

Mercantil Servicios Financieros (Mercantil), Third Quarter 2011
Caracas Stock Exchange (MVZ.A & MVZ.B); Level 1 ADR: MSFZY & MSFJY

Caracas, November 2, 2011. Mercantil Servicios Financieros (Mercantil) reports its earnings for the quarter ended September 30, 2011.

Summary

Net Income: Mercantil posted Bs 533 million (US\$ 124 million) in net income in 3Q 2011¹, 56.3% more than the Bs 341 million (US\$ 80 million) registered in 3Q 2010¹. Net earnings per share were Bs 5.37, US\$ 1.25¹ (Bs 3.42 in 3Q 2010, US\$ 0.80¹), ROE and ROA indicators were 23.8% and 2.5% respectively. In accumulated terms, for the nine months up to September 30, 2011 net income reached Bs 1,323 million (US\$ 308 million)¹, compared with the accumulated net result of Bs 1,682 million (US\$ 503 million) in September 2010¹. ROE and ROA indicators are 20.8% and 2.2% respectively.

- ✓ **Net Interest Income** reached Bs 1,510 million (US\$ 352 million)¹, up Bs 540 million (55.7%) from the Bs 970 million (US\$ 226 million)¹ registered in 3Q 2010, mainly due to the increase in the financial intermediation ratio (loan portfolio and deposits) from 69.7% to 75.8% over that period, as well as to the increase in financial assets and liabilities.
- ✓ **Loan Portfolio Provision** registered Bs 331 million (US\$ 77 million)¹ in expenditure, reflecting Bs 101 (43.9%) growth compared to Bs 230 million (US\$ 54 million) in 3Q 2010¹. The provision represents 3.7% of gross loans and 161.2% coverage of past-due and nonperforming loans. These indicators were 3.1% and 85.7% at September 30, 2010.
- ✓ **Commissions and other Income** reached Bs 772 million (US\$ 180 million)¹, reflecting Bs 103 million (15.4%) growth compared to Bs 669 million (US\$ 156 million) in 3Q 2010¹, due mainly to a Bs 154 million increase in income from the financing of insurance policies, commissions on credit cards and other commissions and a Bs 51 million decline as a result of exchange rate differences.
- ✓ **Insurance premiums, net of claims** reached Bs 176 million (US\$ 41 million)¹, Bs 102 million (137.8%) more than the Bs 74 million (US\$ 17 million)¹ recorded in 3Q 2010. Net collected premiums in the quarter totaled Bs 1,334 million, reflecting a year-on-year increase of Bs 358 million (36.6%).
- ✓ **Personnel and Operating Expenses** totaled Bs 1,547 million (US\$ 361 million)¹, Bs 449 million (40.9%) more than the Bs 1,098 million (US\$ 256 million) registered in 3Q 2010¹, due to increases of Bs 132 million (30.8%) in personnel expenses, Bs 64 million (43.5%) in contributions to regulatory agencies and Bs 252 million (48.1%) in operating expenses.

Personnel and Operating Expenses are affected by inflation in Venezuela which averaged 26.5% over the last 12 months. The efficiency ratio measured by calculating operating expenses as a percentage of average assets, was 6.3% in September 2011, versus 6.0% in September 2010.

Summary of the Financial Statements and Ratios²
(In millions of Bolivars, except percentages)

	09-30-11	06-30-11	09-30-10	Δ Sep 2011 vs. Jun 2011	Δ Sep 2011 vs. Sep 2010
QUARTERLY RESULTS					
Net Interest Income	1,510	1,329	970	13.6%	55.7%
Allowance for losses on loan portfolio	331	210	230	57.6%	43.9%
Commissions and other income	772	653	669	18.2%	15.4%
Insurance premiums, net of claims	176	167	74	5.4%	137.8%
Salaries and Operating Expenses	1,547	1,285	1,098	20.4%	40.9%
Taxes	46	106	43	(56.6)%	7.0%
Net Income – Quarter	533	549	341	(2.9)%	56.3%
Net Income – 9 months	1,323		1,682		(21.3)%
KEY FINANCIAL INDICATORS					
Income per share –Quarter Bs/ share	5.37	5.52	3.42	(2.7)%	57.0%
Income per share – 9 months Bs/ share	13.31		16.87		(21.1)%
Market price A share	35.25	33.60	29.50	4.9%	19.5%
Market price B share	35.25	33.72	29.50	4.5%	19.5%
Book value per share	94.12	89.35	77.27	5.3%	21.8%
Net Income (quarter) / Average Assets (ROA)	2.5%	2.6%	2.1%	(3.8)%	19.0%
Net Income (quarter) / Average Equity (ROE)	23.8%	25.2%	21.3%	(5.6)%	11.7%
Net Income (9 months) / Average Assets (ROA)	2.2%		3.2%		(31.3)%
Net Income (9 months) / Average Equity (ROE)	20.8%		31.6%		(34.2)%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

² See Appendix III Summary of the Financial Statements and Ratios (in Dollars)¹.

Assets: In 3Q 2011 total assets registered Bs 3,696 million (4.2%) quarter-over-quarter growth to Bs 91,295 million (US\$ 21,284 million)¹, and Bs 16,429 million, (21.9%) year-on-year growth. This quarterly increase includes 3.3% growth of the operation in Venezuela, and 0.9% growth of the operation in dollar terms.

Variations in this item seen at each subsidiary are shown below:

- ✓ **Mercantil Banco Universal** registered Bs 2,691 million (5.0%) quarter-over-quarter growth and Bs 14,594 million (34.8%) year-on-year growth.
- ✓ **Mercantil Commercebank, N.A.** registered US\$ 192 million¹ (2.9%) growth in 3Q 2011 and US\$ 126 millions¹ (1.9%) growth compared to September 2010.
- ✓ **Mercantil Seguros** registered Bs 244 million (6.4%) quarter-over-quarter growth and Bs 1,017 million (33.5%) year-on-year growth.

Net Loan Portfolio: Net loans totaled Bs 52,277 million (US\$ 12,188 million)¹, which reflected quarter-over-quarter growth of Bs 3,388 million (6.9%) and 33.3% year-on-year growth. The quarterly variation includes 6.7% growth of domestic operations and an increase of 0.2% in overseas operations in terms of dollars.

Variations in this item seen at each subsidiary are shown below:

- ✓ **Mercantil Banco Universal** registered Bs 3,218 million (10.2%) quarter-over-quarter growth and Bs 11,514 million (49.3%) year-on-year growth.
- ✓ **Mercantil Commercebank, N.A.** registered US\$ 21 million¹ (0.5%) growth in the third quarter 2011 and US\$ 270 million (7.5%) compared to September 2010.

Deposits: These reached Bs 71,666 million (US\$ 16,708 million) growth¹ reflecting a quarter-over-quarter increase of Bs 2,628 million (3.8%), compared to Bs 69,038 million (US\$ 16,095 million) in 2Q 2011¹ and 23.4% year-on-year growth. The quarterly variation reflects 3.1% growth of the domestic operation, and 0.7% growth of the overseas operation.

Variations in this item seen at each subsidiary are shown below:

- ✓ **Mercantil Banco Universal** registered Bs 2,179 million (4.7%) quarter-over-quarter growth and Bs 13,139 million (37.0%) year-on-year growth.
- ✓ **Mercantil Commercebank, N.A.** registered US\$ 127 million¹ (2.5%) growth in 3Q 2011 and US\$ 63 millions¹ (1.2%) growth compared to September 2010.

Shareholders' Equity: Totaled Bs 9,626 million (US\$ 2,244 million)¹, representing Bs 489 million (5.3%) quarter-over-quarter growth from Bs 9,139 million (US\$ 2,130 million)¹ and 21.5% year-on-year growth. This variation can be mainly attributed to quarterly earnings of Bs 533 million, and Bs 32 million reduction from adjusting investments available for sale to their market value, and Bs 12 million due to the effect of converting the net assets of foreign subsidiaries, and Bs 3 million corresponding to buybacks and restricted shares under the employee stock option plan. Mercantil's Equity/Assets ratio at September 30, 2011 is 10.5% and its Equity/Risk-Weighted Assets ratio 18.8%, based on the standards of the National Securities Superintendency (Superintendencia Nacional de Valores, SNV), (10.6% and 20.4% at September 30, 2010). For **Mercantil Banco Universal**, the Equity/Assets ratio at September 30, 2011 is 10.6% and its Equity/Risk-Weighted Assets ratio 16.1% (11.3% and 16.2% at September 30, 2010) in keeping with the requirements of the Superintendency of Banking Sector Institutions (SUDEBAN). For **Mercantil Commercebank N.A.**, these indicators are 9.0% and 18.0% respectively, based on the standards of the Office of the Comptroller of the Currency (OCC) (9.5% and 18.0% at September 30, 2010). The equity ratios of Mercantil and its subsidiaries exceed the regulatory minimums.

Summary of the Financial Statements (In millions of Bolivars, except percentages)

	<u>09-30-11</u>	<u>06-31-11</u>	<u>09-30-10</u>	<u>Δ Sep 11 vs. Jun 11</u>	<u>Δ Sep 11 vs. Sep 10</u>
Cash and due from banks	10,472	12,332	11,134	(15.1)%	(5.9)%
Investment Portfolio	25,065	23,089	21,522	8.6%	16.5%
Loan Portfolio, Net	52,277	48,889	39,218	6.9%	33.3%
Other assets	3,481	3,289	2,992	5.8%	16.3%
TOTAL ASSETS	91,295	87,599	74,866	4.2%	21.9%
ASSETS UNDER MANAGEMENT	17,103	17,083	18,074	0.1%	(5.4)%
Deposits	71,666	69,038	58,087	3.8%	23.4%
Financial Liabilities	3,642	3,424	3,321	6.4%	9.7%
Other Liabilities	6,361	5,998	5,534	6.0%	14.9%
Shareholders' Equity	9,626	9,139	7,924	5.3%	21.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	91,295	87,599	74,866	4.2%	21.9%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

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Contribution of the Subsidiaries

September 30, 2011

MERCANTIL SERVICIOS FINANCIEROS ⁽¹⁾ (In millions of Bolivars and Dollars ², except percentages)

Shareholders' Equity: Bs. 9,626 (US\$ 2,244)

Shareholders' Equity

Mercantil Banco Universal Bs. 5,512 US\$ 1,285	Mercantil Commercebank Bs. 2,362 US\$ 550	Bank Overseas Bs. 693 US\$ 162	Mercantil Seguros Bs. 991 US\$ 231	Mercantil Merinvest Bs. 84 US\$ 20	Others Bs. 25 US\$ 6
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Main Activity

■ Venezuelan Universal Bank	■ U.S.A Domestic Bank & Brokerage	■ International Banking	■ Insurance in Venezuelan	■ Investment banking, mutual funds, trading & brokerage in Venezuelan	■ Other Minor Investments
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Main Subsidiaries

<ul style="list-style-type: none"> ■ Mercantil Commercebank N.A. ■ Mercantil Commercebank Investment Services (MCIS) ■ Mercantil Commercebank Trust Company (MCTC) 	<ul style="list-style-type: none"> ■ Mercantil Bank Schweiz, AG. (Suiza) ■ Mercantil Bank and Trust Limited (Islas Caiman) ■ Mercantil Bank Curacao, NV ■ Mercantil Bank Panamá, S.A. 	<ul style="list-style-type: none"> ■ Mercantil Merinvest, Casa de Bolsa, C.A. ■ Mercantil Servicios de Inversión, C.A. ■ Mercantil Sociedad Administradora de Entidades de Inversión Colectiva, C.A.
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In millions of Bolivars ⁽¹⁾							Total
Total Assets	55,953	28,775 ⁽⁴⁾	2,317	3,906	82	262	91,295
% Assets	61.3%	31.5%	2.5%	4.3%	0.1%	0.3%	100.0%
Investments	10,067	10,744	1,335	2,726	34	159	25,065
Loans (Net)	34,847	16,699	731	-	-	-	52,277
Deposits	48,447	21,404	1,815	-	-	-	71,666
Contribution							
Income net:							
Quarter	398	62 ⁽⁴⁾	39	95	3	(64)	533
9 months	1,003	58	95	252	9	(94)	1,323
Assets Management	8,803	5,588	1,592	28	1,092	-	17,103

In millions of US\$ ⁽²⁾							Total
Total Assets	13,045	6,709	540	911	19	61	21,284
Investments	2,346	2,505	311	636	8	37	5,843
Loans (Net)	8,124	3,893	170	-	-	-	12,188
Deposits	11,295	4,990	423	-	-	-	16,708
Contribution							
Income net:							
Quarter	93	14 ⁽⁴⁾	92	22	1	(15)	124
9 months	234	14	22	59	2	(22)	308
Assets Management	2,052	1,303	371	7	255	-	3,987
Number of Employees	6,935	765	40	1,502	25	24	9,291

¹ Financial data presented in accordance with SNV standards (see Appendix I). Figures net of elimination of inter-company transactions.

² Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in appendix V. Exchange control has been in place in Venezuela since February 2003.

³ See Performance of Subsidiaries (page 18).

⁴ See appendix VII Financial Statement for Mercantil Commercebank N.A., main U.S. subsidiary, under USGAAP (page 40) which reflects US\$ 3.6 million in Net income for 3Q 2011 and US\$ 8.6 million in Net income for first nine months of 2011. The difference between these financial statements and the figures in the contribution of subsidiaries chart above is due to accounting conciliations between each institution's own regulators. (see page 27 and page. 39).

Market Share

	Commercial and Universal Bank's Positioning	Market Share
Venezuela		
Mercantil Banco ⁽¹⁾		
Tuorism Loans	1	15,7%
Industrial Loans	2	16,8%
Agricultural Loans	2	13,5%
Mortgage Loans under the mortgage Debtor Law (Ley Especial del Deudor Hipotecario)	2	14,5%
Microcredits Loans	2	12,0%
Gross Loans	2	15,1%
Savings Deposits	1	21,0%
Total Deposits	3	12,7%
Total Deposits + Other Demand Liabilities	4	11,5%
Total Assets	4	11,0%
Trust	3	8,2%
Mercantil Seguros ⁽²⁾		
Net Premiums	2	10,7%
U.S.A.		
Mercantil Commercebank ⁽³⁾		
Total Deposits	15	1,1%

(1) Source: Summary of Unconsolidated Financial Statements Published in National newspapers

(2) Source: Venezuelan Superintendency of Insurance at August 30, 2011.

(3) Source: Federal Deposit Insurance Corporation (FDIC), to the Florida Stated USA, at June 30, 2011, total number of institutions: 313 in Florida.

Management Discussion and Analysis

Operating Income

In millions of Bolivars and millions of US\$, except percentages	US\$ ¹ 09-30-11	Quarter Ended on		Δ		9 months Ended on		Δ	
		09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars	%
Net Interest Income	352	1,510	970	540	55.7%	4,009	2,677	1,332	49.8%
Allowance for Losses on Loan Portfolio	77	331	230	101	43.9%	887	596	290	48.7%
Net Financial Margin	275	1,179	741	438	59.1%	3,122	2,081	1,042	50.1%
Commissions and Other Income	180	772	669	103	15.4%	1,996	2,391	(396)	(16.6)%
Insurance Premiums, Net of Claims	41	176	74	102	137.8%	474	233	241	103.4%
Operating Income	496	2,127	1,483	644	43.4%	5,592	4,705	887	18.9%

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Net Interest Income

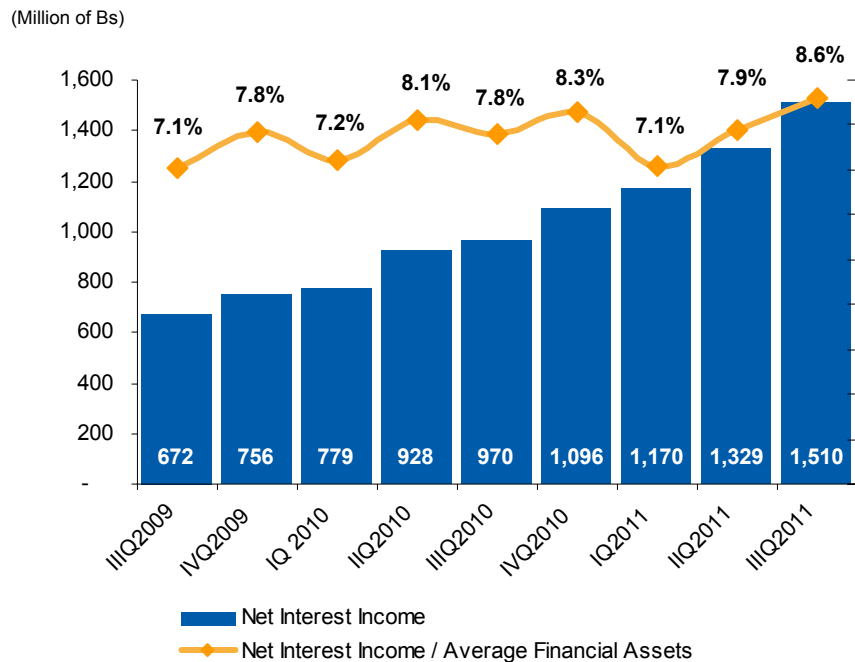
In 3Q 2011, net interest income was Bs 1,510 million (US\$ 352 million)¹, 55.7% higher than the Bs 970 million (US\$ 226 million) registered in 3Q 2010.¹ The improvement can be attributed mainly to: a) 55.1% growth of the domestic operation, and b) 0.6% growth of the overseas operation in terms of dollars.

