



Shareholders' Meeting approved management report 2009

## **The loan portfolio of Mercantil Servicios Financieros grew 22% in 2009**

- *The Mercantil Banco Universal subsidiary, founded 85 years ago, complies with all the regulatory percentage set for loan portfolios in the agricultural, mortgage, microcredit, tourism and manufacturing sectors in 2009 and is the first Venezuelan financial institution to incorporate high-security chip technology into its debit cards.*

The audited financial statements and management report for 2009 submitted by the Board of Directors were approved at the Ordinary Shareholders' Meeting of Mercantil Servicios Financieros (Mercantil).

According to the report submitted, Mercantil Servicios Financieros' total assets at the close of 2009 amounted to Bs 53,074 million, 13.33% more than at the end of December 2008. The company registered 19.33% year-on-year equity growth to Bs 4,879 and posted Bs 796 in earnings in 2009.

Mercantil's net loan portfolio grew 22.13% to Bs 27,138 million compared to Bs 22,219 million at the close of 2008. The portfolio is characterized by its high degree of diversification and distribution by economic activity. Loan portfolio quality remains at satisfactory levels.

Mercantil's Total Deposits grew 18.3% to Bs 42,848 million.

The Meeting, chaired by Gustavo Marturet, President of Mercantil Servicios Financieros and attended by the members of the Board of Directors, approved an ordinary cash dividend chargeable to the profits posted at December 31, 2009, for each outstanding Class "A" and "B" share, at the rate of Bs 0.15 per common share, payable on May 10, 2010 and Bs 0.30 per common share, payable on October 10, 2010, as well as an extraordinary cash dividend at the rate of Bs 0.90 per common share, payable on May 10, 2010.

According to Mercantil's Corporate Communications Unit, the Meeting also approved the proposal for the Twenty-first phase of the Company's Stock Repurchase Program and the appointment of the Board members in keeping with the Company Bylaws.

The Board of Directors of Mercantil Servicios Financieros is made up as follows: Directors: Gustavo A. Marturet; Gustavo J. Vollmer H.; Alfredo Travieso P.; Luis A. Romero M; Gustavo Vollmer A.; Jonathan Coles; Víctor J. Sierra A.; Roberto Vainrub; Alejandro González Sosa and Miguel Ángel Capriles López; Alternates: Luis A. Sanabria U.; Oscar A. Machado K.; Eduardo Mier y Terán; Luis Esteban Palacios W.; Gustavo Galdo C.; Gonzalo Mendoza M.; Germán

Sánchez Myles; Luis A. Marturet M.; Carlos Hellmund B.; Gustavo Machado C.; Francisco Monaldi M.; Federico Vollmer A.; Claudio Dolman; Carlos Zuloaga T.; Nerio Rosales R.; Armando Leirós R.; Miguel Ángel Capriles Capriles; Luis Pedro España; Philip Henríquez and Alberto Sosa S

Gustavo Marturet, President of Mercantil, said that March 23 of this year marked Mercantil Banco Universal's 85th anniversary. He expressed his appreciation for the trust placed in the Bank by its clients, employees and associates and said that it was their confidence that "has allowed us to develop and become a benchmark in the financial sector, with clear principles and values that have remained unchanged since it was founded." He affirmed the Company's trust in the country, pointing out that Mercantil Servicios Financieros has more than 17,000 shareholders, 7,000 of whom are employees of the Company.

Alejandro González Sosa, Executive President of Mercantil Servicios Financieros, reported that Mercantil managed to maintain adequate levels of provisions and higher-than-required equity ratios in 2009. He also emphasized the Company's strict adherence to regulatory requirements, in particular the compulsory quotas on loan portfolios for sectors of importance to the country's development.

### **Ordinary Meeting of Shareholders of Mercantil Banco Universal**

The audited financial statements and management report for 2009 were approved by the shareholders at the Ordinary Shareholders' Meeting of Mercantil Banco Universal.

The report indicated that at the end of 2009, Mercantil Banco Universal's total assets had grown 26.8% to Bs 36,610 million; its equity 21.8% to Bs 3,300 million, deposits 29% to Bs 32,013 million and net earnings were Bs 643 million.

In 2009 Mercantil Banco Universal's registered Bs 4,949 million in net loans, a year-on-year increase of 32.3%. Loan portfolio quality remains very favorable, with a ratio of Past-due and Nonperforming Loans to Gross Loans of 0.9%, compared to 2.4% for the Venezuelan financial system as a whole.

The report stated that in 2009 Mercantil Banco Universal complied with the regulatory percentages for loan portfolios in the agricultural, mortgage, microcredit tourism and manufacturing sectors. It also ranks first within the Venezuelan financial system in terms of loans to the tourism, manufacturing and mortgage sectors with market shares of 16.3%, 20.3% and 16.9%, respectively. It also pointed out that it is the leader in terms of total deposits and trust fund assets, with 13.2% and 12.6% shares of those markets, respectively.

The report submitted to the shareholders stresses the expansion of the *Mercantil's Ally* network to include more than 100 customer service points in the Greater Caracas area and Miranda and Vargas states, which has enabled it to further the strategy designed to offer banking services and products to the Majorities segment.

The report emphasized the national and international certifications granted to Mercantil Banco Universal for its use of chip technology in its debit cards, which positions Mercantil as the first bank in Venezuela's financial system to develop high-security devices for the benefit of its clients.

Fondonorma, the Venezuelan Standardization and Quality Certification Institute, granted a new ISO 9001:2000 certification to the Statutory Social Benefits and savings Fund product; and in 2009 ratified 10 certifications for 10 lines of service.

## **Acknowledgements**

Mercantil Servicios Financieros and its subsidiaries received various recognitions in 2009 from internationally prestigious institutions and publications. In April 2009, Mercantil was the only institution in the national financial system on Forbes' list of the world's top 2,000 companies, at number N° 1,333 in the ranking. For the fourth time running the Great Place To Work® Institute included Mercantil Banco Universal and Mercantil Seguros among the 20 Best Companies to work for in Venezuela and they were the only ones from the financial and insurance sector to be included on that list.

*Mercantil is a financial services provider that operates in 10 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. According to a survey by Forbes Magazine (April 2009), Mercantil is one of the world's 2,000 leading companies and the Great Place to Work® Institute ranked the Mercantil Banco Universal and Mercantil Seguros subsidiaries as two of the best places to work for in Venezuela. For further information, please visit our website [www.bancomercantil.com](http://www.bancomercantil.com)*

**Mercantil Corporate Communications**  
**Caracas, March 29, 2010**