ■ Ensuring a governance structure model aligned with the corporate standard. ■ Facilitating the administration of government bodies and the strengthening of best practices. ■ Promoting the development of efficient and lightweight organizations in the processes of decision making and execution, through the use of agile methodologies and the availability of process management tools that contribute to operational excellence. ■ Contributing to the sustainability of the business, through effective management of succession and by strengthening engagement as a key lever for withholding and contributing. ■ Promoting change management that creates the optimal conditions for achieving success in Transformational Projects, ensuring that new ways of doing things are properly and timely assimilated. ■ Continuing to strengthen the "consulting" role of CH, GE and GC from the HQ.

OUR COMMITMENTS

Area	Main action lines 2018	2019 Commitments
Shareholders	<ul style="list-style-type: none"> ■ We increased the bank's share capital with the aim to keep on strengthening the patrimony and the growth of the institution. 	<ul style="list-style-type: none"> ■ We increased the bank's share capital in order to continue Strengthening the patrimony and the growth of the institution.
Human Capital	<ul style="list-style-type: none"> ■ We strengthened and improved the non-contracting benefits addressing to support the education of our workers and their family members so they may count on more and best opportunities. ■ We increased the basic coverage of the HSM insurance. ■ We improved our recruitment e-platform to increase and offer more e-courses to our Banesco citizens. ■ We created monetary, successful and innovative actions to satisfy the needs and support Banesco citizens. ■ We held days for the purchase of food products in order to improve the life quality of our collaborators. ■ We kept recreational days for our collaborators and their family group. 	<ul style="list-style-type: none"> ■ Holding training activities that reinforce corporate and personal values. ■ Maintaining the increase of the economic benefits of our collaborators in order to improve well-fare and everything in family. ■ Maintaining learning experiences under virtual modality that allow collaborators to improve their technical and competence skills, which leads to achieve goals for successful and targeted self-development in paths of professional growth. ■ In 2019, the Life Quality management will be based on the comprehensive well being of collaborators, extending the execution of basic good products purchase and basic food products to help our collaborators and their family members.

OUR COMMITMENTS

Area	Main action lines 2018	2019 Commitments
Volunteering	<ul style="list-style-type: none"> ■ We became Corporate Volunteers recognized throughout the country and with a positive impact in the Venezuelan society through the actions of Social Responsibility as established in our strategy. ■ We deepened partnerships with the volunteers from private companies in various sectors to encourage and develop joint activities that will benefit NGOs and communities. ■ We designed and developed activities aligned with the strategy of Corporate Social Responsibility whereby the Corporate Volunteers participate in the benefit of communities. ■ We trained and included our Corporate volunteers in professional development activities for our partners and social allies. 	<ul style="list-style-type: none"> ■ We also continue to guarantee areas of recreation and leisure boosting values for our Banesco family. ■ We continue to deepen partnerships with Volunteer groups in private companies from various sectors to promote and undertake activities jointly that will benefit NGOs and communities. ■ We design and develop activities which are aligned with the strategy of Corporate Social Responsibility whereby corporate volunteers participate in the benefit of communities. ■ We train and involve our corporate volunteers in professional development activities for our partners and social allies.
Social Allies and Community	<ul style="list-style-type: none"> ■ We fostered the Responsibility Program of social corporate at the main cities of the Country through the participative budget ■ We increased our Editorial Fund with the publication of new free titles to be distributed through the Digital Library at our website ■ We established alliances and sponsored contests to promote creative writing as a mechanism of education and culture. ■ We maintained our presence and support to the different Fairs of books from the most important universities in the country. ■ We carried out travelling exhibitions of our collection of art and diffusion of our publications. 	<ul style="list-style-type: none"> ■ Strengthening our social dialogue with the community through our own Participative Budgetary initiative in many states within the country. ■ Deepening alliances that promote creative writing and poetry as a mechanism of education and culture. ■ Producing new titles to continue to expand our Banesco Publishing Fund, which responds to the need to support education, with the aim of encourage publishing activity in the country. ■ Using our Social Networks as a channel of communication and education through which knowledge of Venezuela's history is promoted. ■ Conducting a campaign to collect books and school supplies to be donated to our social partners. ■ Participating in events related to RSE where the different initiatives of area are to be announced.