Growth of Venezuela's net interest income is mainly due to the increase in the rate of financial intermediation from 69.7% at the end of September 2010 to 75.8% at the close of September 2011 as well as to the increase in volume of financial assets and liabilities.

Mercantil Commercebank, N.A.'s net interest income registered 1.5% year-on-year growth from US\$ 36 million to US\$ 37 million. The Bank continues to hold a significant portion of its assets, US\$ 2.6 million (more than 38%) in short-term investments and securities issued by the U.S. government or U.S. government-sponsored agencies. This high level of liquidity has continued to give the Bank ample flexibility to increase its credit operations, and ultimately to achieve a higher financial margin.

Mercantil's net interest income in 3Q 2011 was 8.6% compared to 7.8% twelve months earlier.

Evolution of Interest Income



Loan Portfolio Provision

In 3Q 2011, expenses totaled Bs 331 million (US\$ 77 million)¹, representing Bs 101 million (43.9%) compared to the Bs 230 million (US\$ 54 million) reached in 3Q 2010¹. This includes: a) 52.3% increase in the domestic operation, and b) 8.4% decline in the overseas operation in dollar terms.

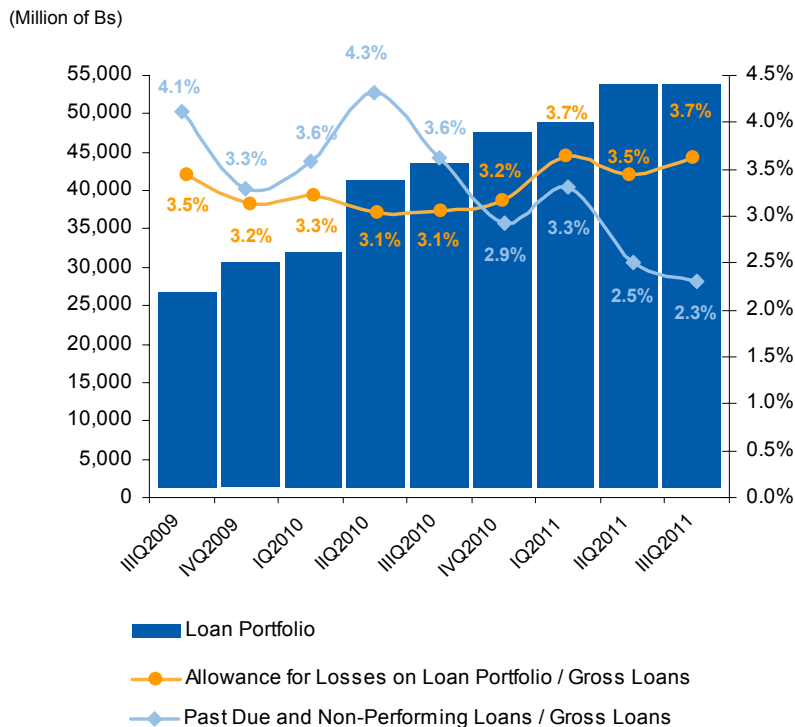
The Mercantil Banco Universal subsidiary registered Bs 272 million in loan portfolio provisions in 3Q 2011 (Bs 151 million in 3Q 2010) due to loan portfolio growth, aimed at provisioning the agricultural, commercial and construction sectors.

The Mercantil Commercebank subsidiary registered US\$ 13 million in Loan Portfolio Provisions, US\$ 5 million (25.3%) lower than the figure recorded in 3Q 2010, mainly for loans related to the commercial sector as well as construction and residential real estate loans.

Write-offs for the quarter totaled Bs 50 million in Venezuela and US\$ 13 million abroad (Bs 63 million in Venezuela and US\$ 22 million abroad in 3Q 2010).

This brings the accumulated allowance to Bs 2,013 million (US\$ 469 million)¹ at September 30, 2011 and represents 3.7 % of gross loans (3.2% at September 30, 2010). This provision covers 161.2% of the Past-due and nonperforming loan portfolio (85.7% at September 30, 2010).

Evolution of Loan Portfolio and Assets Quality Ratios



¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

Total Commissions and Other Income

In 3Q 2011, other income and commissions amounted to Bs 772 million (US\$ 180 million)¹, Bs 103 million (15.4%) higher than in 3Q 2010 when they totaled Bs 669 million (US\$ 156 million)¹, mainly due to:

- Bs 141 million increase in income from commissions on credit and debit cards, as well as other commissions on client operations.
- Bs 13 million increase in income on insurance policy financing.
- Bs 51 million reduction in income from exchange rate differences resulting from the devaluation of the dollar during 3Q 2010.

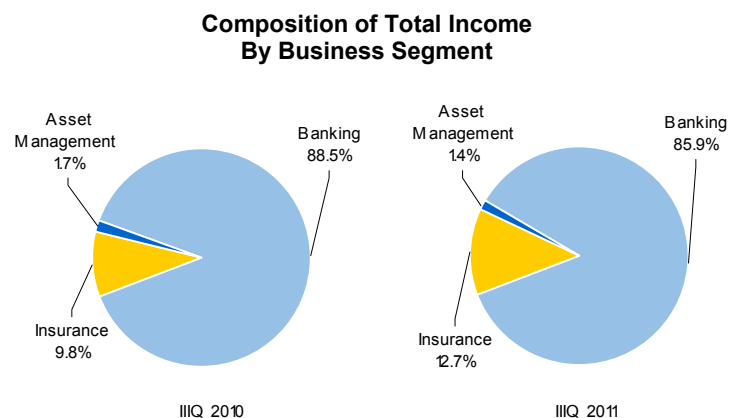
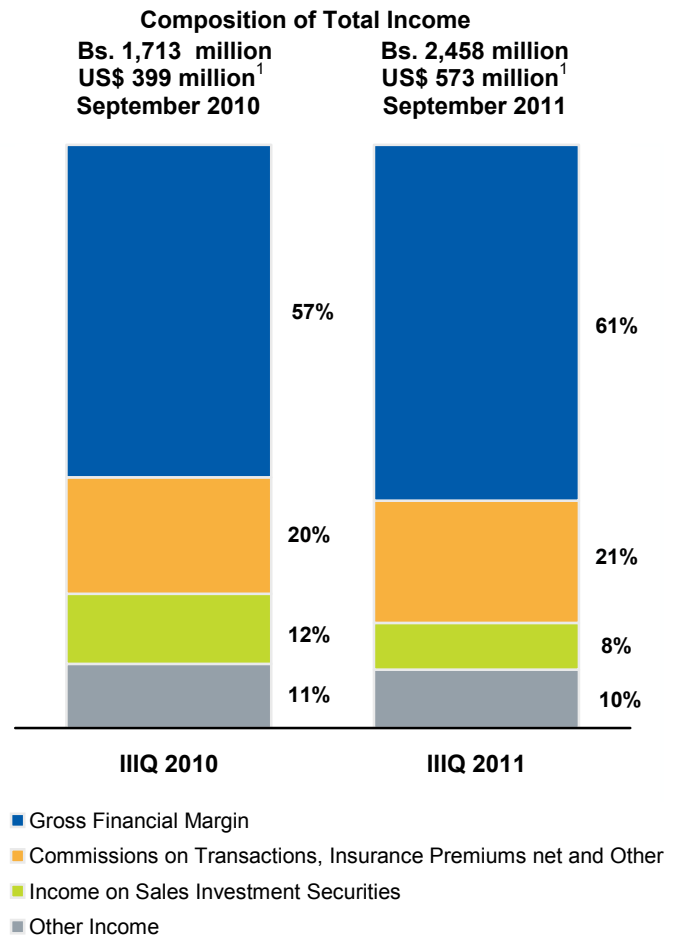
Insurance Premiums, Net of Claims

In 3Q 2011, Insurance Premiums, net of commissions, reinsurance and claims, totaled Bs 176 million (US\$ 41 million)¹, reflecting year-on-year growth of 137.8% from Bs 74 million (US\$ 17 million)¹. This improvement is due to the health segment.

Net earned premiums for 3Q 2011 amounted to Bs 1,334 million (US\$ 311 million)¹, reflecting Bs 358 million (36.6%) year-on-year growth. The main contributors to this variation were the Health (42.4%) and Automobile (40.9%) businesses. At August 31, 2011, Mercantil Seguros was the country's second largest insurance company in terms of net collected premiums, with 10.7% of the insurance market.

Third quarter claims totaled Bs 965 million (US\$ 225 million)¹, up Bs 188 million (24.2%) compared to 3Q 2010. The claims ratio improved from 70.7% in 2010 to 65.5% in 2011.

The technical result was Bs 75 million (US\$ 16 million)¹, reflecting a year-on-year increase of 422.7%.



¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

Total Operating Expenses

(In millions of Bolivars and US\$, except percentages)	US\$ ¹	Quarter Ended on				9 months Ended on			
				Δ				Δ	
		09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars	%
Operating Income	496	2,127	1,483	644	43.4%	5,592	4,705	887	18.9%
Operating Expenses									
Salaries and Employee Benefits	131	560	428	132	30.8%	1,633	1,249	384	30.7%
Other Operating expenses	230	987	671	316	47.1%	2,435	1,623	812	50.0%
Taxes Current and Deferred	11	46	43	3	7.0%	199	150	49	32.7%
Net Income	124	533	341	192	56.3%	1,323	1,682	(359)	(21.3)%

In 3Q 2011, operating expenses totaled Bs 1,547 million (US\$ 361 million)¹, 40.9% more than the Bs 1,098 million (US\$ 256 million)¹ in 3Q 2010. This increase is mainly due to:

- Bs 132 million in Personnel Expenses (30.8% year-on-year increase). The application of salary increase policies contributed to the increase in expenses. At Mercantil Banco Universal, assets per employee went from Bs 6.3 million in 2010 to Bs 8.2 million in 2011. At Mercantil Seguros, the net collected premium per employee went from Bs 0.7 million in 2010 to Bs 0.9 million in 2011. The asset indicator per employee in the overseas business remained at US\$ 8.8 million in 2011.
- Bs 64 million (43.5%) increase in expenses for contributions to regulatory agencies.
- Bs 8 million (6.3%) increase in expenses due to the depreciation of property and equipment, amortization of intangibles, and other expenses.
- Bs 244 million (61.3%) increase in commissions on services, municipal taxes, contributions, transfers and communications, and other expenses.

The efficiency ratio measured by calculating operating expenses as a percentage of average assets, was 6.3% in September 2011, versus 6.0% in September 2010. The ratio of Operating Expenses to Total Income was 54.4% in September 2011 versus 55.6% in September 2010. Personnel and Operating Expenses are affected by inflation in Venezuela which averaged 26.5% over the last 12 months, as well as by the effect of devaluation on expenses in Venezuela, and the conversion of the expenses of the overseas subsidiaries.

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Balance Sheet

The principal Balance Sheet variations during 3Q 2011 are reviewed below and commented on with respect to the previous quarter. The main year-on-year variations are also indicated for comparison purposes.

Summary of Balance Sheet and Assets in Trust (In millions of Bolivars and Dollars, except percentages)								
	US\$ ¹ 09-30-11	09-30-11	06-30-11	09-30-10	Δ Sep 11 vs. Jun 11		Δ Sep 11 vs. Sep 10	
					Bolivars	%	Bolivars	%
Investment Portfolio	5,843	25,065	23,089	21,522	1,976	8.6%	3,543	16.5%
Loan Portfolio, Net	12,188	52,277	48,889	39,218	3,388	6.9%	13,059	33.3%
Total Assets	21,284	91,295	87,599	74,866	3,696	4.2%	16,429	21.9%
Deposits	16,708	71,666	69,038	58,087	2,628	3.8%	13,579	23.4%
Shareholders' Equity	2,244	9,626	9,139	7,924	489	5.3%	1,703	21.5%
Asset Management	3,987	17,103	17,083	18,074	20	0.1%	(971)	(5.4)%

Investment Portfolio

At the close of 3Q 2011, investments totaled Bs 25,065 million (US\$ 5,843 million)¹, reflecting a quarter-over-quarter increase of Bs 1,976 million (8.6%), from Bs 23,089 million (US\$ 5.382 million)¹, due to loan portfolio growth. This quarterly variation includes: a) 5.2% growth of the domestic operation, and b) 3.4% growth of the overseas operation in dollar terms.

Variations in this item seen at each subsidiary are shown below:

- Mercantil Banco Universal's investment portfolio amounted to Bs 10,396 million (US\$ 2,424 million)¹ at September 30, 2011, reflecting a 12.1% quarter-over-quarter increase from Bs 9,270 million.
- Mercantil Commercebank Florida Bancorp's portfolio increased US\$ 186 million (8.0%) to US\$ 2,505 million compared to the previous quarter. Mercantil Seguros' investment portfolio registered 3.9% quarter-over-quarter growth to Bs 2,799 million (US\$ 653 million)¹ compared to June 30, 2011.

Compared to September 30, 2010, the investment portfolio grew Bs 3,543 million (16.5%) from Bs 21,522 million to Bs 25,065 million. This growth includes: a) 20.2% growth of the domestic operation, and b) 3.7% decline in the overseas operation in dollar terms.

Investments by maturity and yield at the close of the third quarter 2011 are broken down as follows:

Investments by Maturity and Yield (In millions of Bolivars, except percentages)												
Years		Trading	Available for Sale		Held to Maturity		Shares	Time Deposits and Placements		Restricted Investments		TOTAL
		Bs. ²	Bs. ²	% ⁴	Bs. ³	% ⁴	Bs. ²	Bs. ²	%	Bs. ²	% ⁴	
Bs.	Less Than 1		1,059	11.3%				1,544 ⁵	4.8%	1,530	6.0%	4,133
	From 1 to 5		4,302	13.5%						1,329	3.8%	5,631
	Over 5		2,039	16.0%	321	6.6%	12					2,372
US\$	Less Than 1	227	295	5.6%	112	2.2%		178	0.7%	21	0.1%	833
	From 1 to 5	18	1,108	5.9%	183	3.3%				14	2.4%	1,323
	Over 5	53	10,636	4.8%	21	10.5%	1	34	0.7%	28	4.5%	10,773
		298	19,439		637		13	1,756		2,922		25,065

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

² Registered at Market Value.

³ Amortized cost.

⁴ The yield of securities is based on amortized cost at the end of the period. Yield is calculated by dividing income from (including Premium amortization or discounts) by amortized cost or market value.

⁵ Bs. 1,522 are Central Bank placements with less than 60 days maturity.

⁶ Consists of Repost with the Central Bank of Venezuela with maturity less than 30 days.

