



At year end 2008

Mercantil Servicios Financieros' net earnings grew 22.5% to Bs. 959 million

** Mercantil Servicios Financieros' loan portfolio grew 14.9% to Bs 22,219 million (Bs 19,338 million in 2007).*

** The Mercantil Banco Universal subsidiary sufficiently exceeded the percentages requirements for loans to the agricultural, mortgage, microcredit, tourism and manufacturing sectors, and is the first institution in the Venezuelan financial system in terms of loans to the tourism and mortgage sectors, with market shares of 18.8% and 15.9% respectively.*

Mercantil Servicios Financieros, Venezuela's leading financial services corporation, whose business includes banking, insurance and investment services, announced its year end 2008 results today. The Company's Corporate Communications Unit reported that net earnings totaled Bs 959 million (US\$ 447 million), 22.5% more than the previous year.

The results of Mercantil, whose main subsidiaries are Mercantil Banco Universal, Mercantil Seguros and Mercantil Merinvest in Venezuela, Mercantil Commercebank in the United States and Mercantil Bank (Schweiz) in Switzerland reflect 19.9% year-on-year growth in Total Assets to Bs 46,830 million.

Mercantil's deposits totaled Bs. 36,211 million, reflecting 15.7% year-on-year growth. Shareholders' equity increased Bs 681 million to Bs. 4,089 million over the same period.

The Loan Portfolio grew 14.9% to Bs. 22,219 million. The ratio of Past-due and Nonperforming Loans to Total Loans is 2.5%. This indicator is 0.8% at Mercantil Banco Universal and 6.4% at Mercantil Commercebank.

Allowances for loan portfolio losses are Bs 473 million. These are related mainly to Mercantil's adequate loan portfolio provisioning policy; loan portfolio growth in Venezuela and the higher required provisioning in the commercial mortgage sector in the United States. This allowance represents 2.7% of the gross loan portfolio and covers 110.6% of Past-due and Nonperforming loans.

Performance of the subsidiaries

Mercantil Servicios Financieros also reported the performance of its subsidiaries at the close of 2008. Mercantil Banco Universal increased its loan portfolio by 22.2% compared to December 2007, and is the leading institution in the Venezuelan financial system in terms of loans to the tourism and mortgage sectors with market shares of 18.8% and 15.9% respectively.

In 2008 Mercantil Banco Universal exceeded the quotas it is required by law to comply with in the case of loans to the agricultural, mortgage, microcredit, tourism and manufacturing sectors.

The results obtained at December 31, 2008 indicate that Mercantil Banco Universal in Venezuela is the national banking system's leading institution in terms of Savings Deposits with 18.1% of that market. This subsidiary's total consolidated assets (including its overseas agencies) were Bs 31,394 million, representing 26.8% growth. Mercantil Banco Universal registered Bs. 752 million in net earnings at the close of 2008.

Mercantil Commercebank, the US subsidiary, totaled US\$ 4,361 million in deposits, representing 9.5% growth, and its total assets reached US\$ 6,024 million, representing 10.4% quarter-over-quarter growth. Its shareholders' equity was US\$ 559.5 million.

Net assets for 2008 totaled Las US\$ 2.5 million. The results reflect a loan portfolio allowance of US\$ 77 million, in line with the bank's policy to guarantee adequate reserves, mainly for commercial mortgage projects. Mercantil Commercebank reported that it has not participated in any investments or loans involving sub-prime mortgage risks.

At December 31, 2008 Mercantil Seguros recorded Bs 599 million in net collected premiums, representing Bs 156 million (35.2%) more than in the same period of last year; Bs 1,558 million in assets, representing 46% growth and Bs. 131 million in profits.

Mercantil is a financial services provider of banking, insurance and investment services in Venezuela that operates in 11 countries in the Americas, Europe and Asia. Its shares are listed on the Caracas stock exchange and its ADRs are traded over the counter in the United States. Its main subsidiaries are Mercantil Banco Universal, Mercantil Seguros and Mercantil Merinvest in Venezuela; Mercantil Commercebank in the USA and Mercantil Bank (Schweiz) AG in Switzerland. Mercantil is one of the world's 2,000 largest companies according to a survey by Forbes magazine (June 2008). For further information, please visit our website www.bancomercantil.com

**Corporate Communications Unit
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