OUR COMMITMENTS

Area	Main action lines 2018	2019 Commitments
Clients	<ul style="list-style-type: none"> ■ We strengthened our electronic platform to maintain the positioning in electronic channels and offer our customers greater comfort when it comes to their financial transactions. ■ We kept a constant update of the amounts of daily limits for transfers through Banesconline as well as for purchases through Points of Sale. ■ We updated our mobile app. ■ We made periodic increases in limits of our clients' credit cards. 	<ul style="list-style-type: none"> ■ Activating mobile applications on our web platform allowing our clients to carry out financial transactions through various electronic channels. ■ Maintaining our permanent customer loyalty programs that use our points of sale or financial products. ■ Carrying out in our facilities activities that promote the best practices and standards in Project Management and deepening in methodologies and tools to work, innovate and develop quality products and services. ■ Improving and expanding our options in Banesconline which will allow our customers make fast and secure banking transactions from comfort provided by the internet. ■ Periodically reviewing and increasing the limits on financial transactions through our electronic channels.
Environment	<ul style="list-style-type: none"> ■ We extended the recycling program to the administrative offices and we also added new materials that can be recycled. 	<ul style="list-style-type: none"> ■ In order to operate as a mindful organization and in the obligation to offer solutions and bring more to our environment, our institution has focused on further expanding its on-site recycling program at the administrative offices and adding new materials to this activity, allowing the generation of a lower environmental impact in the operations we perform. ■ We continue with our promise to be a green bank by decreasing the use of paper and taking advantage of technology as an alternative way.
Suppliers	<ul style="list-style-type: none"> ■ We include the clauses that establish the 10 principles of the Global Compact in 20 Contracts and Purchase Orders. 	<ul style="list-style-type: none"> ■ Implementing the SAP Ariba Commerce Cloud technology tool, which will support the management of the registration and participation of selected Suppliers, for processes of purchasing goods and/or contracting services. ■ On the other hand, the SAP Ariba Network was also implemented, which will allow supplier self-management in relation to order confirmation and generation of the HES, establishing communication with SAP S4 Hana. ■ Both tools will allow the flow of the procurement process in the Cloud and will generate a constant communication with our suppliers.

ACCUMULATED SOCIAL BALANCE 1998 - DECEMBER 2018

WE'RE LAYING
THE FOUNDATIONS OF OUR FUTURE
TOGETHER
Twenty years providing our services



 Microentrepreneurship Training Program Bs.S 47.061,61	 Fe y Alegría Bs.S 24.885,81	 Fundación Musical Simón Bolívar Bs.S 48.364	 Asociación Venezolana de Educación Católica (AVEC) Bs.S 5.017,15	 IESA Bs.S 929,99	 Universities and Higher Education Institutes Bs.S 964.623,84	 Other Education Institutes and Organisms Bs.S 5.107,54
 Education Scholarships Bs.S 2.025,40	 Fundación Venezolana Contra la Parálisis Infantil Bs.S 2.650,47	 Other Health Care Organisms Bs.S 26.241,17	 FUNDANA Bs.S 8.672,04	 Asociación Civil Red de Casas Don Bosco Bs.S 7.130,02	 Asociación Damas Salesianas Bs.S 4.350,28	 Aid to Child Neglected and People with Special Needs Bs.S 4.500,95
 Donation of toys to the Community Bs.S 34,17	 Editorial Projects and Publications Bs.S 16.789,12	 Other contributions Bs.S 1.018,44	 Solidarity Campaign in the Aftermath of Natural Disasters Bs.S 61,29	 Community Events Bs.S 782.547,62	 Investment in Colinas de Bello Monte Construction Bs.S 23,06	 Mayoral Office, Governments and other State Bodies Bs.S 141,71
 Social Non-contractual Profits for BANESCO Employees Bs.S 140.060.703,45	 Corporate Volunteering Contribution Bs.S 23.248,21	 Implementation of Article 96 LOCTICSEP Bs.S 336,12	 Participatory Budget Bs.S 31.073,71			

ACCRUED 1998 - DECEMBER 2018

TOTAL SOCIAL INVESTMENT **Bs.S 142.067.537,18**

GRAND TOTAL SOCIAL INVESTMENT

PLUS COMMITMENTS MADE **Bs.S 142.067.537,18**

Cifras expresadas en bolívares soberanos

Directors

Juan Carlos Escotet Rodríguez • José Grasso Vecchio • Miguel Ángel Marcano Cartea
Carlos Eduardo Escotet • Emilio Durán Ceballos • María Josefina Fernández

Banesco is held accountable once again to its groups of interests through the publication of the Accumulated Social Balance 2018. We are pleased to be the first Venezuelan institution in being the most qualified of the Global Reporting Initiative (GRI) in our Corporate and Sustainability Responsibility Reports with approval.

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RIF: J-07013380-5



ANNEX I • GRI CONTENT INDEX

The following are the pages of the Report where the contents of the GRI Standards and the GRI Financial Services Sector Supplement are addressed.

It should be noted that the contents included in the plan are not only those that have been considered significant according to the analysis carried out in accordance with the parameters established in the GRI, but also those non-material issues that

The Senior Management has considered disclosing them as being relevant to the Bank's performance.

Based on the Materiality Disclosures Services, GRI Services has reviewed that the GRI table of contents is clear, and that the references for Contents 102-40 to 102-49 correspond to the indicated sections of the report.



GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
GRI 101: 2016 BASICS							
GRI 102: Content General 2016	Profile of Organization	102-1	Name of the organization	5-6		√	
		102-2	Activities, brands, products and services	71 - 72; 78		√	
		102-3	Location	5-6		√	
		102-4	Location of operations	5-6		√	
		102-5	Property and legal form	5-6		√	
		102-6	Served markets	5 - 6; 71 - 73; 75,		√	
		102-7	Name of the organization	29 - 32		√	
		102-8	Employees' information and other workers	32 - 33; 43		√	Principle 6
		102-9	Supply chain	92 - 97		√	Principle 7
		102-10	Significant changes in the organization and its supply chain	101 - 104		√	
		102-11	Principle or precautionary approach	7 - 12, 32; 43		√	
		102-12	External initiatives	23 - 25; 40 - 41; 62 - 63		√	Principle 7
		102-13	Affiliation of associations	26		√	Principle 1, 2, 5, 8, 9, 10

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
GRI 102: General Content 2016	Strategy	102-14	Top Officials' declaration regarding decision-making	3 - 4		√	Principle 1, 7, 8, 9
		102-15	Main impacts, risks and opportunities			√	Principle 7, 8, 9
	Ehtics and Integrity	102-16	Values, principles, standards, and conduct behavior	31 - 32		√	Principle 10
		102-17	Mechanisms for assessing and ethical concerns	23; 26; 31; 74 - 75		√	
	Governing	102-18	Governance structure	16 - 28,		√	
		102-19	Authority delegation	15 - 19		√	
		102-20	Responsibility at executive level in economic environmental and social matters	23 - 24		√	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9, 10
		102-21	Consult to stakeholders about economic, environmental and social matters	12 - 13; 23 - 24; 29 - 30; 32		√	
		102-22	Composition of the highest government bodies and its committees	15 - 16; 18 - 19; 20 - 25		√	
		102-23	President of the highest government body	18 - 20		√	
		102-24	Naming and selection of the highest governing body	15 - 6; 18 - 25;		√	
		102-25	Conflict of interests	23 - 24; 26; 31 - 32		√	
		102-26	Function of the highest governing body in the selection of targets, values and strategies	16 - 28		√	
		102-27	Collective knowledge on the highest governing body	12, 13		√	Principle 10

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
GRI 102: Content General 2016	Governing	102-28	Performance assessment of the the highest governing body	12; 35 - 38		√	Principle 7, 8, 9
		102-29	Identification and management of economic environmental and social impacts	7-14		√	
		102-30	Efficiency of the processes of risk management	12-14; 23-24		√	Principle 10
		102-31	Assessment of economic environmental and social aspects	12; 35 - 38		√	
		102-32	Function of the highest governing body in the drafting of sustainability reports	101 - 104		√	
		102-33	Critical concerns letters	12 -16; 18 -19		√	
		102-34	Nature and total number of ethical concerns	18 -19; 31 - 32		√	
		102-35	Remuneration policy	18 -19; 37 -38		√	
		102-36	Process for calculating the remuneration	18 -19; 37 -38		√	
		102-37	Involving the groups of interests in the remuneration	18 -19; 37 - 38		√	
		102-38	Ratio for total annual compensation	37		√	
		102-39	Ratio of the percentage increase of total annual compensation	37 - 39		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
GRI 102: 2016 General Content	Participation of the Stake Holders	102-40	Stakeholders list	7 -14		√	
		102-41	Collective negotiations agreements	52 - 53		√	
		102-42	Identification and stakeholders selection			√	
		102-43	Approach for the participation of stakeholders	12 - 14		√	
		102-44	Topics and key concerns mentioned	12 - 13		√	
	Practices for the drafting report	102-45	Entities included in the consolidated financial statements	101 - 104		√	
		102-46	Definition of the content regarding the reports and topics coverage	12 - 14		√	
		102-47	List of material topics	12 - 14		√	
		102-48	Re-expression of data	101 - 104		√	
		102-49	Changes in the reports drafting	7 - 12		√	
		102-50	Term analyzed in the report	101 - 104		√	
		102-51	Date of the last report	101 - 104		√	
		102-52	Cycle for drafting reports	101 - 104		√	
		102-53	Contact point for questions about the report	136		√	
		102-54	Statements on the report drafting based on GRI Standards	104		√	
		102-55	Table of GRI Content	110 - 132		√	
		102-56	External verification	133 - 135 Annex I 110 - 132		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
ECONOMIC PERFORMANCE							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	7 - 14		√	
		103-3	Managerial approach assessment	7 - 14		√	
GRI 201: Economic Performance 2016		201-1	Distributed and economic value generated	8 - 10		√	
		201-2	Distributed and economic value generated opportunities resulting from climate change	88		√	Principle 7 Criterion 10
		201-3	Obligations of the defined plan for benefits and other retirement plans	56 - 57; 59 - 60		√	
		201-4	Financial assistance received from the government	98, 100		√	
MARKET PARTICIPATION							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	33 - 35		√	
		103-3	Managerial approach assessment	33 - 35		√	
GRI 202: Market Participation 2016		202-1	Ratio of salary for standard initial category based on sex in comparison to local minimum salary	37 - 39		√	
		202-2	Proportion of top officials contracted and coming from local community	34		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
ECONOMIC IMPACTS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	71 - 73		√	
		103-3	Managerial approach assessment	71 - 73		√	
GRI 203: 2016 Economic Indirect Impacts		203-1	Infrastructure investments and supported services	62 - 63		√	
		203-2	Significant indirect economic impacts	62 - 63		√	
PURCHASING PRACTICES							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	92		√	
		103-3	Managerial approach assessment	92		√	
GRI 204: Practices of 2016 Purchase		204-1	Proportion of expenditure in local suppliers	92; 96		√	Principle 6