Investments at the close of 3Q 2011, by company, issuer and currency, are made up as follows:

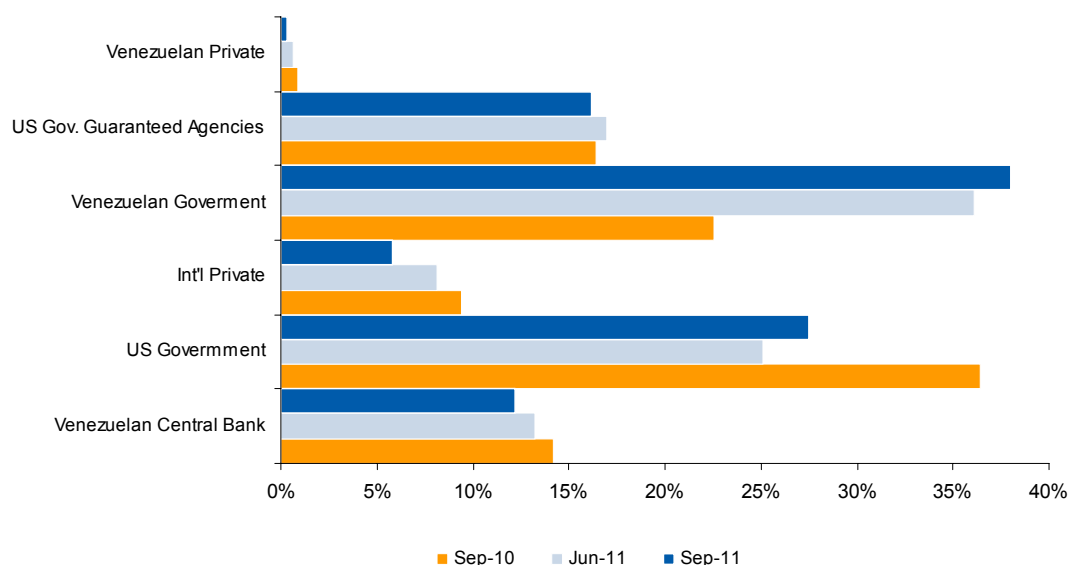
Breakdown of Investments by Issuer and Currency at September 30, 2011 (In millions of Bolivars and Dollars, except percentages)							
	Venezuelan Central Bank	US Government	US Gov. Guaranteed Agencies	Int'l Private	Venezuelan Government	Venezuelan Private	Total Bs
Bolivars							
Mercantil Banco Universal	3,050			25	6,434 ²	27	9,537
Mercantil Seguros & Others				36	2,504	60	2,600
Total Bs	3,050			61	8,938	87	12,137
US Dollars							
Mercantil Banco Universal		33	42	21	29		124
Mercantil Commercebank							
Florida Bancorp		1,483	874	133	14		2,505
Mercantil Seguros & Others		90	31	169	95	0	386
Total US\$		1,606	947	323	138	0	3,014
Breakdown %	12.2%	27.5%	16.2%	5.8%	38.0%	0.3%	100.0%

¹ Dollar figures given for reference purposes only and are translated at the closing exchange rate. See Exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

² Bs. 938 millions include US\$ indexation clause.

Total bonds issued or guaranteed by the Venezuelan nation (excluding the BCV) represent 0.9 times Mercantil's equity and 9.0% of its assets. These securities are 1.0 times Mercantil Banco Universal's equity and account for 9.3% of its assets. Mercantil holds 2.8% of the public debt securities issued by the Venezuelan State, according to official figures obtained from the Ministry of Economics and Finance at June 30, 2011.

Breakdown of Investments by Issuer



Loan Portfolio

At the close of 3Q 2011, net loans reached Bs 52,277 million (US\$ 12,188 million)¹, 6.9% more than the previous quarter's level of Bs 48,889 million (US\$ 11,399 million)¹. This quarterly variation includes: a) 6.7% growth of the domestic operation, and b) 0.2% growth of the overseas operation in dollar terms.

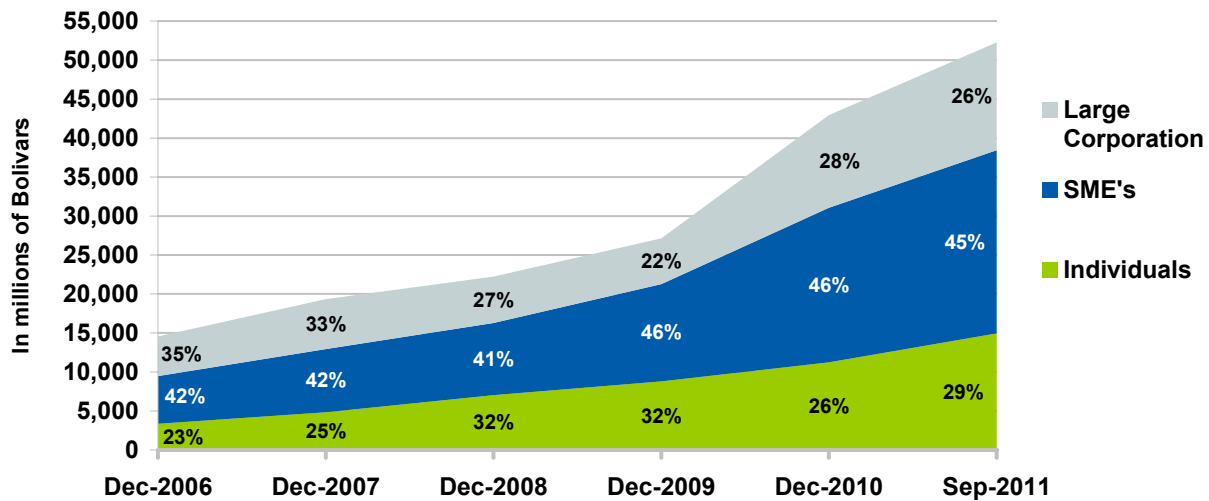
In annual terms, the investment portfolio grew Bs 13,059 million (33.3%) from Bs 39,218 million to Bs 52,277 million. This variation includes: a) 29.2% growth of the domestic operation, and b) 4.1% increase in the overseas operation in dollar terms.

The ratio of past-due and nonperforming loans to gross loans was 2.3%. At Mercantil Banco Universal this indicator is 1.0%, compared with 1.9% for the Venezuelan financial system and 5.1% at Mercantil Commercebank which is an improvement compared to the 7.7% registered at the close of September 2010 (6.4% non accrual loans to gross loans and 10.0% at September 30, 2010). At September 30, 2011, 96.5% of Mercantil's loan portfolio is outstanding. The allowance for losses on loan portfolio covers 161.2% of Past-due and Nonperforming Loans (85.7% in September 30, 2011), this indicator is 465.0% at Mercantil Banco Universal and 33.6% at Mercantil Commercebank.

The analysis of Mercantil's main subsidiaries and their positioning in the market are shown on Pages 5 and 18.

Annex IV shows the distribution of the loan portfolio, broken down by economic activity, maturity, country and type of risk.

Loan Portfolio by Business Segment



¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

Statutory percentage of Mercantil Banco Universal loans by economic sector and interest rates:

Sector	Percentages of compliance	Sep-11		Sep-11 Interest Rates
		% of Compliance Reached	% of Compliance required	
Agriculture	Calculated on the average gross loans at 12/31/2010 and 12/31/2009, monthly compliance. Maximum per customer 5% of the current portfolio. It requires a minimum number of new clients. Additionally the portfolio must be quarterly classified between strategic a non-strategic sectors in accordance with the Ministry for Agriculture and Land. The concentration of new customers in the strategic segment of the loan portfolio must not be less than 70% and medium and long-term credits less than 10% of the total agricultural loan portfolio.	26.4% ³	25.0%	Set weekly by the Central Bank (BCV). At 09/30/2011 this is 13%.
Mortgage	Calculated on the gross loan portfolio at 12/31/2010, distributed as follows: 5.8% in long term loans and 4.2% in short-term loans. Annual Compliance and includes other considerations for others sectors.	10.0%	-	Set semi-annually by the Housing and Habitat Ministry, based on the weighted average lending rate of leading banks in Venezuela. Set in accordance with family income of debtors, ranging between 4.66% and 14.42%.
Microcredits	3% Calculated on the gross loan portfolio at 06/30/2011. Monthly Compliance.	3.3%	3.0%	Within minimum and maximum rates established by the Central Bank. At 09/30/2011 the rate can not be higher than 24%.
Tourism	It's calculated based on the average of the Loan Portfolio figures at year-end 2010 and 2009. In February 2011 the Tourism Ministry set the minimum that banks must lend at 3%. Compliance must be reached by December 31, 2011 (1.5% semiannually) and includes other considerations for others sectors.	2.8%	-	The Central bank establishes a preferential rate for the sector on a monthly basis. As of september 30, 2011 the rate is 12% and can be as low as 9% in some cases in accordance with the Law for Tourism Loans.
Industrial	Calculated on the gross loan portfolio at 12/31/2010. Monthly Compliance	18.0%	11.0% ²	Set by the Central Bank at 19%.

Total Assets

At the close of 3Q 2011, total assets were Bs 91,295 million (US\$ 21,284 million¹, Bs 3,696 million (4.2%) compared to the Bs 87,599 million (US\$ 20,423 million)¹ registered in the previous quarter. The quarterly increase includes: a) 3.3% growth of the domestic operation, and b) 0.9% increase in the overseas operation in dollar terms.

In annual terms, assets grew Bs 16,429 million (21.9%) from Bs 74,866 million to Bs 91,295 million. This growth includes: a) 21.1% growth of the domestic operation, and b) 0.8% growth of the overseas operation in dollar terms.

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

² Includes agricultural bonds issued by the State allocated to the compulsory loan portfolio.

³ Commercial and Universal Banks cannot lower its quota on manufacturing loans posted at December 31, 2009, which should be no less than 10% of Gross Loans

Variations in this item seen at each subsidiary are shown below:

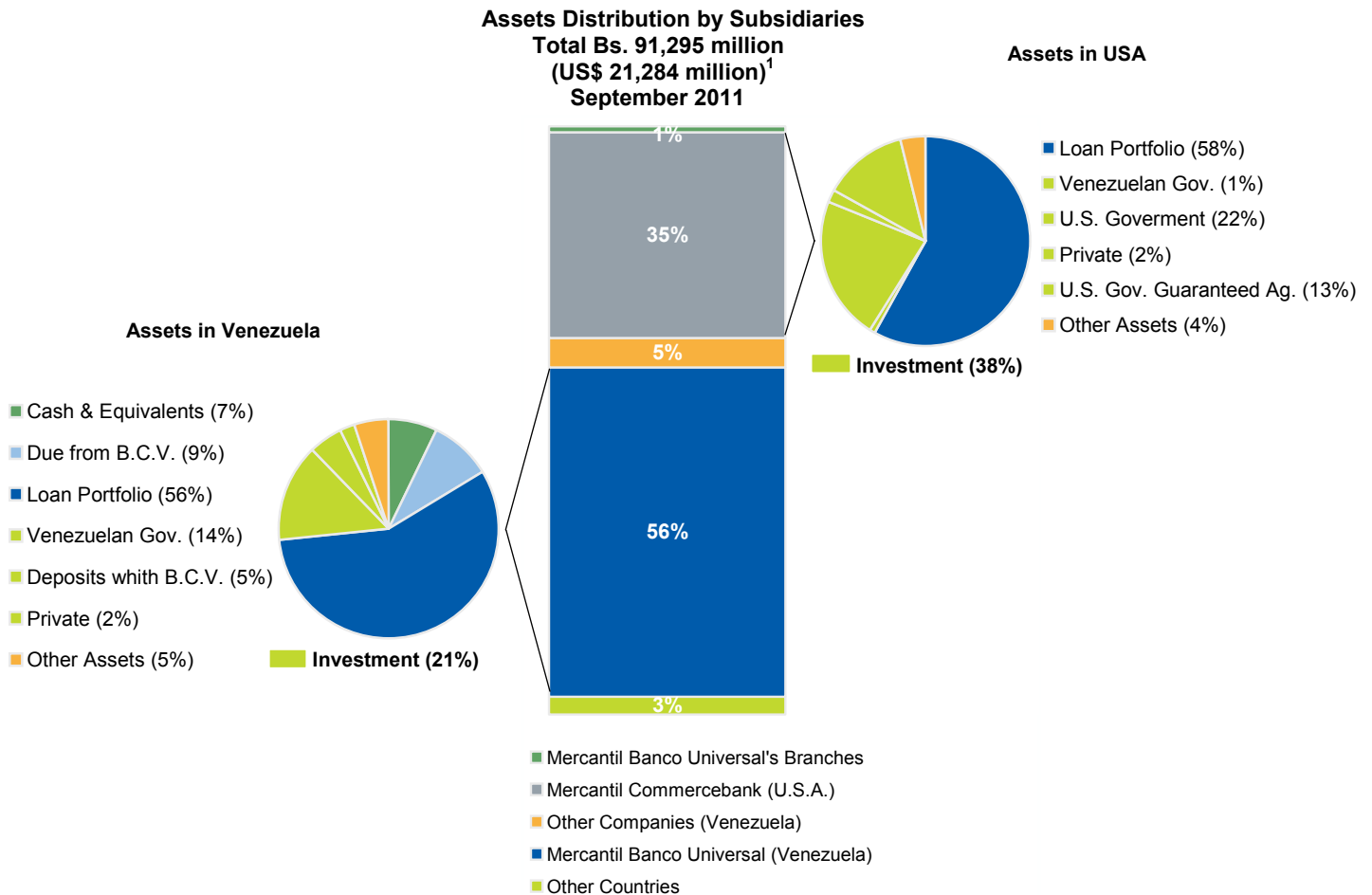
At September 30 2011, the total assets of Mercantil Banco Universal, including the overseas agencies, is Bs 56,531 million (US\$ 13,180 million)¹, Bs 2,691 million (5.0%) compared to 2Q 2011 when they were Bs 53,840 million (US\$ 12,552 million)¹ Assets registered 34,8% year-on-year growth from Bs 41,937 million (US\$ 9,777 million)¹.

At the close of 3Q 2011, the total assets of Mercantil Commercebank Florida Bancorp (a Holding for Mercantil Commercebank N.A.) were US\$ 6,719. This reflects quarter-over-quarter growth of US\$ 192 million (2.9%) from US\$ 6,527. It also represents a year-on-year increase of 1.9% from US\$ 6,593 million.

At September 30, 2011 the total assets of Mercantil Seguros reached Bs 4,055 million (US\$ 945 million)¹, representing 6.4% quarter-over-quarter growth from Bs 3,811 million (US\$ 888 million)¹, and 33.5% year-on-year growth from Bs 3,038 million (US\$ 709 million)¹.

The analysis of Mercantil's main subsidiaries and their positioning in the market are shown on Pages 5 and 18.

The following figure shows the composition of Mercantil's assets:



¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

Deposits

At the close of 3Q 2011 deposits reached Bs 71,666 million (US\$ 16,708 million)¹, representing a quarter-over quarter increase of Bs 2,628 million (3.8%) compared to Bs 69,038 million (US\$ 16,095 million)¹. This variation is due to: a) 3.1% increase in the domestic operation, and b) 0.7% growth of the overseas operation in dollar terms.

In annual terms, deposits grew Bs 13,579 million (23.4%) from Bs 58,087 million to Bs 71,666 million. This growth includes: a) 22.9% growth of the domestic operation, and b) 0.5% increase in the overseas operation in dollar terms.

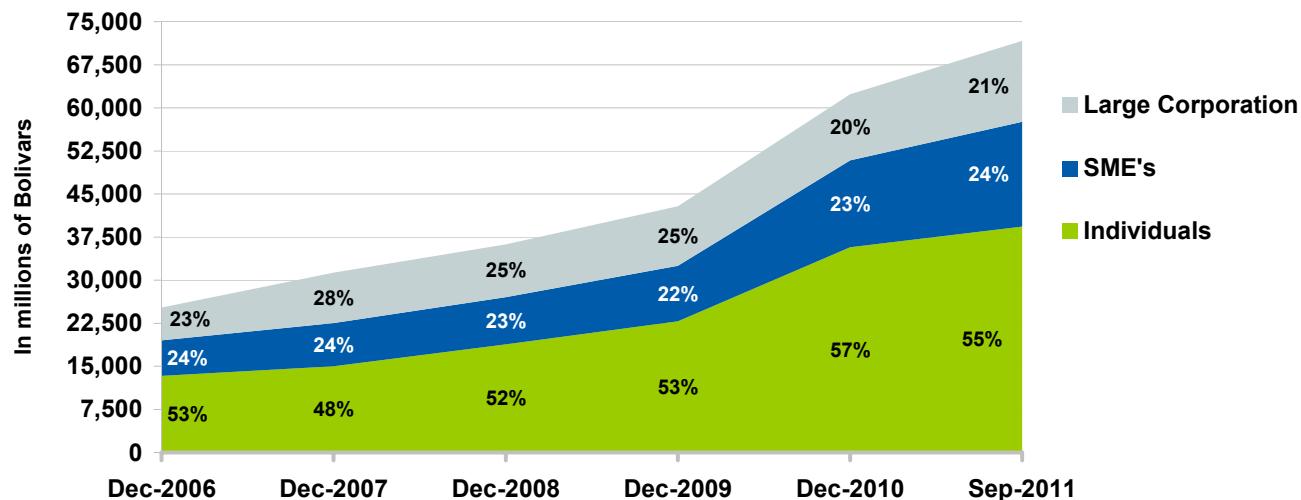
Variations in this item seen at each subsidiary are shown below:

At September 30 2011, the deposits of Mercantil Banco Universal, including the overseas agencies, is Bs 48,676 million (US\$ 11,348 million)¹, Bs 2,179 million (4.7%) compared to 2Q 2011 when they were Bs 46,497 million (US\$ 10,840 million)¹. Assets registered 37.0% year-on-year growth from Bs 35,537 million (US\$ 8,285 million)¹.

Mercantil Commercebank's deposits at September 30, 2011 totaled US\$ 5,147 million, reflecting a US\$ 127 million (2.5%) quarter-over-quarter increase from US\$ 5,020 million and a US\$ 63 million (1.2%) year-on-year increase from US\$ 5,084 million.

