



Shareholders approved semi-annual report 2010

Mercantil Servicios Financieros' equity amounted to Bs 7,532 million in the first semester

- *During the first six months of the year Mercantil Banco Universal, Mercantil's main subsidiary with 85 years of activities, has continued to comply with the percentages stipulated for loans to the agricultural, mortgage, tourism, microenterprise and manufacturing sectors.*
- *Mercantil Banco Universal has continued to expand its "Mercantil Aliado" network and currently has 110 service points operating through 28 correspondent trading desks and 72 trading points in four different states.*

During the Ordinary Shareholder's Meeting the audited financial statements and management report for the first half of 2010 of Mercantil Servicios Financieros (Mercantil), which were presented by the Board of Directors to the shareholders for consideration, were approved, according to a press release issued by Mercantil's Corporate Communications Unit.

According to the report submitted by the Board of Directors, Mercantil Servicios Financieros' equity amounted to Bs 7,532 million at June 30, 2010; loan portfolio quality remained favorable at Bs 37,177 with a ratio of past-due and nonperforming loans to gross loans of 4.3%. Total assets were Bs 72,877 million at the close of June 2010 and Mercantil's earnings closed at Bs 1,341 million.

Also approved were the Twenty-second Phase of the Company's Stock Repurchase Program and the merger to absorb its wholly-owned subsidiary, Holding Mercantil Internacional, C.A. The merger aims to increase efficiency by uniting efforts, cutting costs and improving the Corporation's competitiveness. This decision will have no other effect on Mercantil's financial statements.

Gustavo Marturet, president of Mercantil Servicios Financieros, chaired the Meeting and thanked all the shareholders for the trust and support shown towards the Board of Directors. Executive president Alejandro González Sosa pointed out that the first half of 2010 was a complex and dynamic period, characterized in Venezuela by the new laws passed to regulate financial activity, and the continued global economic downturn.

Ordinary Meeting of Shareholders of Mercantil Banco Universal

The Ordinary General Meeting of Shareholders of Mercantil Banco Universal, also held on September 16, in the morning, reviewed and approved the Board of Directors' report, the audited financial statements corresponding to the close of the first half of 2010, and elected the Statutory Auditors and their alternates.

According to the report, the main results announced at the meeting were 36.6% year-on-year growth of Mercantil Banco Universal's loan portfolio at the close of June 2010 and the leading position held by the institution in the Venezuelan financial system in terms of loans granted under the Mortgage Debtor Law (*Ley del Deudor Hipotecario*), with 16.6% of the market.

The total consolidated assets of Mercantil Banco Universal (including its overseas agencies) were Bs 40,234 million, representing 22.9% growth compared to June 2009.

In its effort to develop new products and services, Mercantil Banco Universal has continued to increase the presence of the Mercantil's Ally network in the provinces and now has 110 service points operating through 38 correspondent service points and 72 trading points in four different states in addition to Caracas (*Distrito Capital*), reflecting a noteworthy increase in the amount of operations carried out through this network.

The results attained at June 30, 2010 indicate that Mercantil Banco Universal is the banking system's leading institution in Venezuela in terms of savings deposits with 19.9% of that market.

During the meeting Nerio Rosales Rengifo, executive president of Mercantil Banco Universal, emphasized the high quality of its loan portfolio and the efficient handling of its operating processes as the main contributors to these semi-annual results. He also pointed out that Mercantil Banco Universal continues to meet the compulsory quotas for loans to the microenterprise, mortgage, manufacturing, tourism and agricultural sectors.

Mercantil is a financial services provider of banking, insurance and asset management services in Venezuela that operates in 10 countries in the Americas and Europe. 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 Banco Universal and Mercantil Seguros are among the best companies to work for in Venezuela, according to a survey published in 2010 by the Great Place to Work Institute. For further information, please visit our website www.bancomercantil.com

Mercantil Corporate Communications
Caracas, September 21, 2010