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
ANTI-CORRUPTION							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	26, 28; 41, 42; 53, 54		√	
		103-3	Managerial approach assessment	26, 28; 41, 42; 53, 54		√	
GRI 205: Anti-corruption 2016		205-1	Operations assessed for risks related to corruption	20 - 22; 51		√	Principle 10
		205-2	Communication and creation of policies and anti-corruption procedures	26 - 28; 42; 51 - 53		√	Principle 10
		205-3	Confirmed corruption cases and made decisions	51 - 53		√	Principle 10
DISLOYAL COMPETENCE							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	80, 81		√	
		103-3	Managerial approach assessment	80, 81		√	
GRI 206: Disloyal competence 2016		206-1	Legal actions regarding disloyal competence and monopoly practices and those against free competence	98 - 100		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
MATERIALS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	88, 89		√	
		103-3	Managerial approach assessment	88, 89		√	
GRI 301: Materials 2016		301-1	Materials used by weight or volume	89; 91		√	Principle 8, 9
		301-2	Recycled consumables	88 - 89		√	Principle 8, 9
		301-3	Re-used products and bottled products	88 - 90		√	Principle 8, 9
ENERGY							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88, 89		√	
		103-2	The approach of management and its components	88, 89		√	
		103-3	Managerial approach assessment	88, 89		√	
GRI 302: Energy 2016		302-1	Energy consumption within the organization	88 - 89		√	Principle 8, 9
		302-2	Energy consumption within the organizatio	88 - 89		√	Principle 8, 9
		302-3	Energy intensity	88 - 89		√	Principle 8, 9
		302-4	Reduction of energy consumption	88 - 89		√	Principle 8, 9
		302-5	Reduction of energy requirements for products and services	88 - 89		√	Principle 8, 9

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
WATER							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88-90		√	
		103-2	The approach of management and its components	88 - 90		√	
		103-3	Managerial approach assessment	88 - 90		√	
GRI 303: Water 2016		303-1	Water extraction by source	89		√	Principle 8, 9
		303-2	Water sources significantly affected by extraction	89		√	Principle 8, 9
		303-3	Recycled and re-used water	89		√	Principle 8, 9
BIODIVERSIDAD							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88-90		√	
		103-2	The approach of management and its components	88 - 90		√	
		103-3	Managerial approach assessment	88 - 90		√	
GRI 304: Biodiversity 2016		304-1	Operation centers for leased or managed property located within or along protected areas or nearby important areas for biodiversity out of protected zones	89		√	Principle 8
		304-2	Significant impacts of activities, products and services on biodiversity	89		√	Principle 8
		304-3	Protected and restored habitats	89		√	Principle 8
		304-4	Species appearing on the Red List of the UICN and national lists for protection, whose habitats are in areas located by operations	89		√	Principle 8

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
EMISSIONS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88-90		√	
		103-2	The approach of management and its components	88 - 90		√	
		103-3	Managerial approach assessment	88 - 90		√	
GRI 305: Emissions 2016		305-1	GHG direct emissions (scope 1)	89		√	Principle 7, 8
		305-2	GHG direct emissions to produce energy (scope 2)	89		√	Principle 7, 8
		305-3	GHG direct emissions to (scope 3)	89		√	Principle 7, 8
		305-4	GHG emissions intensity	89		√	Principle 7, 8
		305-5	GHG emissions reduction	89		√	Principle 7, 8
		305-6	Emission of ozone depleting substances (ODS)	88		√	Principle 7, 8
		305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other air significant emissions	88		√	Principle 7, 8