The analysis of Mercantil's main subsidiaries and their positioning in the market are shown on Pages 5 and 18.

Breakdown of Deposits by Business Segment



Financial Obligations

At the close of 3Q 2011, total financial obligations were 4,121 million (US\$ 961 million)¹, which represents a 5.6% quarter-over-quarter increase from Bs 3,903 million (US\$ 910 million)¹, compared to **September 30, 2010**, obligations increased 5.7%.

(In million of bolivars and dollars)	US\$ ¹	Sep-11	Jun-11	Sep-10
		Bs.	Bs.	Bs.
Publicly Traded Debt Securities Issued by Mercantil		-	-	129
Subordinated debt	112	479	479	489
Other Financial Liabilities *		3,424	3,424	3,648
		3,903	3,903	4,266

* Includes liabilities under repurchase agreements, funds received for special financing programs, liabilities with credit cards, letters of credit and securities loan agreements.

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

Shareholders' Equity

At the close of 3Q 2011, shareholder's equity reached Bs 9,626 million (US\$ 2,244 million)¹, 5.3% more than Bs 9,139 million (US\$ 2,130 million)¹ registered in the previous quarter and 21.5% more than the Bs 7,924 million (US\$ 1,848 million)¹ registered in 3Q 2010.

The main contributions to the variation in 3Q 2011 were Bs 533 million in net income for the period; a Bs 32 million reduction from adjusting investments available for sale to their market value; Bs 12 million from the effect of translating the net assets of overseas subsidiaries; and Bs 3 million in shares repurchased and restricted under the employee stock option plan.

Mercantil's Equity/Assets ratio at September 30, 2011 is 10.5% and its equity/risk-weighted assets ratio is 18.8%, based on the standards of the National Securities Superintendency (Superintendencia Nacional de Valores, SNV), (10.6% and 20.4% at September 30, 2010).

The capital ratios of the main subsidiaries are shown on Page 18 and 19.

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See Exchange rates in Appendix III. Exchange control has been in place in Venezuela since February 2003.

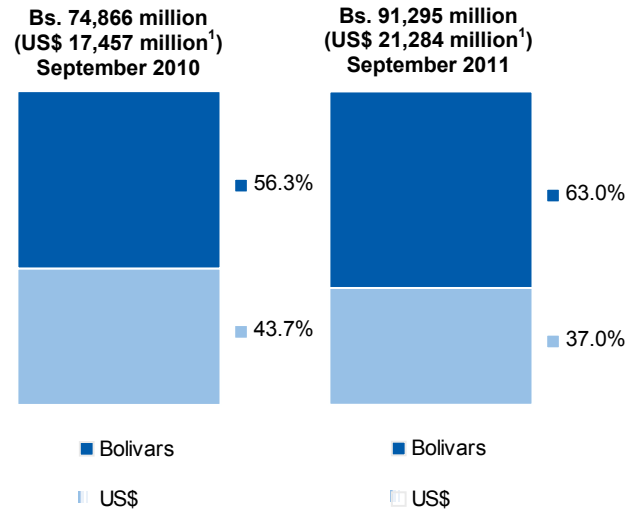
² Obtained from dividing Shareholders Equity minus goodwill's amortizations by Total Assets minus public debt securities.

Assets and Liabilities in Foreign Currency

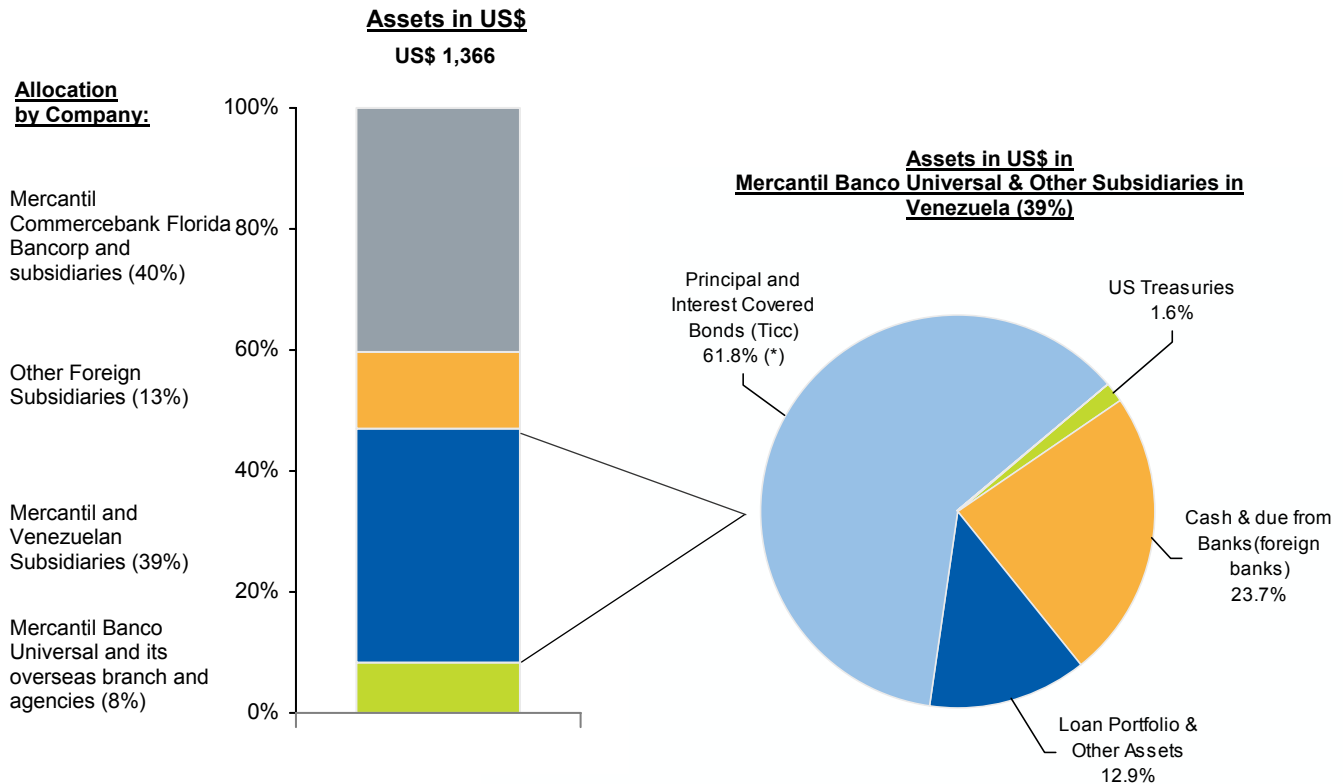
Mercantil's assets and liabilities in foreign currency amounted to US\$ 7,878 million and US\$ 6,512 million respectively as of September 30, 2011.

The estimated effect of each Bs 0.10/US\$1 increase on the exchange rate of Bs 4.2893/US\$ at September 30, 2011 would be an increase of Bs 788 million in assets and Bs 137 million in equity, Bs 32 million of which would be recorded as income for the period.

Assets by Currency



At September 30, 2011 Mercantil's shareholders' equity was Bs 9,626 million, equivalent to US\$ 2,244 million¹, which is partially covered in US dollars or US dollar indexed securities by the following net assets:



¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See Exchange rates in Appendix III. Exchange control has been in place in Venezuela since February 2003.

* Issued in US\$ or under indexation clause (See Investment Portfolio, page 10)

Performance of Subsidiaries

The earnings of Mercantil's subsidiaries are presented in accordance with the regulatory accounting standards applicable to each of them in their corresponding jurisdiction.

Mercantil Banco Universal

Mercantil Banco Universal's total assets grew Bs 2,681 million (5.0%) compared with June 2011. During 3Q 2011, net loans grew Bs 3,218 million (10.2%) and government deposits increased Bs 2,030 million (4.3%) compared with 2Q 2011, reaching Bs 34,848 million and Bs 49,401 million respectively. Loan portfolio quality remains very favorable, with a ratio of past-due and nonperforming loans to gross loans of 1.0%, compared to 1.9% for the Venezuelan financial system as a whole.

At September 30, 2011 the Mercantil Banco Universal subsidiary ranks fourth in the Venezuelan financial system in terms of total assets with an 11.0% market share. The leading institution has a 14.9% share and Venezuela's four main banks account for 50.3% of the country's financial system. It also ranks second in terms of gross loans, agricultural, mortgage and manufacturing loans and microcredits, with market shares of 15.1%, 13.5%, 14.5%, 16.8% and 12.0%. Mercantil is Venezuela's leading bank in terms of savings deposits and loans to the tourism sector, with market shares of 21.0% and 15.7% respectively.

Shareholders' Equity registered Bs 380 million (7.7%) quarter-over-quarter growth to Bs 5,283 million. This increase mainly includes Bs 538 million in net quarterly income, a Bs 10 million decline from adjusting available-for-sale investments to their market value and a Bs 148 decline as a result of from posting exchange earnings as equity in January 2011, following the instructions of the Superintendency of Banking Sector Institutions (SUDEBAN). The equity/assets ratio as of September 30, 2011 is 10.6% (minimum requirement 8%) and the equity/risk-weighted assets ratio, according to the standards of the Superintendency of Banks in Venezuela, is 16.1% (minimum requirement 12%).

En 3Q 2011, net quarterly income accounted for Bs 538 million, representing a year-on-year increase of Bs 319 million (145.7%), mainly due to the Bs 488 million increase in gross financial margin due to the rise in the financial intermediation ratio (loan portfolio to deposits) which rose from 66.8% to 70.5% (64.4% at September 30, 2010), Bs 148 million in income as a result of posting exchange earnings previously recorded as equity, in accordance with the standards of the Superintendency of Banking Sector Institutions; Bs 97 million in net income from commissions for services and other income; a Bs 120 million rise in expenses for loan portfolio provisions; a Bs 100 million increase in personnel expenses; a Bs 49 million rise in contributions to regulatory agencies; and Bs 8 million in corporate income tax and other taxes.

Mercantil Commercebank N.A.

At September 30, 2011, total assets registered 2.7% quarter-over-quarter growth to US\$ 6,756 million, and 1.9% year-over-year growth. Deposits and investments sold under repurchase agreement reached US\$ 5,188 million at the close of September 2011, 2.5% more than in 2Q 2011 and 1.5 % above the figure for 3Q 2010.

Net loans registered 0.5% quarter-over- quarter growth to US\$ 3,889 million and 7.5% year-over-year growth.

Nonperforming assets (non-accrual loans and assets received in lieu of payment) fell US\$ 51 million during the quarter and US\$ 88 million compared to September 2010. Nonperforming assets accounted for 4.1% of total assets, below the 5.0% registered in the previous quarter. The ratio of nonperforming loans to total loans fell from 7.2 % in 2Q 2011 to 6.4% in 3Q 2011. During the third quarter the Bank registered US\$ 13.4 million in loan provisioning, US\$ 0.8 million below the previous quarter and US\$ 4.8 million, or 26%, less than in 3Q 2010.

Mercantil C.A. Banco Universal Consolidated (In millions of Bs and US\$)

	US\$ 09-30-11	09-30-11	06-30-11	09-30-10
Total Assets	13,143	56,376	53,695	41,902
Investments Portfolio	2,398	10,285	9,169	6,653
Loan Portfolio	8,124	34,848	31,630	23,334
Deposits	11,517	49,401	47,371	36,244
Shareholders' Equity	1,232	5,283	4,903	4,334
Income net Quarter	125	538	472	219
Income net 9 months	307	1,316		661

Historic figures in accordance with the standards of the Venezuelan Superintendency of Banking Sector Institutions (SUDEBAN).

Mercantil Commercebank N.A. Consolidated. (In millions of US\$)

	09-30-11	06-30-11	09-30-10
Total Assets	6,756	6,576	6,632
Investments Portfolio	2,628	2,316	2,599
Loan Portfolio	3,889	3,869	3,618
Deposits	4,814	4,726	4,613
Investments Sold under Repurchase Agreements	374	338	499
Shareholders' Equity	675	671	672
Income net Quarter	4	2	2
Income net 9 months	9		5

Figures presented according to accounting principles generally accepted in the United States (USGAAP)

The Bank's equity at September 30, 2011 was US\$ 675 million, above from the previous quarter, mainly attributable to the quarterly result of US\$ 4 million.

In 3Q 2011, net earnings were US\$ 4 million, having increased US\$ 2 million (91.7%) compared to 3Q 2010. This increase is attributed mainly to the US\$ 5 million (25.9%) decline in loan portfolio expenses and a US\$ 2 million (7.4%) increase in operating expenses.

Mercantil Commercebank N.A.'s main capital adequacy indicators are 9.0% equity/assets, and 18.0% equity/risk-weighted assets, in accordance with the standards of the Office of Comptroller of the Currency - OCC.

Mercantil Seguros

Premium income in 3Q 2011 grew 36.6% to Bs 1,334 million compared with Bs 976 million at the close of 3Q 2010. At August 31, 2011, this subsidiary was the country's second insurance company in terms of net collected premiums, with a market share of 10.7%.

Total Assets were Bs 4,136 million at September 30, 2011 reflecting 5.3% quarter-over-quarter growth. The company registered Bs 1,165 million in equity, meeting the statutory solvency requirements in place.

The figures presented include all the mandatory and voluntary reserves required to guarantee the Company's operations, including outstanding claims reserves and end-of-period payments.

At the close of September 2011 the company's investment portfolio was Bs 3,635 million (5.5% up on the previous quarter). Total investments representing technical reserves reached Bs 3,086 million (4.6% more than in the previous quarter), and liquidity levels meet all the statutory requirements on commitments towards policyholders, insurance advisers and reinsurers.

In the third quarter, net earnings registered a Bs 101 million (119.3%) year-on-year increase, mainly due to the increase in the technical result which closed at Bs 81 million, with a combined operating ratio of 93.0%. The claims ratio improved, from 70.7% in 2010 to 65.5% in 2011.

Mercantil Merinvest

At September 30, 2011 Mercantil Merinvest reached Bs 102 million in total consolidated assets, representing 12.1% growth compared to 2Q 2011.

In the third quarter, net income reached Bs 3 million, exceeding the Bs 1 million achieved in 3Q 2010, as a result of commissions from bonds issues placed, after the regulator approved the activity again during the quarter.

Mercantil Seguros C.A. Consolidated (In million of Bs. and US\$)				
	US\$ 09-30-11	09-30-11	06-30-11	09-30-10
Total Assets	963	4,136	3,929	2,972
Investments suitable for representing Technical Reserves	719	3,086	2,949	2,299
Investments not-suitable for representing Technical Reserves	128	549	496	190
Shareholders' Equity	271	1,165	1,066	829
Income net Quarter	24	101	84	46
Income net Semester		252		247
Premiums Received Net Quarter	311	1,334	1,123	976
Premiums Received Net 9 months	832	3,570		2,726

Historic figures in accordance with the standards of the Venezuelan Superintendency of Insurance Activity (Sudeseq)

Historic figures in accordance with the standards of the Venezuelan Superintendency of Insurance Activity (Sudeseq)

Mercantil Merinvest C.A. Consolidated (In millions of Bs and US\$)				
	US\$ 09-30-11	09-30-11	06-31-11	06-30-10
Total Assets	24	102	91	134
Investments Portfolio	10	45	27	76
Shareholders' Equity	20	84	77	111
Income net Quarter	1	3	2	1
Income net 9 months	2	8		14

Figures presented according to the standards of the Venezuelan Securities and Exchange Commission (SNV)

Private Banking and Wealth Management

The Private Banking and Wealth Management business comprises: trust services, securities brokerage, mutual funds and portfolio management services. Net assets under management recorded off the balance sheet at September 30, 2011 totaled Bs 17,103 million (US\$ 3,987 million)¹, representing a 0.1% quarter-over-quarter increase and a 5.4% year-on-year decline. They are broken down as follows:

Total Assets under Management					
(In millions of Bolivars and Dollars, except percentages)					
	09-30-11	06-31-11	09-30-11	Δ Sep 11 vs. Jun 11	Δ Sep 11 vs. Sep 10
Trust Funds	10,526	10,403	11,890	1.2%	(11.5)%
Mutual Funds	627	557	450	12.5%	39.3%
Brokerage	4,691	4,742	4,688	(1.1)%	0.1%
Financial Advisory	1,258	1,381	1,046	(8.9)%	20.3%
Total Private Banking and Wealth Management Bs.	17,103	17,083	18,074	0.1%	(5.4)%
Total Private Banking and Wealth Management US\$	3,987¹	3,983¹	4,214¹	0.1%	(5.4)%

At the close of 3Q 2011, the Trust Fund managed Bs 10,526 million in assets, representing 1.2% quarter-over-quarter growth, and a 11.5% year-on-year reduction. The performance observed during the last quarter was mainly due to increases in labor trust funds and trust funds managed by the private sector.

At the close of September 2011, Mercantil retained its position as Venezuela's mutual fund industry leader. Portfolio assets increased 12.5% compared to June 2011 and 39.3% compared to September 2010, reaching Bs 627 million.

Mercantil offers its clients investment products and services (brokerage and financial advise) in global financial markets. Global financial markets declined in 3Q 2011 and at the close of September 2011 the total value of client assets reached Bs 5,939 million, reflecting a 2.8% decline compared to June 2011 (3.7% decline compared to the close of September 2010).

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

Corporate Events

Shareholders' Meeting

The Shareholders' Meetings of Mercantil Servicios Financieros and its subsidiaries in Venezuela and abroad held in 3Q 2011 approved the reports presented by the Board of Directors for consideration of the shareholders, the 2011 semi-annual audited financial statements and the Statutory Auditors' Report.

Share Repurchase Program

The Shareholders' Meeting authorized the Twenty-fourth Phase of Mercantil Servicios Financieros' Share Repurchase Program which will be valid for six months from October 8, 2011 and give continuity to the program initiated in May 2000 to add value to the Company. The Shareholders' Meeting therefore authorized the Board of Directors to allow the company to acquire up to 15% of the Common Class "A" and/or "B" shares representing its subscribed and paid-in capital, including treasury stock in this percentage.

Mercantil's Shareholders' Meeting approved the partial modification of the bylaws

Mercantil's Shareholders' Meeting approved an update to the Company Bylaws to bring them in line with the new Securities Market Law on the payment of dividends. These will be paid out in accordance with the annual results posted at December 31 of each year, pursuant to the provisions of the Securities Market law, as well as in compliance with regulatory capital adequacy ratios and in line with the requirements of the Company's investment and development plans. In line with the foregoing, the Board of Directors must draft a dividend proposal which will be submitted to the Shareholders' Meeting for consideration.

Shareholders' Meeting authorized issue and placement of bond and/or commercial paper issue by Mercantil Servicios Financieros

The Shareholders' Meeting gave its authorization to the Board of Directors of Mercantil for one or several bond and/or commercial paper issues to be made in the next two years beginning September 23, 2011 and placed through a public or private offering in Venezuela or abroad.

New Measures announced for the Venezuelan Economy

The Ministry of Planning and Finance and the Minister for Communes and Social Protection established mechanisms for allocating funds to finance community council programs.

The Ministry of Planning and Finance and the Ministry for Communes stipulated that banking institutions must make semiannually contributions of 5% of their Gross Pre-Tax Earnings to the Ministry for Communes through payments to SAFONACC (the National Community Council Fund) within thirty days following the close of the semi-annual reporting period so the Fund can assign resources to the Community Councils or other social agencies, as provided for in Article 48 of the Law on Banking Sector Institutions which came into force in December 2010.

National Assembly passed the Law on Sports, Physical Activity and Physical Education.

The National Assembly passed the Organic Law on Sports, Physical Activity and Physical Education which requires public and private companies engaged in for profit economic activity in Venezuela to contribute 1% of their net annual income in excess of 20,000 U.T. (Tax Units). These contributions will be paid into the National Fund for the Development of Sports, Physical Activity and Physical Education.

Ministry of Housing and Habitat established lending terms for primary residences.

The Ministry of Housing and Habitat established the terms and conditions under which financial institutions may use their own funds and resources from the funds regulated by the Law on Housing Services and Habitat (*Ley del Régimen Prestacional de Vivienda y Hábitat*) to grant loans for primary residence. It further provided a maximum repayment period of 25 years for such mortgages and the possibility to borrow up to 100% of the value of the property used as collateral. In addition, it provided that the maximum limit on monthly mortgage repayments will be 35% of the family's income and that the maximum direct housing subsidy and amount of the down payment will be determined according to the cost of the home minus the corresponding subsidy.

BANAVIH set the minimum percentage of annual gross loans to be earmarked for mortgage loans.

BANAVIH established 12% as the minimum percentage of gross annual loans that banking institutions are required to earmark from their resources for mortgage loans for the construction, purchase, expansion or refurbishment, and self-construction of primary residences. Said amount shall be calculated on the basis of gross annual loans at December 31, 2010. It also set the minimum percentage for short-term mortgage loans (construction, refurbishment and self-construction) at 8.5% and for long-term mortgage loans (purchase) at 3.5%. The latter type of loan will be distributed in accordance with the monthly family income of those that the loan is intended for.

Venezuelan Central Bank (BCV) established the Maximum Social Interest Rate and Special Social Interest Rates applicable to mortgage loans.

The Central Bank set the Maximum Social Interest Rate applicable to primary residential mortgages at 11.42%. Additionally, it set the Special Social Interest Rate for the purchase, refurbishment, improvement and self-construction of primary residences using funds regulated by the Law on Housing Services and Habitat, and with funds from Banking Institutions, and the Special Social Interest Rate applicable to loans for building a primary residence using funds from the banks, calculated on the basis of the monthly family income. These rates apply from September 2011.

Acknowledgements

Audit by FONDONORMA concluded with zero non-conformities for Mercantil Banco Universal

The maintenance and renewal audit of Mercantil Banco Universal concluded with zero non-conformities. FONDONORMA's audit team ascertained that nine ISO 9001:2008 certified lines of service comply with the standard's requirements. The audit was carried out on five lines: Mercantil Call Center customer service, Cashier desks, ATM network, Corporate client securities and Social benefit trust fund, and renewal audits on 4 lines: Mercantil Online, Credit cards, Home delivery of checkbooks and *Préstame* instant loans.

Mercantil's Website leads the Topsites Venezuela ranking in the financial sector

According to the ranking by Alexa, the company that evaluates the number of website hits worldwide, Mercantil Banco Universal's is sixteenth in the ranking of Venezuela's websites and number one in the ranking for the Venezuelan financial sector.

Global Economic Climate

The threats and challenges looming over global economic growth and stability during the first part of the year have not entirely dissipated. Although the political unrest in the Middle East and North Africa, and the natural and nuclear disasters that affected the Japanese economy, are events of the past, new developments in Europe's sovereign debt crisis are seriously undermining the performance of the mature economies. In this context, the emerging economies of Asia and Latin American continue to set the pace of global growth.

In the euro zone, households consumer spending and business investment are variables that have been adversely affected by the uncertainty over how to solve the sovereign debt crisis which is now spreading to other economies besides Greece's. The fiscal restriction policies in place in numerous countries in the euro zone (in response to the fiscal crisis) explain the 0.3% year-on-year growth in public spending. The slowdown in the rest of the world has had a negative impact on European trade and led to a downturn in export growth. Preliminary first quarter figures indicate 1.8% year-on-year growth in the euro zone.

Within the euro zone, the performance of Germany and the euro zone's highly indebted countries remains heterogeneous. While Germany's industrial production reflects 10.4% year-on-year growth, countries like Greece and Ireland for instance have declined 2.9% and 4.9% respectively. Two factors triggered by the current crisis have had a somewhat favorable effect on European economic activity. In the first place, the depreciation of the euro reflected in the drop in the euro's nominal effective exchange rate. Secondly, the albeit moderate reduction in the price of oil is another positive factor.

The U.S. economy remained growing in the third quarter. Real GDP grew at a 2.5 % annual rate in 3Q 2011. The private sector continues without responding well to the expansionary measures that averted a depression and led to overall growth of up to 3.0% during 2010. The high level of unemployment and persistent losses in the housing sector continue to have a detrimental effect on household income and home equity. The purchasing power of an average household is 7.1% below the 1999 level and property prices have still not recovered. The third quarter is looking better thanks to a relaxation of the temporary factors that had been curbing growth, such as the price of oil and a small increase in retail sales that registered 2.5% quarter-over-quarter growth during the third quarter.

In the emerging economies of East Asia, and particularly in China, a clear capacity to resist the rigors of the global slowdown is still evident. The strength of export and import data for August confirms that this is a good time for Asia, as these flows grew 24.4% and 30.4% respectively in China (above the consensus forecasts). The strong growth of Chinese imports, exceeding exports even, has helped reduce the August trade surplus which reached US\$ 17,759 million versus US\$ 31,484 million in July. This reduction is not reflected however in the bilateral trade deficit with the United States which is still growing, nor in the accumulated January to August deficit which is already US\$ 125,500, 9.5% higher than the figure for the same period in 2010. Within this context of robust growth, inflation was more moderate, falling to 6.2% in August after July's strong upward swing to 6.5%. This moderation, though still far from the executive's 4% goal, combined with a deterioration of U.S. and euro zone growth expectations and global financial turmoil, indicate that China's tough monetary policy may be relaxed. The exception to this respite is to be found in India, which on September 16 once again raised the benchmark interest rate by 25 basis points to 8.25% (repo rate).

In East Asia, Japan is the sole exception to the case. A review of GDP data shows that the Japanese economy contracted 0.5% in the second quarter. The doubts are evident in the area of investment and confidence indexes. In August consumers' expectations failed to improve, remaining low at 37.0 points, close to the April minimum of 33.1 points, whereas advance investment expenses such as machinery orders declined in July, reflecting the prevailing feeling of uncertainty.

Turning now to Latin America, the Brazilian economy continues to attract attention with 3.1% year-on-year growth in the second quarter of 2011 (up 0.8% compared to the previous quarter). The breakdown by component confirms the gradual loss of investment momentum and the stagnation of external demand, despite the fact that exports resisted the strength of the real during the period under review surprisingly well.

Economic activity, consumer spending and employment

The U.S. economy, affected by more moderate consumption during the year, has nevertheless been fairly resilient to global events and managed to avoid another recession. The best news this quarter was in relation to private investment and retail sales in particular which registered a year-on-year increase of 7.9% at the end of September. In fact September was especially good for retail sales, which contrasted with the attenuated increases of July and August. The University of Michigan's Consumer Sentiment Index (MCSI) also closed at a high in September (59.4), consistent with more favorable job creation trends. Although the job market still has a long way to go before it can recoup all that was lost during the recession, third quarter unemployment stayed at 9.1% and the economy actually rose from the doldrums of the second quarter and generated 103,000 new jobs. It is noteworthy that the generation of employment in the third quarter centered primarily on the service sector, rather than manufacturing and construction sectors. Consumer credit, an essential element that indicates how leveraged the demand for final products is, continued to show signs of recovering at the close of July after 10 consecutive months of accumulated growth, but in August it fell US\$ 9.5 billions. In an environment where employment is still not showing signs that it will undergo a robust recovery, and amid announcements of fiscal austerity, the Federal Reserve's monetary policy of anchoring the short-term interest rate (at 0.25%), did not vary during the third quarter.

Improved figures for September also showed that industrial production registered 3.3% year-on-year growth. The use of industrial sector capacity remained constant during the third quarter (77.4%), and above the average (74.5%) registered in 2010.

Real Estate Sector

The real estate market is far from a recovery. At the end of August, sales of new homes fell for the fourth month in a row, down 2.3% compared to July; the average price of a single family home was down 8.7%. Sales of used home on the other hand rose 7.7%, but even so the market was unable to stop the average price falling in August by 1.7%.

Treasury Rate 10 Years



Economic activity

The behavior of the Venezuelan economy during the third quarter was characterized by the improved performance of oil production which counteracted the slight drop in domestic oil prices and raised the value of oil exports, thus increasing the amount of international reserves held by the Central Bank. In the fiscal area, the rise in the volume of oil exports invoiced at a higher average rate of exchange, resulted in higher oil revenues during the quarter and hence in higher fiscal expenditure executed by central government. The exchange rate adjustment at the beginning of the year, along with a rise in some controlled prices, explained the upturn in domestic prices.

Oil Sector, Reserves

The Venezuelan oil basket averaged US\$ 102.4/barrel in the third quarter, representing a 50% year-on-year increase and 1.6% quarter-over-quarter reduction. Venezuelan oil production averaged 2,283 thousand b/d in the third quarter, 88 thousand b/d more than in the second quarter of this year. Oil revenue grew thanks to the recovery of oil production and the maintenance of high oil export basket prices. International reserves held by the Central Bank of Venezuela during September closed at US\$ 31,392 million, one of the highest levels since December 2009.

Fiscal Area

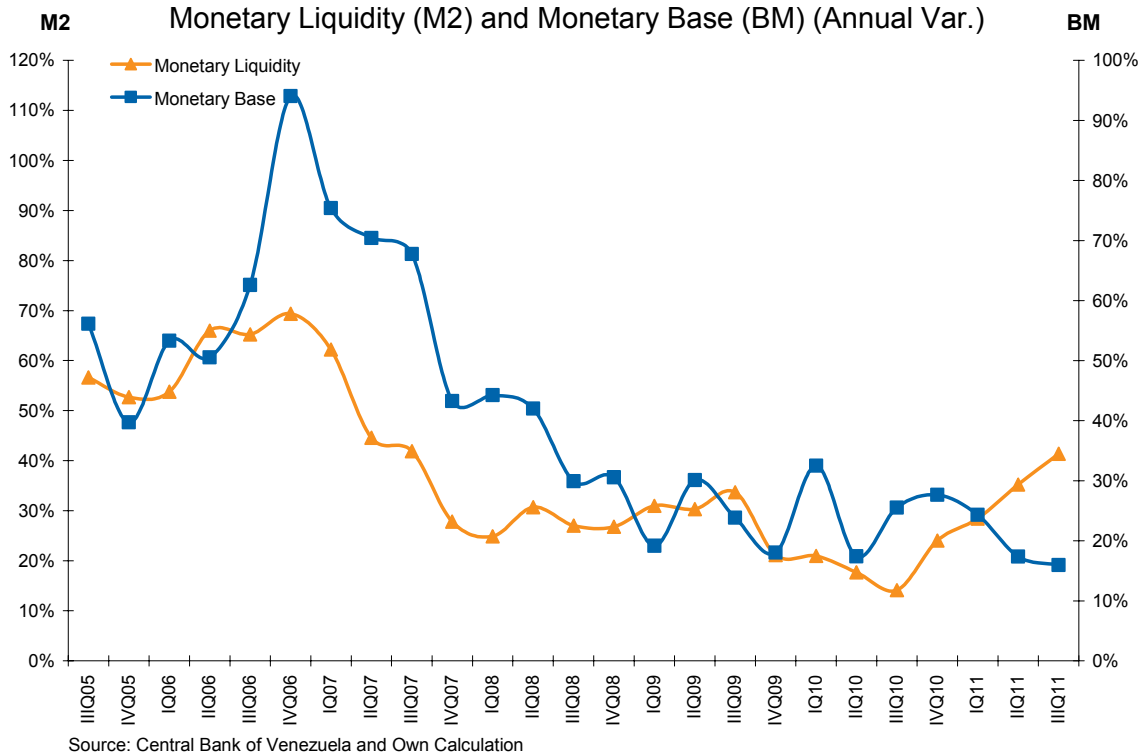
In the fiscal area, primary spending executed according to the National Treasury reached Bs 77.5 billion, reflecting 45.8% year-on-year growth (+32.3% versus the second quarter of this year). Without taking into account inflation for the period, the resulting increase was 15.1%, in clear contrast with the real drop of 8% in the third quarter of 2010. Allocations of domestic public bonds and treasury bills totaled Bs 17.8 billion in the third quarter, almost 35% more than during the same period of 2010. Despite longer maturities, the high level of investments meant that net domestic borrowing registered a positive Bs. 8.9 billion, 39.4% more than the positive domestic borrowing registered in the third quarter of 2010 (Bs 6.4 billion).

Monetary Policy

In the money market, money in the hands of the public (M2) increased 8.4% in the third quarter (up 2.5% in real terms), which exceeded the 5.1% increase twelve months earlier (slight increase of 0.7% in real terms). With respect to the handling of monetary policy, in the third quarter of this year, as in 2010, the Venezuelan Central Bank relaxed its willingness towards the issuance of open market operations (OMAs), which led to a Bs 1.2 billion expansion in the net effect of those OMAs on payment systems, a little over three times more than the expansion registered in the third quarter of last year (Bs 303 million). So, the OMAs stock reached just Bs 11.9 billion at the close of September.

Inflation

Domestic inflation reached 6.5% in the third quarter, a little over 240 basis points higher than the variation in the third quarter of 2010. By group, the highest price adjustments over and above the average were registered in only two groups: Education Services (10.2%) and Foodstuffs and Non-Alcoholic Beverages (10%). According to the eleven geographical locations making up the National Consumer Price Index, the cities that underwent higher-than-average price adjustments were: Barquisimeto (7.1%), Valencia, Maturin, Ciudad Guayana (6.9%), Rest (6.8%) and Maracay (6.7%).