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
EFFLUENTS AND WASTE							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88-90		√	
		103-2	The approach of management and its components	88 - 90		√	
		103-3	Managerial approach assessment	88 - 90		√	
GRI 306: Effluents and Residues 2016		306-1	Water discharge in function of quality and destination	89		√	Principle 7, 8
		306-2	Waste by type and disposal method	88 - 89		√	Principle 7, 8
		306-3	Significant spills	89		√	Principle 7
		306-4	Hazardous waste transport	90		√	Principle 7
		306-5	Water sources affected by water and/or runoff discharges	89		√	Principle 8,9
ENVIRONMENTAL COMPLIANCE							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	88-90		√	
		103-2	The approach of management and its components	90		√	
		103-3	Managerial approach assessment	90		√	
GRI 307: Compliance Environmental Law		307-1	Contravention of the 2016 and environmental regulation	90		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
ENVIRONMENTAL SUPPLIERS ASSESSMENT							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	92 - 93		√	
		103-2	The approach of management and its components	92 - 96		√	
		103-3	Managerial approach assessment	92 - 96		√	
GRI 308: Assessment Environmental suppliers 2016		308-1	New suppliers who have passed filters for assessment and evaluation as per environmental criterion	92 - 95		√	
		308-2	Negative environmental impacts in the chain of supply and measures taken	92 - 96		√	
EMPLOYMENT							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	31 - 32; 34 - 37		√	
		103-3	Managerial approach assessment	31 - 32; 34 - 37		√	
GRI 401: Employment 2016		401-1	New employers hiring and personnel turnover	35 - 36		√	Principle 6
		401-2	Benefits for full-time employees, which are not given to partial or temporary employees	37 - 38; 51		√	
		401-3	Parental leave	50		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
COMPANY-EMPLOYEE RELATION							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	34 - 37		√	
		103-3	Managerial approach assessment	34 - 37		√	
GRI 402: Relations Employee-Company 2016		401-2	Minimum notification terms about operational changes	34		√	Principle 3
HEALTH AND SECURITY AT WORK							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	45 - 46; 51, 52		√	
		103-3	Managerial approach assessment	45 - 46; 51, 52		√	
GRI 403: 2016 Health and Working Security		403-1	Employees Representation in formal company-employees committees for health and security	46;		√	Principle 3
		403-2	Accidents and frequency rates of incidents, professional diseases, lost days, absenteeism, and number of deaths due to working accidents or professional diseases	45 - 51		√	
		403-3	Employees with high probability or high risk to diseases related to work activities 10	43; 45 - 51		√	
		403-4	Health and security topics discussed in formal agreements with unions	45 - 51		√	Principle 3

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
TEACHING AND TRAINING							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	40 - 43		√	
		103-3	Managerial approach assessment	40 - 43		√	
GRI 404: 2016 Teaching and Training		404-1	Average training hours during the year by employee	40 - 43		√	
		404-2	Programs to improve flairs of employees and aid programs to help in transition	40 - 43		√	
		404-3	Percentage of employees that receive constant assessment on professional development and performance	37, 40 - 43		√	
DIVERSITY AND EQUAL OPPORTUNITIES							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	34; 37; 54		√	
		103-3	Managerial approach assessment	34; 37; 54		√	
GRI 405: Diversity and Equal opportunities 2016		405-1	Diversity in the bodies of government and employees	32 - 33; 51		√	Principle 1, 6
		405-2	Ratio of base salary and remuneration of women contrasting men	54 - 55		√	Principle 1, 6

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
NO DISCRIMINATION							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	54		√	
		103-2	The approach of management and its components	54		√	
		103-3	Managerial approach assessment	54		√	
GRI 406: No Discrimination 2016		406-1	Cases of discrimination and corrective actions to be undertaken	31 - 32; 51		√	Principle 1, 2
FREEDOM TO ASSOCIATE AND COLLECTIVE NEGOTIATION							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	52, 53		√	
		103-2	The approach of management and its components	52, 53		√	
		103-3	Managerial approach assessment	52, 53		√	
GRI 407: Freedom associate and Collective negotiation 2016		407-1	Operations and suppliers with the right to freedom to associate and collective negotiation could be at risk	52 - 53		√	Principle 1, 2, 3

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
CHILD LABOR							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	31; 55		√	
		103-2	The approach of management and its components	31; 55		√	
		103-3	Managerial approach assessment	31; 55		√	
GRI 408: Child Labor 2016		408-1	Operations and suppliers with significant risks of child labor cases	26; 31 - 32		√	Principle 1, 2, 5
FORCED AND MANDATORY LABOR							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	55		√	
		103-2	The approach of management and its components	55		√	
		103-3	Managerial approach assessment	55		√	
GRI 409: Forced and mandatory labor 2016		409-1	Operations and suppliers with significant risk in cases of forced and mandatory labor	92 - 96		√	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9, 10

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
PRACTICES IN THE SECURITY ASPECT							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	50 - 52		√	
		103-2	The approach of management and its components	50 - 52		√	
		103-3	Managerial approach assessment	50 - 52		√	
GRI 410: Practices at Security Matters 2016		410-1	Security personnel trained in policies or Human Rights procedures	31 - 33; 43, 52		√	Principle 1, 2
INDIGENOUS PEOPLES' RIGHTS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	54		√	
		103-2	The approach of management and its components	54		√	
		103-3	Managerial approach assessment	54		√	
GRI 411: Rights of the Indigenous peoples 2016		411-1	Cases of rights violation of of indigenous peoples	54 - 55		√	Principle 1, 2

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
HUMAN RIGHTS ASSESSMENT							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	26; 31 -32; 92		√	
		103-3	Managerial approach assessment	26; 31 -32; 92		√	
GRI 412: Assessment of or Human Rights 2016		412-1	Operations under revision or impact evaluation regarding human rights	26; 31 - 32, 52; 71 - 72; 92		√	Principle 1, 2
		412-2	Employees training in policies or Human Rights procedures	31 - 33; 43, 52		√	Principle 1, 2
		412-3	Agreements and significant investment contracts including human rights clauses or under human rights evaluation	92		√	Principle 1, 2
LOCAL COMMUNITIES							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11-14		√	
		103-2	The approach of management and its components	62 - 70		√	
		103-3	Managerial approach assessment	62 - 70		√	
GRI 413: Local Communities 2016		413-1	Operations with participation of local communities, evaluation of impacts and development programs	63 - 70		√	
		413-2	Operations with significant negative Impacts – real and potential In local communities	64 - 67		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
SOCIAL ASSESSMENT FOR SUPPLIERS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	92 - 97		√	
		103-2	The approach of management and its components	92 - 97		√	
		103-3	Managerial approach assessment	92 - 97		√	
GRI 414: Social Assessment for Suppliers 2016		414-1	New suppliers who have approved selection filters based on social criterion	92 - 93		√	Principle 1, 2
		414-2	Social negative impacts in the chain of supply and measures taken	92 - 93		√	Principle 1, 2
PUBLIC POLICY							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	98		√	
		103-2	The approach of management and its components	98		√	
		103-3	Managerial approach assessment	98		√	
GRI 415: Public Policy 2016		415-1	Contributions to parties and/or political representatives	98; 100		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
SOCIAL ASSESSMENT FOR SUPPLIERS							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	81		√	
		103-2	The approach of management and its components	80 - 81		√	
		103-3	Managerial approach assessment	80 - 81		√	
GRI 416: Client's health and security 2016		416-1	Assessment of impacts on the health and security of categories of product and services	81 - 82		√	Principle 1
		416-2	Non-compliance cases regarding health impacts and security of service and product categories	81 - 82		√	Principle 1
PUBLIC POLICY							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	80 -82		√	
		103-2	The approach of management and its components	80 -82		√	
		103-3	Managerial approach assessment	81 - 82		√	
GRI 417: Marketing y Etiquetado 2016		417-1	Requirements for information and labelling of products and services	81 - 82		√	
		417-2	Non-compliance cases regarding information and labelling of product and services	81 - 82; 98; 100		√	
		417-3	Non-compliance cases regarding marketing communications	81 - 82		√	Principle 10

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
CLIENT'S PRIVACY							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	74		√	
		103-3	Managerial approach assessment	74		√	
GRI 418: Privacy Clients 2016		418-1	Well-supported claims regarding violations of client's privacy and loss of client's data	81 - 82		√	Principle 10
SOCIOECONOMIC COMPLIANCE							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	62 - 68		√	
		103-3	Managerial approach assessment	62 - 68		√	
GRI 419: Compliance Regulations 2016		419-1	Non-compliance of laws and socio-economic regulations	81 - 82		√	Principle 10

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
SUPLEMENTO DEL SECTOR DE SERVICIOS FINANCIEROS (FSSS)							
GRI 103: Managerial Approach 2016		103-1	Description of the material subject and its coverage	11 - 14		√	
		103-2	The approach of management and its components	38; 71 - 73		√	
		103-3	Managerial approach assessment	38; 71 - 73		√	
FSSS Products Portfolio		GRI FS1	Policies regarding social, environmental and specific aspects applied to business lines	88		√	
		GRI FS2	Procedures for the assessment and control of social and environmental risks in the business lines	88		√	
		GRI FS3	Processes for monitoring the implementation by clients or social and environmental requirements included in contracts or transactions	26, 92		√	
		GRI FS4	Process(es) for improving employees' competence to implement social and environmental policies and procedures applied to business lines	39; 78		√	
		GRI FS5	Interactions with clients / investee companies / corporate partners regarding risks and social and environmental opportunities.	7 - 13, 64 - 67; 80		√	
		GRI FS6	Percentage of portfolio for business lines according to region and dimension (micro-companies references/ SME's/ big companies/ and activity sector	37 - 38; 71 - 73; 75		√	
		GRI FS7	Monetary value of products and services designed to provide a social and specific benefit for each business line detailed as per purpose	71 - 73; 75		√	
		GRI FS8	Monetary value of products and services designed to provide an environmental specific benefit for each business line detailed as per purpose	90		√	