See summary of the Main Macroeconomic Indicators in Annex IX

APPENDIX I

Summary of the Accounting Principles used to prepare the Financial Statements

Financial statements are presented in accordance with the accounting standards of the National Securities Superintendency (SNV), in bolivars. A summary of some of the main accounting principles applied is given below:

Investment Portfolio

Securities Held for Trading - Unrealized gains or losses resulting from differences in fair value due to market fluctuations are included in the results for the period. *Available-for-Sale Securities* – Recorded at their fair value. Unrealized gains or losses resulting from differences in fair value and exchange rate fluctuations are included in shareholders' equity. *Held-to-Maturity Securities* – Recorded at their acquisition cost, adjusted for amortization of premiums or discounts. For all portfolio investments, permanent losses in fair value are recorded in income in the period in which they occur. *Permanent investments* are investments that represent 20% to 50% stock ownership. Those greater than 50% are recorded as an equity interest and consolidated, except when control is likely to be temporary.

Loan Portfolio

Loans are classified as overdue 30 days after their maturity. Allowances for losses on loan portfolio are determined through a collectibility assessment that quantifies the amount to be set aside for each loan. These assessments take into account such aspects as economic conditions, credit risk by customer, credit history and the collateral received. When evaluating loans for small amounts of the same nature, these are grouped together to determine provisions.

Recognition of income and expenditure

Income, costs and expenses are recorded as they are earned or incurred. Interest earned on loan portfolios is recorded as income when collected. Fluctuations in the market value of derivatives are recognized in income in the period in which they occur. Insurance premiums are recorded as income when earned.

Consolidation

The consolidated financial statements include the accounts of Mercantil and its more than 50%-owned subsidiaries and other institutions in which Mercantil has a controlling interest. See the main subsidiaries on Page 4 and the reconciliation of their accounting standards with SNV standards on Pages 37, 39, 41:

Inflation Adjustment

According to SNV standards, Mercantil's financial statements, as of December 31, 1999 must be presented in historic figures. Since then Mercantil has ceased to adjust for inflation in its primary financial statements. As a result, fixed and other assets are shown at their inflation-adjusted value up to December 31, 1999. The market value determined by independent assessments is greater than the inflation cost adjusted for inflation. New additions are being recorded at their acquisition value.

Differences between the accounting standards of the National Securities Commission (SNV) and the Superintendency of Banking Sector Institutions in Venezuela (SUDEBAN) and US GAAP

The main accounting differences for Mercantil Servicios Financieros between SNV and SUDEBAN standards are:

- Amortization of premiums or discounts of securities carried out on a straight-line basis under SUDEBAN standards and in accordance with the constant amortization rate under SNV standards.
- Under SNV standards, the effects of exchange fluctuations are included in the results for the period, with the exception of exchange fluctuations from available-for-sale investments and the stock trading portfolio which are included in shareholders' equity. Under SUDEBAN standards, all fluctuations are recorded in the results, with the exception of exchange fluctuations from the stock trading portfolio and the fluctuations which, as provided by the SUDEBAN exception, must subsequently be included in income when authorized by SUDEBAN.

The main accounting differences for Mercantil Servicios Financieros between the SNV standards indicated and USGAAP standards are:

- Deferred Income Tax: US GAAP allows deferred tax to be recognized for the total amount of loan portfolio loss allowances, while SNV standards only allow recognition of allowances for loans classified as high risk and unrecoverable.
- Provision for assets received in lieu of payment: SNV standards stipulate a 100% allowance for real property received in lieu of payment after one year from the date of incorporation; under US GAAP no amortization deadlines are established. (See SNV - US GAAP earnings reconciliation) Page 39)

APPENDIX II

MERCANTIL SERVICIOS FINANCIEROS, C.A.

CONSOLIDATED BALANCE SHEET

UNAUDITED FIGURES

(In millions of Bolivars and Dollars, except percentages)

	US\$ ¹	09-30-11	06-31-11	09-30-11	Δ		Δ	
					Bolivars	%	Bolivars	%
	09-30-11	09-30-11	06-31-11	09-30-11	Bolivars	%	Bolivars	%
CASH AND DUE FROM BANKS								
Cash	191	819	1,111	779	(292)	(26.3)%	40	5.1%
Banco Central de Venezuela	1,789	7,672	9,203	8,398	(1,531)	(16.6)%	(726)	(8.6)%
Venezuelan Banks and Other Financial Institutions	11	48	49	17	(1)	(2.0)%	31	182.4%
Foreign and Correspondent Banks	180	771	807	951	(36)	(4.5)%	(180)	(18.9)%
Allowance for Cash and Due from Banks	271	1,162	1,162	990	0	0.0%	172	17.4%
	2,442	10,472	12,332	11,134	(1,860)	(15.1)%	(662)	(5.9)%
INVESTMENT PORTFOLIO								
Investments in Trading Securities	69	298	283	219	15	5.3%	79	36.1%
Investments in Securities Available for Sale	4,532	19,439	18,781	17,327	658	3.5%	2,112	12.2%
Investments in Securities Held to Maturity	149	637	619	424	18	2.9%	213	50.2%
Share Trading Portfolio	3	13	14	20	(1)	(7.1)%	(7)	(35.0)%
Investments in Time Deposits and Placements	409	1,756	1,469	2,455	287	19.5%	(699)	(28.5)%
Restricted Investments	681	2,922	1,923	1,078	999	52.0%	1,844	171.1%
	5,843	25,065	23,089	21,522	1,976	8.6%	3,543	16.5%
LOAN PORTFOLIO								
Current	12,211	52,376	48,775	38,485	3,601	7.4%	13,891	36.1%
Rescheduled	155	666	625	523	41	6.6%	143	27.3%
Past Due	163	698	985	1,161	(287)	(29.1)%	(463)	(39.9)%
Litigation	128	550	281	307	269	95.7%	243	79.2%
	12,657	54,290	50,666	40,476	3,624	7.2%	13,814	34.1%
Allowance for Losses on Loan Portfolio	(469)	(2,013)	(1,777)	(1,258)	(236)	13.3%	(755)	60.0%
	12,188	52,277	48,889	39,218	3,388	6.9%	13,059	33.3%
INTEREST AND COMMISSIONS RECEIVABLE								
	143	613	547	439	66	12.1%	174	39.6%
LONG-TERM INVESTMENTS								
	39	166	148	158	18	12.2%	8	5.1%
ASSETS AVAILABLE FOR SALE								
	25	106	162	144	(56)	(34.6)%	(38)	(26.4)%
PROPERTY AND EQUIPMENT								
	158	676	669	638	7	1.0%	38	6.0%
OTHER ASSETS								
	446	1,920	1,763	1,614	157	8.9%	306	19.0%
TOTAL ASSETS	21,284	91,295	87,599	74,866	3,696	4.2%	16,429	21.9%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

APPENDIX II

MERCANTIL SERVICIOS FINANCIEROS, C.A. CONSOLIDATED BALANCE SHEET UNAUDITED FIGURES

(In millions of Bolivars and Dollars, except percentages)

	US\$ ¹ 09-30-11	09-30-11	06-31-11	09-30-11	△ Sep 11 vs. Jun 11		△ Sep 11 vs. Sep 10	
					Bolivars	%	Bolivars	%
DEPOSITS								
Non-interest Bearing	4,529	19,428	18,356	14,503	1,072	5.8%	4,925	34.0%
Interest-Bearing	5,281	22,653	23,454	18,932	(801)	(3.4)%	3,721	19.7%
Savings Deposits	5,339	22,899	21,181	17,870	1,718	8.1%	5,029	28.1%
Time Deposits	1,559	6,686	6,047	6,782	639	10.6%	(96)	(1.4)%
	16,708	71,666	69,038	58,087	2,628	3.8%	13,579	23.4%
DEPOSITS AUTHORIZED BY THE VENEZUELAN SECURITIES AND EXCHANGE COMMISSION								
Publicly Traded Debt Securities Issued	0	0	0	89	0	0.0%	(89)	(100.0)%
FINANCIAL LIABILITIES	849	3,642	3,424	3,321	218	6.4%	321	9.7%
INTEREST AND COMMISSION PAYABLE	6	25	25	35	0	0.0%	(10)	(28.6)%
OTHER LIABILITIES	1,364	5,853	5,491	4,918	362	6.6%	935	19.0%
SUBORDINATED DEBT	112	479	479	489	0	0.0%	(10)	(2.0)%
TOTAL LIABILITIES	19,039	81,665	78,457	66,939	3,208	4.1%	14,726	22.0%
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	1	4	4	4	0	0.0%	0	0.0%
SHAREHOLDERS' EQUITY								
Paid in Capital	36	154	154	154	0	0.0%	0	0.0%
Capital Inflation Adjustment	45	192	192	192	0	0.0%	0	0.0%
Share Premium	48	204	204	204	0	0.0%	0	0.0%
Capital Reserves	39	167	167	167	0	0.0%	0	0.0%
Translation Adjustments of net Assets of Subsidiaries Abroad	362	1,554	1,566	1,539	(12)	(0.8)%	15	1.0%
Retained Earnings	1,633	7,003	6,470	5,485	533	8.2%	1,518	27.7%
Shares repurchased and held by Subsidiaries	(4)	(19)	(19)	(10)	0	0.0%	(9)	90.0%
Repurchased Shares Restricted for Employee Stock Option Plan	(11)	(47)	(45)	(38)	(2)	4.4%	(9)	23.7%
Unrealized Gain (Loss) from Adjustment on Investments Available For Sale to Market Value	96	418	449	232	(31)	(6.8)%	187	80.6%
TOTAL SHAREHOLDERS' EQUITY	2,244	9,626	9,139	7,924	489	5.3%	1,703	21.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,284	91,295	87,599	74,866	3,696	4.2%	16,429	21.9%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

APPENDIX II

MERCANTIL SERVICIOS FINANCIEROS, C.A. CONSOLIDATED INCOME STATEMENT UNAUDITED FIGURES (In millions of Bolivars and Dollars, except percentages)

	US\$ ¹ 09-30-11	Quarter Ended on				9 months Ended on			
		09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars	%
Income from Cash and Due from Banks	0	2	2	0	0.0%	7	5	2	40.0%
Income from Investment Securities	95	407	262	145	55.3%	1,116	760	356	46.8%
Income from Loan Portfolio	389	1,669	1,168	501	42.9%	4,478	3,237	1,241	38.3%
Income from Financial assets	0	0	0	0	0.0%	0	2	(2)	(100.0)%
INTEREST INCOME	484	2,078	1,432	646	45.1%	5,601	4,004	1,597	39.9%
Interest for Demand and Savings Deposits	120	515	382	133	34.8%	1,408	1,113	295	26.5%
Interest for Time Deposits	7	28	29	(1)	(3.4)%	82	93	(11)	(11.8)%
Interest for Securities Issued by the Bank	0	0	7	(7)	(100.0)%	6	25	(19)	(76.0)%
Interest on Financial Liabilities	6	26	44	(18)	(40.9)%	97	96	1	1.0%
INTEREST EXPENSE	133	569	462	107	23.2%	1,593	1,327	266	20.0%
NET INTEREST INCOME	352	1,510	970	540	55.7%	4,009	2,677	1,332	49.8%
Provision for losses on loan portfolio	77	331	230	101	43.9%	887	596	290	48.7%
NET FINANCIAL MARGIN	275	1,179	741	438	59.1%	3,122	2,081	1,042	50.1%
Trust Fund Operations	3	15	14	1	7.1%	42	43	(1)	(2.3)%
Foreign Currency Transactions	3	13	(8)	21	(262.5)%	2	(6)	8	(133.3)%
Commissions on Transactions	23	97	70	27	38.6%	260	191	69	36.1%
Commissions on Letters of Credit and Guarantees Granted	1	6	7	(1)	(14.3)%	17	16	1	6.3%
Equity in Long-Term Investments	4	17	23	(6)	(26.1)%	53	31	22	71.0%
Exchange Gains and Losses	(1)	(4)	47	(51)	(108.5)%	44	945	(901)	(95.3)%
Income (Loss) on Sale of Investment Securities	45	195	210	(15)	(7.1)%	457	426	31	7.3%
Other Income	101	433	306	127	41.5%	1,121	746	375	50.3%
TOTAL COMMISSIONS AND OTHER INCOME	180	772	669	103	15.4%	1,996	2,391	(396)	(16.6)%
Total insures premiums, net of claims	41	176	74	102	137.8%	474	233	241	103.4%
OPERATING INCOME	496	2,127	1,483	644	43.4%	5,592	4,705	887	18.9%
Salaries and employee benefits	131	560	428	132	30.8%	1,633	1,249	384	30.7%
Depreciation, Property and Equipment Expenses, Amortization of Intangibles and Others	31	134	126	8	6.3%	386	331	55	16.6%
Fees paid to regulatory agencies	49	211	147	64	43.5%	569	340	229	67.4%
Other operating expenses	150	642	398	244	61.3%	1,480	952	528	55.5%
TOTAL OPERATING EXPENSES	361	1,547	1,098	449	40.9%	4,068	2,872	1,196	41.6%
INCOME BEFORE TAXES AND MINORITY INTEREST	135	580	384	196	51.0%	1,524	1,833	(309)	(16.9)%
Total Taxes	11	46	43	3	7.0%	199	150	49	32.7%
Minority Interests	0	0	0	0	0.0%	(2)	(1)	(1)	100.0%
NET INCOME	124	533	341	192	56.3%	1,323	1,682	(359)	(21.3)%
NET INCOME US\$¹		124	80	44	56.3%	308	503	(194)	(38.6)%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

APPENDIX II

MERCANTIL SERVICIOS FINANCIEROS, C.A. CONSOLIDATED STATEMENT OF CASH FLOWS UNAUDITED FIGURES (In millions of Bolivars)

	Quarter ended on		9 months ended on	
	09-30-11	09-30-10	09-30-11	09-30-10
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	533	341	1,323	1,682
Adjustments to reconcile net income to net cash provided				
Operating activities -				
Allowance for losses on the loan portfolio	331	230	887	596
Depreciation and amortization	41	40	123	114
Decrease in allowance for losses on loan portfolio	(0)	0	(0)	(1)
Provision for interest receivable and other assets	6	9	52	12
Gain on equity in long-term investment	(17)	(23)	(53)	(31)
Minority interest expense	0	0	2	1
Deferred Income Tax	0	(5)	44	10
Provision for available for sale assets	18	4	44	13
Accrual for employee termination benefits	56	41	188	140
Payment of employee termination benefits	(66)	(48)	(188)	(138)
Net change in operating assets and liabilities -				
Interest and commissions receivables	(65)	(19)	(130)	(137)
Interest and commissions payables	1	0	(4)	7
Available for sale and other assets	(144)	67	(539)	(375)
Other liabilities	373	665	1,091	1,846
Net cash provided by operating activities	1,067	1,302	2,842	3,739
CASH FLOWS FROM INVESTING ACTIVITIES				
Net change in investments securities	(1,744)	(299)	(3,556)	(5,566)
Loans granted	(44,683)	(56,767)	(127,999)	(134,056)
Loans collected	40,963	54,497	117,762	121,381
Additions to fixed assets, net of depreciation and write-offs	(30)	(29)	(58)	(212)
Net cash flows from investing activities	(5,494)	(2,599)	(13,851)	(18,452)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net change in				
Deposits	2,628	1,306	9,299	15,240
Short-term financial liabilities	432	1,146	927	904
Debt securities by Mercantil	0	(40)	(67)	(223)
Subordinated debt	0	0	0	245
Long-term financial liabilities received	(553)	(1,366)	(1,326)	(198)
Long-term financial liabilities paid	338	(107)	907	949
Cash dividends	(0)	(0)	(273)	(123)
Shares premium	0	0	0	(0)
Shares repurchased	(0)	(2)	(3)	(5)
Repurchased shares for the employee stock option plan	(3)	(4)	(5)	(0)
Net cash flows from financing activities	2,842	933	9,460	16,788
CASH AND CASH EQUIVALENTS ¹				
Net increase for the period	(1,584)	(364)	(1,549)	2,075
At the beginning of the period	13,765	13,939	13,729	11,500
At the end of the period	12,180	13,575	12,180	13,575

¹ Includes: Cash and Cash Equivalents, Cash and Due from banks, Investments in time deposits and placements within 90 days maturity.