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GRI STANDARD	CONTENT	NUMBER	TITLE	PAGE	OMISSION	VERIFICATION INTERNAL AUDIT	WORLD PACT
Audit		GRI FS9	Coverage and auditing frequency to assess the implementation of social and environmental policies and procedures for risk assessment.	90		√	
		GRI FS10	Percentage and number of companies within the entity's portfolio with which the reporting organization has interacted in social and environmental topics	90		√	
Share Activism		GRI FS11	Percentage of assets subject to environmental or social controls including positive and negative	90		√	
		GRI FS12	Voting policy in environmental or social matters in participations on which the reporting organizations is entitled to vote or recommended to vote.	26		√	
Community		GRI FS13	Access points by areas of limited population density or economically disadvantaged	35 - 38; 71 - 73; 75		√	
		GRI FS14	Initiatives to improve the access to financial services to disadvantaged people	35 - 41		√	
Labelling of Products and Services		GRI FS15	Description of policies for the correct design and offer of financial and services offer	81 - 82		√	
		GRI FS16	Initiatives to improve literacy and financial education according to beneficiary	35 - 41		√	

LIMITED ASSURANCE REPORT ON THE SOCIAL RESPONSIBILITY CONTENTS INCLUDED IN THE 2018 CORPORATE RESPONSIBILITY AND SUSTAINABILITY REPORT.

YEAR ENDED ON DECEMBER 31, 2018

TO THE BOARD OF DIRECTORS
BANESCO BANCO UNIVERSAL, C.A.

INTRODUCTION

We have been asked to prepare the limited assurance report on the Social Responsibility contents presented in **Appendix I "GRI Table of Contents" included in the 2018 Corporate and Sustainability Responsibility Report** (hereinafter, "the report"), corresponding to the year ended on December 31, 2018, prepared in accordance with the contents proposed in the GRI Global Reporting Initiative (GRI) standards for the preparation of reports and in the GRI Financial Services Sector Supplement.

RESPONSIBILITY AND BANK'S MANAGEMENT

The Bank's management is responsible for the preparation, content and presentation of the **Corporate Responsibility and Sustainability Report 2018**, under the comprehensive GRI standards-compliant reporting option and the GRI Financial Services Sector Complement.

The preparation of the "**2018 Corporate and Sustainability Responsibility Report**", as well as a) the information and statements contained in the report, b) the determination of the bank's objectives, in relation to sustainable development results and reporting, including the identification of stakeholders and significant issues, c) the design, implementation and maintenance of appropriate internal control so that the report does not contain significant distortions due to errors or irregularities, and d) maintaining adequate records to support the reporting process, is your responsibility.

AUDITOR'S RESPONSIBILITY

Our responsibility is issuing a limited assurance report regarding the Social Responsibility contents included in the **Appendix I "GRI Content Index included in the 2018 Corporate and Sustainability Responsibility Report"**, according to the procedures we have performed and the evidence we have obtained.

A request for a limited assurance report is substantially smaller in scope than a reasonable assurance or audit engagement, respectively. Therefore, it does not allow us to obtain reasonable assurance that we will be aware of all significant matters that might be identified in an audit or reasonable assurance engagement. Consequently, we do not give an audit opinion or a reasonable assurance conclusion on the Social Responsibility contents presented in **Appendix I "GRI Table of Contents" included in the "2018 Corporate and Sustainability Responsibility Report"**.

The procedures we carried out were based on our professional judgment and included consultations, observation and research of conducted processes, inspection of documentation, analytical procedures, evaluation of the suitability of the methods of quantification and evaluation of implemented policies, which are generally described below:

- ▶ Formulation of questions to the Management, as well as to the different units of BANESCO BANCO UNIVERSAL, C.A, that have participated in the preparation of the **"2018 Corporate and Sustainability Responsibility Report"**, and in the application of certain analytical procedures and sample review tests in order to evaluate the application of the GRI standards.
- ▶ Meetings with BANESCO BANCO UNIVERSAL, C.A. personnel involved in the process of compiling the information contained in the report called **"2018 Corporate and Sustainability Responsibility Report"** and in the preparation of the contents subject to our review, for the purpose of knowing the principles, systems, management approaches applied and obtaining the support documentation required for verification, to assess the application of the GRI Standards.
- ▶ Review of actions conducted in relation to the identification and consideration of stakeholders throughout the year, as well as the coverage, relevance and accuracy of the information included in the **"2018 Corporate and Sustainability Responsibility Report"**, based on the understanding of stakeholder requirements through the analysis of internal information and available third party reports.
- ▶ The content of the **"2018 Corporate and Sustainability Responsibility Report"** does not contradict any relevant information provided by BANESCO BANCO UNIVERSAL, C.A.
- ▶ Analysis and verification of the material issues identified by Banesco Banco Universal, C.A., which ensure the relevance of the information provided with respect to the bank's situation.
- ▶ Analysis of the coverage, relevance and integrity of the information included in the **"2018 Corporate and Sustainability Responsibility Report"**.
- ▶ Verification by means of verification tests based on the selection of samples, calculation of quantitative and qualitative information included in the **"2018 Corporate and Sustainability Responsibility Report"**, for the year ended on December 31, 2018 and its appropriate compilation from the data provided by the Bank's information sources.

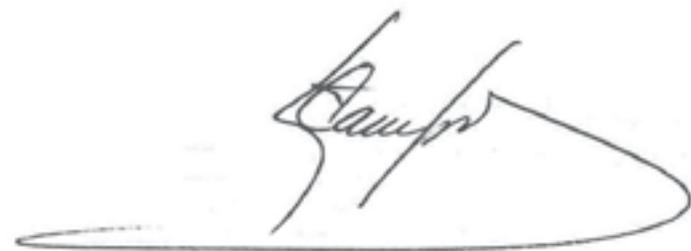
AUDITORS' REPORT

- ▶ Review through the analysis of internal information obtained from actions carried out by the parties involved over the course of the financial year with respect to identification, collection of information and relations maintained.
- ▶ Analysis of the adaptation of the bank's sustainability content and review of the GRI Standards for the preparation of reports and the GRI Financial Services Sector Complement reported by the Bank and presented as Annex I of the “**2018 Corporate and Sustainability Responsibility Report**”.

We consider that collected evidence is fair and adequate to provide a basis for our limited assurance conclusion. Non-financial information is subject to limitations distinct from financial information, given its nature and the methods used to determine, calculate, sample or estimate values. Qualitative interpretations of relevance, materiality and accuracy of data are subject to individual assumptions and criteria. We did not undertake any work outside the agreed scope and therefore our conclusion is limited solely to the sustainability information identified and reviewed.

CONCLUSIONS

Based on the work described herein, nothing has come to our attention that would lead us to believe that the contents of the Social Responsibility Report presented in Appendix I "GRI Table of Contents" included in the "2018 Corporate and Sustainability Responsibility Report", corresponding to the year ended on December 31, 2018, contain errors or have not been prepared, in all significant issues, in accordance with GRI Standards and the GRI Financial Services Sector Complement, for the exhaustive option according to the records and files that served as basis for preparation.



MARÍA DE LA CRUZ CAMPOS

INTERNAL AUDITOR

We would appreciate your feedback on this report by sending this information to yianezl@banesco.com. Thank you!

Name: _____ Address: _____
 E-mail: _____ Tel No.: _____
Are you: Shareholder Banesco Banco Universal employee Client Supplier Contractor
 Representative of authorities Other (Indicate, please): _____

1. What do you think about this report?

- Excellent Good Regular Negative

2. What do you think about the organization of chapters of this report?

- Excellent Adequate Improvable Inadequate

If you wish, propose any changes you consider necessary:

3. What do you think about each chapter?

- Excellent Good Regular Negative

Mission, Vision and Values	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Main Impacts, Risks and Opportunities	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Corporate Governance	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Shareholders	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Human Capital	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Social Partners and Social Action in the Community	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Banesco Corporate Volunteering	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Clients	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Banesco Community Banking	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Environmental Commitment	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our Suppliers	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N
Our commitment with authorities	<input type="checkbox"/> E	<input type="checkbox"/> G	<input type="checkbox"/> R	<input type="checkbox"/> N

If you wish, propose any changes you consider necessary:

4. What do you think about the clarity of the disclosed information?

- Excellent Adequate Improvable Inadequate

If you wish, propose any changes you consider necessary:

5. What do you think about the clarity of the tables and graphics presentation?

- Excellent Adequate Improvable Inadequate

If you wish, propose any changes you consider necessary:

6. What do you think about Banesco's Corporate Social Responsibility activities in general terms?

- Excelentes Good Acceptable Insufficient

Explain if necessary:

7. Do you see the benefit of Banesco publishing its Corporate and Social Responsibility Report? How?

8. What do you think about the international certification contained in these reports?

- Highly important Important Indifferent

9. Do you think that Banesco is sufficiently accountable to its stakeholders? Explain if necessary:

10. Do you consider that these reports should be published on paper or would it be sufficient to upload them digitally to Internet?