APPENDIX II

MERCANTIL SERVICIOS FINANCIEROS, C.A. Statement of Shareholders' Equity UNAUDITED FIGURES (In millions of Bolivars)

	Capital stock	Capital inflation adjustment	Paid-in Surplus	Capital Reserves	Translation adjustment of the assets In subsidiaries Abroad	Retained earnings	Shares repurchased held by subsidiaries	Repurchased shares restricted for employee stock option plan	Unrealized Gain (loss) from adjustments on investments Available for sale to market value	Total Shareholders' Equity
Balance as of June 30, 2010	154	192	204	167	1,538	5,144	(8)	(34)	176	7,533
Net income						341				341
Share repurchased							(2)			(2)
Unrealized income on Investments available for sale									56	56
Repurchased shares for the employee stock option plan								(4)		(4)
Translation effect of net assets in subsidiaries abroad					1					1
Balance as of September 30, 2010	154	192	204	167	1,539	5,485	(10)	(38)	232	7,924
Net income						494				494
Cash dividends						(57)				(57)
Share repurchased							(6)			(6)
Unrealized income on Investments available for sale									152	152
Repurchased shares for the employee stock option plan								(5)		(5)
Translation effect of net assets in subsidiaries abroad					11					11
Balance as of December 31, 2010	154	192	204	167	1,550	5,922	(16)	(43)	384	8,513
Net income						242				242
Cash dividends						(249)				(249)
Share repurchased							(1)			(1)
Repurchased shares for the employee stock option plan								(1)		(1)
Translation effect of net assets in subsidiaries abroad					2					2
Balance as of March 31, 2011	154	192	204	167	1,552	5,914	(17)	(44)	384	8,506
Net income						549				549
Share repurchased							(2)			(2)
Unrealized income on Investments available for sale									65	65
Repurchased shares for the employee stock option plan								(1)		(1)
Translation effect of net assets in subsidiaries abroad					14					14
Elimination						7				7
Balance as of June 30, 2011	154	192	204	167	1,566	6,470	(19)	(45)	449	9,139
Net income						533				533
Unrealized income on Investments available for sale									(32)	(32)
Repurchased shares for the employee stock option plan								(3)		(3)
Translation effect of net assets in subsidiaries abroad					(12)					(12)
Balance as of September 30, 2011	154	192	204	167	1,554	7,003	(19)	(47)	418	9,626

APPENDIX III

MERCANTIL SERVICIOS FINANCIEROS, C.A. Summary of the Financial Statements and Ratios (In millions Dollars¹, except percentages)

	<u>09-30-11</u>	<u>06-30-11</u>	<u>09-30-10</u>	Δ <u>Sep 11 vs.</u> <u>Jun 11</u>	Δ <u>Sep 11 vs.</u> <u>Sep 10</u>
Cash and due from banks	2,442	2,875	2,597	(15.1)%	(5.9)%
Investment Portfolio	5,843	5,382	5,018	8.6%	16.5%
Loan Portfolio Net	12,188	11,399	9,144	6.9%	33.3%
Other assets	811	767	698	5.8%	16.2%
TOTAL ASSETS	21,284	20,423	17,457	4.2%	21.9%
ASSET MANAGEMENT	3,987	3,983	4,214	0.1%	(5.4)%
Deposits	16,708	16,095	13,542	3.8%	23.4%
Financial Liabilities	849	798	774	6.4%	9.7%
Other Liabilities	1,483	1,400	1,293	6.0%	14.7%
Shareholders' Equity	2,244	2,130	1,848	5.3%	21.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,284	20,423	17,457	4.2%	21.9%
INCOME – QUARTER					
Financial Margin	352	310	226	13.6%	55.8%
Allowance for losses on loan portfolio	77	49	54	57.6%	42.6%
Commissions and other income	180	152	156	18.2%	15.4%
Insurance premiums, net of claims	41	39	17	5.4%	141.2%
Salaries and Operating Expenses	361	300	256	20.4%	41.0%
Taxes	11	25	10	(56.6)%	10.0%
Net Income – Quarter	124	128	80	(2.9)%	55.0%
Net Income – 9 months	308		503		(38.7)%
KEY FINANCIAL INDICATORS					
Income per share – Quarter Bs/ share	1.25	1.29	0.80	(2.7)%	56.5%
Income per share – 9 months Bs/ share	3.10	1.85	5.04		
Market price A share	8.22	7.83	6.88	4.9%	19.5%
Market price B share	8.22	7.86	6.88	4.5%	19.5%
Book value per share	21.94	20.83	18.01	5.3%	21.8%
Net Income (quarter) / Average Assets (ROA)	2.5%	2.6%	2.1%	(3.8)%	19.0%
Net Income (quarter) / Average Equity (ROE)	23.8%	25.2%	21.3%	(5.6)%	11.7%
Net Income (9 months) / Average Assets (ROA)	2.2%		3.2%		(31.3)%
Net Income (9 months) / Average Equity (ROE)	20.8%		31.6%		(34.2)%

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

APPENDIX IV

MERCANTIL SERVICIOS FINANCIEROS, C.A. Consolidated Loan Portfolio by Classification (In millions of Bolivars, except percentages)

By Economic Activity	09-30-11	%	06-30-11	%	09-30-10	%
Commercial	20,554	37.9%	18,742	37.0%	14,539	35.9%
Foreign trade	3,608	6.6%	3,700	7.3%	3,428	8.5%
Residential mortgage	3,173	5.8%	2,881	5.7%	2,662	6.6%
Industrial	3,833	7.1%	3,736	7.4%	2,834	7.0%
Construction	2,846	5.2%	2,765	5.5%	2,873	7.1%
Consumer	6,276	11.6%	5,614	11.1%	4,139	10.2%
Services	3,813	7.0%	3,771	7.4%	2,802	6.9%
Agricultural	6,019	11.1%	5,611	11.1%	3,966	9.8%
Car loans	1,697	3.2%	1,568	3.2%	1,210	3.0%
Other	2,471	4.6%	2,278	4.5%	2,023	5.0%
	54,290	100.0%	50,666	100.0%	40,476	100.0%

By Maturity	09-30-11	%	06-30-11	%	09-30-10	%
Up to six months	19,879	36.6%	20,216	39.9%	19,670	48.6%
Six months to one year	7,254	13.4%	5,877	11.6%	2,781	6.9%
One to two years	10,123	18.6%	8,548	16.9%	4,683	11.6%
Two to three years	4,675	8.6%	5,053	10.0%	4,542	11.2%
Three to four years	2,757	5.1%	2,276	4.5%	1,629	4.0%
Four to five years	3,002	5.5%	2,481	4.9%	1,432	3.5%
Over five years	6,600	12.2%	6,215	12.3%	5,739	14.2%
	54,290	100.0%	50,666	100.0%	40,476	100.0%

By Geographical Location of the Debtor	09-30-11	%	06-30-11	%	09-30-10	%
Venezuela	37,241	68.6%	33,702	66.5%	24,935	61.6%
United States of America	9,979	18.4%	9,863	19.5%	8,975	22.2%
Mexico	727	1.3%	713	1.4%	648	1.7%
Colombia	251	0.5%	276	0.5%	221	0.5%
Brazil	1,384	2.5%	1,386	2.7%	1,503	3.7%
Switzerland	332	0.6%	302	0.6%	252	0.6%
Peru	1,038	1.9%	1,164	2.3%	861	2.1%
Other countries	3,338	6.1%	3,260	6.4%	3,081	7.6%
	54,290	100.0%	50,666	100.0%	40,476	100.0%

By Type of Risk	09-30-11	%	06-30-11	%	09-30-10	%
Normal	49,829	91.8%	46,391	91.6%	37,400	92.4%
Potential	1,508	2.8%	1,553	3.1%	966	2.4%
Real	2,614	4.8%	2,357	4.7%	1,848	4.6%
High	288	0.5%	311	0.6%	213	0.5%
Unrecoverable	52	0.1%	55	0.1%	49	0.1%
	54,290	100.0%	50,666	100.0%	40,476	100.0%

APPENDIX V

Summary of Financial Indicators

	Quarter ended on			9 months ended on	
	US\$ Sep 11	Sep 11	Sep 10	Sep 11	Sep 10
Net income in billions of Bolivars (millions of US\$)	124	533	341	1,323	1,682
<u>Mercantil's stock indicators</u>					
<u>Class A share:</u>					
Number of outstanding shares ³ (Issued shares minus repurchased shares)		59,446,898	59,622,961		
Market Price	8.22	35.25	29.50		
Average daily volume (# of shares)		12,215	3,706		
Market Price / Book value per share		0.4	0.4		
Market Price / Period Net Earnings per share		6.6	8.6	2.6	1.7
Dividends received in Cash / Market price A		0.0	0.0	7.6	4.1
<u>Class B share:</u>					
Number of outstanding shares ³ (Issued shares minus repurchased shares)		42,826,079	42,927,442		
Market Price	8.22	35.25	29.50		
Average daily volume (# of shares)		5,991	2,568		
Market Price / Book value per share		0.4	0.4		
Market Price / Period Net Earnings per share		6.6	8.6	2.6	1.7
Dividends received in Cash / Market price B		0.0	0.0	7.6	4.1
Book value per share in Bs (Equity / # of outstanding shares) ²	21.94	94.12	77.27		
Total weighted outstanding shares		99,325,487	99,881,952	99,371,098	99,753,843
Earnings per share (Net Result/ weighted outstanding shares)		5.37	3.42	13.31	16.87
<u>Balance Structure indicators</u>					
Gross Loans/Deposits		75.8%	69.7%		
<u>Profitability Ratios (%):</u>					
Gross financial margin / Average interest earning assets		8.6%	7.8%	7.9%	7.3%
Commissions and other income as a percentage of Total income		38.6%	43.4%	38.2%	48.0%
Return on average assets (ROA)		2.5%	2.1%	2.2%	3.2%
Return on average equity (ROE)		23.8%	21.3%	20.8%	31.6%
<u>Efficiency Ratios (%):</u>					
Operating expenses / Average total assets		6.3%	6.0%	5.7%	5.5%
Operating expenses / Total income		54.4%	55.6%	54.1%	49.7%
<u>Liquidity Ratios (%):</u>					
Cash and due from banks / Deposits		14.6%	19.2%		
Cash and due from banks and Investments Portfolio / Deposits		49.6%	56.2%		
<u>Asset Quality Ratios (%):</u>					
Non performing loans/ Gross loans		2.3%	3.6%		
Allowance for loan losses / Non performing loans		161.2%	85.7%		
Allowance for loan losses / Gross loans		3.7%	3.1%		
<u>Capital Adequacy Ratios (%):</u>					
Shareholders equity / Assets		10.5%	10.6%		
SNV-Risk based capital (minimum required 8%)		18.8%	20.4%		

¹ Figures in US\$ given for reference purposes only; Balance Sheet figures translated at the closing exchange rate and income at the average exchange rate for the period. See exchange rates in Appendix III. Exchange control has been in place in Venezuela since February 2003.

² Issued shares minus repurchased shares.

³ Stock dividends paid are considered as issued shares for comparison purposes.

APPENDIX V

Number of employees

Employees in Venezuela
Employees Abroad

Distribution network

Branches in Venezuela
 Bank branches
 Insurance branches
Branches Abroad
Representative Offices
Number of ATMs
Number of points of sale (POS)

Exchange and inflation rates

Exchange rate Bs/US\$1 (Controlled since February 2003)
Average Exchange Rate 3Q (Bs/US\$1)
Average Exchange Rate for 9 months (Bs/US\$1)
Inflation for the last 12 months

	Quarter ended on	
	Sep 11	Sep 10
Employees in Venezuela	8,440	8,244
Employees Abroad	851	827
Branches in Venezuela		
Bank branches	304	318
Insurance branches	271	285
Branches Abroad	33	33
Representative Offices	23	21
Number of ATMs	6	6
Number of points of sale (POS)	1,337	1,355
	43,057	39,800
Exchange rate Bs/US\$1 (Controlled since February 2003)	4.2893	4.2893
Average Exchange Rate 3Q (Bs/US\$1)	4.2893	4.2893
Average Exchange Rate for 9 months (Bs/US\$1)	4.2893	3.3472
Inflation for the last 12 months	26.5%	27.9%

APPENDIX VI

MERCANTIL C.A. BANCO UNIVERSAL According to rules issued by SUDEBAN ¹ UNAUDITED CONSOLIDATED FIGURES (In millions of Bolivars and Dollars, except percentages)

	US\$ ³ 09-30-11					Sep 11 vs. Jun 11		Sep 11 vs. Sep 10	
		09-30-11	06-30-11	09-30-10	Bolivars	%	Bolivars	%	
SUMMARY OF BALANCE SHEET									
ASSETS									
Cash and Cash Equivalents	2,344	10,052	11,846	10,531	(1,794)	(15.1)%	(479)	(4.5)%	
Investments Portfolio	2,398	10,285	9,169	6,653	1,116	12.2%	3,632	54.6%	
Loan Portfolio	8,124	34,848	31,630	23,334	3,218	10.2%	11,514	49.3%	
Properties and Equipment and Other Assets	277	1,191	1,050	1,384	141	13.4%	(193)	(13.9)%	
TOTAL ASSETS	13,143	56,376	53,695	41,902	2,681	5.0%	14,474	34.5%	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits	11,517	49,401	47,371	36,244	2,030	4.3%	13,157	36.3%	
Financial Liabilities and Other Liabilities	394	1,692	1,421	1,324	271	19.1%	368	27.8%	
TOTAL LIABILITIES	11,911	51,093	48,792	37,568	2,301	4.7%	13,525	36.0%	
SHAREHOLDERS' EQUITY	1,232	5,283	4,903	4,334	380	7.7%	949	21.9%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	13,143	56,376	53,695	41,902	2,681	5.0%	14,474	34.5%	

	US\$ ³ 09-30-11	Quarter Ended on				9 months Ended on			
		09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars	%
SUMMARY OF STATEMENT OF INCOME									
Interest Income	431	1,848	1,219	629	51.6%	4,928	3,441	1,487	43.2%
Interest Expense	130	556	415	141	34.0%	1,524	1,200	324	27.0%
Gross Financial Margin	301	1,292	804	488	60.7%	3,404	2,241	1,163	51.9%
Allowance for Losses on Loan Portfolio	63	272	152	120	78.9%	711	446	265	59.5%
Net Financial Margin	238	1,020	652	368	56.4%	2,692	1,795	897	50.0%
Commissions and Other Income	157	675	430	245	57.0%	1,822	1,141	681	59.7%
Operating Income	395	1,695	1,082	613	56.7%	4,514	2,936	1,578	53.8%
Operating Expenses	261	1,120	834	286	34.3%	2,971	2,201	770	35.0%
Income before taxes	134	575	248	327	131.9%	1,543	735	808	110.0%
Taxes	9	37	29	8	27.6%	227	74	153	207.4%
NET INCOME	125	538	219	319	145.7%	1,316	661	655	99.1%
NET INCOME IN US\$ ³		125	51	74	145.7%	307	197	109	55.4%

Mercantil Banco Universal Indicators¹ from Consolidated Financial Statements

	System average ²	09-30-11	09-30-10
Gross financial margin / Average assets	8.1%	9.3%	8.2%
Return on average assets (ROA) ²	2.8%	3.6%	2.3%
Return on average equity (ROE) ²	32.0%	38.7%	22.9%
Non performing loans / Gross loans	1.9%	1.0%	1.0%
Allowance for loan losses / Non performing loans	234.1%	465.0%	396.1%
Allowance for loan losses / Gross loans	4.4%	4.7%	4.1%
Operating expenses / average total assets	5.3%	5.8%	6.1%

¹ Consolidated.

² Based on annualized figures.

³ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

APPENDIX VII

MERCANTIL COMMERCEBANK FLORIDA BANCORP

According to rules issued by SNV¹

UNAUDITED CONSOLIDATED FIGURES

(In millions of Dollars, except percentages)

	09-30-11	06-30-11	09-30-10	Sep 11 vs. Jun 11		Sep 11 vs. Sep 10	
				US\$	%	US\$	%
SUMMARY OF BALANCE SHEET							
ASSETS							
Cash and Cash Equivalents	137	136	166	1	0.5%	(29)	(17.7)%
Investments Securities	2,505	2,319	2,603	186	8.0%	(98)	(3.8)%
Loan Portfolio	3,893	3,872	3,623	21	0.5%	270	7.5%
Properties and Equipment and Other Assets	185	200	201	(15)	(7.7)%	(16)	(8.1)%
TOTAL ASSETS	6,719	6,527	6,593	192	2.9%	126	1.9%
LIABILITIES AND SHAREHOLDERS' EQUITY							
Deposits	5,147	5,020	5,084	127	2.5%	63	1.2%
Financial Liabilities, Other Liabilities and Subordinated Debt	1,022	971	982	51	5.2%	40	4.1%
TOTAL LIABILITIES	6,169	5,991	6,066	178	3.0%	103	1.7%
SHAREHOLDERS' EQUITY	550	536	527	14	2.7%	23	4.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,719	6,527	6,593	192	2.9%	126	1.9%

	Quarter Ended on				9 months Ended on			
	09-30-11	09-30-10	US\$	%	09-30-11	09-30-10	US\$	%
SUMMARY OF STATEMENT OF INCOME								
Interest Income	46	46	(0)	(0.8)%	135	132	3	2.3%
Interest Expense	9	10	(1)	(9.2)%	28	32	(4)	(13.3)%
Gross Financial Margin	37	36	1	1.5%	107	99	7	7.4%
Allowance for Losses on Loan Portfolio	13	18	(5)	(25.3)%	41	44	(2)	(4.8)%
Net Financial Margin	23	18	5	28.3%	66	56	9	16.8%
Commissions and Other Income	30	19	11	58.2%	62	52	11	20.9%
Operating Income	53	37	16	43.7%	128	108	20	18.7%
Operating Expenses	39	33	6	17.2%	112	102	11	10.4%
Income before taxes	14	4	10	262.1%	16	6	10	157.4%
Taxes	0	0	0	0.0%	2	0	2	100.0%
NET INCOME US\$	14	4	10	262.1%	13	6	8	126.2%

Cconciliation of Net Income SNV and USGAAP

(In millions of dollars)

	Quarter Ended on		9 months Ended on	
	09-30-11	09-30-10	09-30-11	09-30-10
Mercantil Commercebank N.A. Consolidated - Net Income	4	2	9	5
Results for the Holding and other Affiliates	(1)	(1)	(4)	(4)
Mercantil Commercebank Florida Bancorp - Net Income	3	1	5	2
Deferred Income Tax	1	0	1	1
Provision for available for sale assets	12	4	10	6
Others	(2)	(1)	(3)	(3)
Contribution to Mercantil's Results¹	14	4	13	6

¹ These financial statements are presented in accordance with rules of the SNV (see accounting principles used) to reflect the contribution of Mercantil Commercebank Florida Bancorp to the results of Mercantil. These Standards of the SNV are described in Appendix I.

APPENDIX VII

MERCANTIL COMMERCEBANK N.A. According to USGAAP UNAUDITED CONSOLIDATED FIGURES (In millions of Dollars, except percentages)

	09-30-11	06-30-11	09-30-10	△ Sep 11 vs. Jun 11		△ Sep 11 vs. Sep 10	
				US\$	%	US\$	%
SUMMARY OF BALANCE SHEET							
ASSETS							
Cash and Cash Equivalents	139	138	170	1	0.5%	(31)	(18.4)%
Investments Securities	2,501	2,316	2,600	185	8.0%	(99)	(3.8)%
Loan Portfolio	3,889	3,869	3,618	20	0.5%	271	7.5%
Properties and Equipment and Other Assets	227	254	244	(27)	(10.6)%	(17)	(7.1)%
TOTAL ASSETS	6,756	6,576	6,632	179	2.7%	124	1.9%
LIABILITIES AND SHAREHOLDERS' EQUITY							
Deposits	4,814	4,726	4,613	88	1.9%	201	4.4%
Financial Liabilities, Other Liabilities and Subordinated Debt	1,267	1,180	1,347	87	7.4%	(77)	(5.8)%
TOTAL LIABILITIES	6,081	5,906	5,960	175	3.0%	124	2.1%
SHAREHOLDERS' EQUITY	675	671	672	4	0.6%	3	0.4%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,756	6,576	6,632	179	2.7%	124	1.9%

	Quarter Ended on		△		9 months Ended on		△	
	09-30-11	09-30-10	US\$	%	09-30-11	09-30-10	US\$	%
SUMMARY OF STATEMENT OF INCOME								
Interest Income	46	46	(1)	(1.2)%	135	133	2	1.3%
Interest Expense	7	9	(1)	(14.3)%	23	27	(4)	(15.5)%
Gross Financial Margin	38	37	1	1.9%	112	106	6	5.5%
Allowance for Losses on Loan Portfolio	13	18	(5)	(25.9)%	41	44	(2)	(4.8)%
Net Financial Margin	25	19	5	28.0%	70	62	8	12.8%
Commissions and Other Income	14	14	(1)	(3.9)%	46	44	2	3.7%
Operating Income	39	34	5	14.4%	116	106	10	9.0%
Operating Expenses	33	31	2	7.4%	103	98	4	4.5%
Income before taxes	5	3	3	91.7%	13	8	5	64.0%
Taxes	2	1	1	91.7%	5	3	2	0.0%
NET INCOME US\$	4	2	2	91.7%	9	5	3	59.1%

Mercantil Commercebank N.A.

INDICATORS	Similar Group ¹	09-30-11	09-30-10
	Gross financial margin / Average assets	3.6%	2.3%
Return on average assets (ROA) ²	0.9%	0.2%	0.1%
Return on average equity (ROE) ²	7.7%	1.7%	1.1%
Non Accrual / Gross loans	2.6%	6.4%	9.9%
Allowance for loan losses / Gross loans	2.2%	1.7%	1.6%
Operating expenses / average total assets	2.8%	2.0%	2.1%

¹ Based on June, 2011.

² Annualized

APPENDIX VIII

MERCANTIL SEGUROS According to rules issued by SNV ¹ Unaudited Consolidated Figures (In millions of Bolivars and Dollars, except percentages)

	US\$ ² 09-30-11	09-30-11	06-30-11	09-30-10	△ Sep 11 vs. Jun 11		△ Sep 11 vs. Sep 10	
					Bolivars	%	Bolivars	%
SUMMARY OF BALANCE SHEET								
ASSETS								
Cash and Cash Equivalents	23	99	55	77	44	79.0%	22	28.4%
Investments Portfolio	653	2,799	2,694	2,074	105	3.9%	725	35.0%
Premiums receivable	127	544	494	410	50	10.2%	134	32.8%
Property and equipment	34	147	144	116	3	2.4%	31	27.0%
Other assets	108	466	424	361	41	9.7%	105	29.0%
TOTAL ASSETS	945	4,055	3,811	3,038	244	6.4%	1,017	33.5%
LIABILITIES AND SHAREHOLDERS' EQUITY								
Uncollected Premium	338	1,452	1,344	989	108	8.0%	433	42.5%
Reserves	195	837	794	652	44	5.5%	215	34.6%
Financial Liabilities	0	0	60	60	(60)	(100.0)%	(60)	100.0%
Accounts Payable Reinsures	50	214	195	149	19	9.7%	65	43.6%
Other provisions and other liabilities	131	561	501	413	59	11.9%	146	35.1%
TOTAL LIABILITIES	714	3,064	2,894	2,264	170	5.9%	799	35.3%
SHAREHOLDERS' EQUITY	231	991	917	773	75	8.1%	218	28.2%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	945	4,055	3,811	3,038	245	6.4%	1,017	33.5%

	US\$ ² 09-30-11	Quarter Ended on		△		9 months Ended on		△	
		09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars	%
SUMMARY OF STATEMENT OF INCOME									
Earned Premiums Received	269	1,155	875	280	32.0%	3,141	2,370	771	32.5%
Claims Incurred	(177)	(758)	(618)	(140)	22.6%	(2,052)	(1,635)	(418)	25.5%
Commissions and Acquisition Expenses	(44)	(187)	(151)	(36)	23.7%	(529)	(411)	(118)	28.7%
Management Expenses	(32)	(136)	(92)	(44)	48.1%	(386)	(279)	(107)	38.5%
Technical Result	16	75	14	60	422.7%	174	45	128	282.0%
Income from Investments	18	78	48	30	63.9%	215	132	83	63.3%
Foreign exchange gains	0	(0)	6	(6)	(101.6)%	0	122	(122)	(100.0)%
Taxes and Contributions	(7)	(30)	(5)	(25)	529.4%	(70)	(22)	(48)	217.4%
Contracts of excess of lost	(6)	(28)	(17)	(10)	59.7%	(67)	(31)	(37)	118.9%
NET INCOME	22	95	46	49	106.9%	252	247	5	2.1%
NET INCOME US\$ ⁽²⁾		22	10	12	121.2%	59	74	(15)	(20.6)%

Conciliation of Net Income SNV and SUDESEG

(In millions of Bs)

	Quarter Ended on		9 months Ended on	
	09-30-11	09-30-10	09-30-11	09-30-10
Mercantil Seguros (Consolidated) - Net Income	101	46	252	247
Valuation of Investments	0	(1)	(3)	(2)
Earned premiums	(3)	(1)	3	1
Other	(3)	1	0	1
Contribution to Mercantil's Results	95	45	252	247

¹ These financial statements are presented in accordance with SNV standards and adjusted for inflation up to December 31, 1999 (See accounting principles used, Appendix I). They reflect Mercantil Seguros contribution to Mercantil's results. These Standards of the SNV are described in Appendix I.

² Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control has been in place in Venezuela since February 2003.

APPENDIX VIII

MERCANTIL SEGUROS According to rules issued by SUDESEG Unaudited Consolidated Figures (In millions of Bolivars and Dollars, except percentages)

	US\$ ¹					△ Sep 11 vs. Jun 11		△ Sep 11 vs. Sep 10	
		09-30-11	09-30-11	06-30-11	09-30-10	Bolivars	%	Bolivars	%
SUMMARY OF BALANCE SHEET									
ASSETS									
Investments suitable for representing									
Technical Reserves	719	3,086	2,949	2,299	137	4.6%	787	34.2%	
Investments not-suitable for representing									
Technical Reserves	128	549	496	190	53	10.7%	359	189.1%	
Other assets	116	501	484	483	17	3.5%	18	3.7%	
TOTAL ASSETS	963	4,136	3,929	2,972	207	5.3%	1,164	39.2%	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Technical Reserves	537	2,302	2,159	1,660	143	6.6%	642	38.7%	
Other allowances and liabilities	156	669	704	482	(35)	(4.9)%	186	38.6%	
TOTAL LIABILITIES	693	2,971	2,863	2,142	108	3.8%	828	38.6%	
SHAREHOLDERS' EQUITY	271	1,165	1,066	829	99	9.2%	336	40.5%	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	964	4,136	3,929	2,972	207	5.3%	1,164	39.2%	

	US\$ ¹	Quarter Ended on				9 months Ended on			
		09-30-11	09-30-11	09-30-10	Bolivars	%	09-30-11	09-30-10	Bolivars
SUMMARY OF STATEMENT OF INCOME									
Earned Premiums Received	270	1,158	875	283	32.4%	3,139	2,369	770	32.5%
Claims Incurred	(177)	(758)	(618)	(140)	22.7%	(2,052)	(1,634)	(418)	25.6%
Commissions and Acquisition Expenses	(44)	(187)	(151)	(36)	23.6%	(529)	(411)	(118)	28.6%
Management Expenses	(31)	(133)	(92)	(41)	44.2%	(387)	(279)	(108)	38.6%
Technical Result	19	81	14	67	476.1%	171	45	126	280.8%
Income from Investments	18	78	48	30	62.9%	218	132	86	65.2%
Foreign exchange gains	(0)	(0)	6	(6)	(101.7)%	0	122	(122)	(100.0)%
Taxes and Contributions	(7)	(30)	(5)	(25)	500.6%	(70)	(22)	(48)	216.3%
Contracts of excess of lost	(6)	(28)	(17)	(11)	63.8%	(67)	(30)	(37)	124.3%
NET INCOME	24	101	46	55	119.3%	252	247	5	2.2%
NET INCOME US\$¹		24	10	14	135.2%	59	74	(15)	(20.5)%

KEY FINANCIAL AND OPERATING INDICATORS

Mercantil Seguros

(In millions of Bolivars, except percentages)

	Quarter Ended on		9 months Ended on	
	09-30-11	09-30-10	09-30-11	09-30-10
Premiums Received Net	1,334	976	3,570	2,726
Market Share	10.7% ²	11.5%		
Equity / Total Assets	28.2%	27.9%		
Incurred Claims / Earned Premiums (%)	65.5%	70.7%	65.3%	69.0%
Commissions and Acq. Expenses / Earned Premiums (%)	16.1%	17.2%	16.9%	17.3%
Administrative Expenses / Earned Premiums (%)	11.5%	10.5%	12.2%	11.8%
Combined Ratio (%) ³	93.0%	98.4%	94.4%	98.1%
Insured Persons ⁴	1,430,107	1,459,273		

¹ Dollar figures are given for reference purposes only. Balance Sheet figures are translated at the closing exchange rate and income statement figures at the average exchange rate for the period. See exchange rates in Appendix V. Exchange control in place in Venezuela since February 2003.

² Market Share at 08/31/2011.

³ Combined ratio = (incurred claims + commissions + operating expenses) / earned premiums

⁴ In numbers

APPENDIX IX

Key Macroeconomic Indicators

	YEARS		QUARTERS						
	2009	2010	I 10	II 10	III 10	IV 10	I 11	II 11	III 11
Gross Domestic Product. Var.%¹									
Consolidated	(3.2)	(1.5)	(4.8)	(1.7)	(0.2)	0.5	4.8	2.5	ND
Oil activities	(7.4)	0.1	(2.0)	0.6	(0.0)	1.7	(0.5)	0.8	ND
Non-Oil activities	(1.7)	(1.6)	(4.5)	(1.7)	(0.2)	(0.3)	5.3	2.8	ND
Other Net Taxes on Products	(8.5)	(2.3)	(9.6)	(4.5)	(0.7)	4.9	7.6	2.4	ND
Consumer Price Index (% Change)²	26.9	27.4	28.4	44.6	18.8	19.3	33.8	29.1	25.2
Unemployment Rate (% Change)³	7.7	8.5	9.3	8.2	8.9	8.0	9.0	8.6	ND
Wage Income Index (% Var)¹	23.1	20.5	25.3	21.7	21.7	20.5	18.5	29.8	ND
Monetary Liquidity (% Change)¹	21.2	24.1	12.9	11.9	8.7	19.1	24.0	33.7	37.8
Interest Rates (Period end) (%)⁴									
Six Main Commercial and Universal Banks									
Period-end Loan Rate	18.9	17.9	18.4	17.7	17.4	17.9	17.1	17.4	17.5
Period-end Saving Deposit Rate	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6	12.6
Period-end Time Deposit Rate	15.0	15.0	14.5	14.6	14.8	15.0	14.9	14.8	14.5
Exchange Rate (Preferential)									
Period end (Bs/US\$) (Bid rate) ⁷	2.1446	2.5935	2.5935	2.5935	2.5935	2.5935	4.2893	4.2893	4.2893
Annual average exchange rate (Bs/US\$) ⁷	2.1446	2.3691	2.3691	2.3691	2.3691	2.3691	4.2893	4.2893	4.2893
Depreciation (%) ²	0.0	0.0	20.9	0.0	0.0	0.0	65.4	0.0	0.0
Exchange Rate (Oil)									
Period end (Bs/US\$) (Bid rate) ⁷	2.1446	4.2893	4.2893	4.2893	4.2893	4.2893	4.2893	4.2893	4.2893
Annual average exchange rate (Bs/US\$) ⁷	2.1446	3.2170	3.2170	3.2170	3.2170	3.2170	4.2893	4.2893	4.2893
Depreciation (%) ²	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
External Sector (million of US\$)									
Trade Balance⁵	19,153	27,173	9,038	6,059	5,581	6,495	11,914	12,581	ND
Oil Exports	54,201	62,317	15,654	15,257	14,661	16,745	19,679	23,905	ND
Non-Oil Exports	3,394	3,469	857	807	859	946	1,118	1,210	ND
Imports	38,442	38,613	7,473	10,005	9,939	11,196	8,883	12,534	ND
Central Bank of Venezuela Intl. Res. FEM	35,000	29,500	28,527	27,970	28,618	29,500	26,861	28,386	31,392
	830	832	830	831	831	832	3	3	3
Oil Export Average Price (US\$/b)	56.9	71.6	70.6	69.5	68.0	78.1	90.9	104.0	102.4
Average Oil Production (Thousands bpd)	2,181	2,187	2,185	2,178	2,195	2,190	2,213	2,257	2,283
Central Government (millions of Bs)									
Ordinary Income	136,955	162,562	31,244	38,788	39,631	52,899	44,234	ND	ND
Oil Income	53,236	58,668	7,372	14,457	13,638	23,201	11,292	ND	ND
Non-Oil Income	83,719	103,894	23,872	24,331	25,993	29,698	32,942	ND	ND
Ordinary Expenditures⁶	187,542	228,994	43,773	49,592	56,391	79,238	60,674	ND	ND

¹ Year-on-year variation.

² Annual Dec-Dec figures. Annualized quarterly figures.

³ Annual figures for the second semester.

⁴ Annual figures correspond to weighted averages.

⁵ Balance of payments figures.

⁶ Does not include public debt amortization.

⁷ Exchange Rate US\$/1 for comparison purposes. At January 1, 2008, begins the Monetary Conversion Law.

ND: Not Available

FEM: Macroeconomic Stabilization Fund

Source: Central Bank of Venezuela (BCV). Ministry of Finance (MF). National Statistics Institute (INE)

Ministry of Energy and Production (MEP). Bloomberg and own calculation