

Caracas, January 30, 2019. Mercantil announces its earnings for the quarter ended December 31, 2018.

| Summary of Financial Statements and Ratios ⁽¹⁾ <i>(In thousands of Bolívares, including percentages)</i> | | | | | |
|---|----------------------|-----------------------|----------------------|---------------------------------|--------------------------------|
| | December 2018 | September 2018 | December 2017 | Δ Dec. 18 vs. Sept. 18 % | Δ Dec. 18 vs. Dec. 17 % |
| QUARTERLY RESULTS | | | | | |
| Net Interest Income | 4,020,058 | 860,465 | 2,507 | 0.4 | 160.3 |
| Net Income – Quarter | 63,826,394 | 3,805,840 | 678 | 1.6 | 9,413.8 |
| Net Income – 12 months | 67,759,059 | | 1,222 | | 5,542.8 |
| KEY FINANCIAL INDICATORS | | | | | |
| Income per share – Quarter Bs / share | 623 | 37,3 | 0.001 | 1.6 | 93,606.5 |
| Income per share – 12 months Bs / share | 664 | 39 | 100.25 | | 0.6 |
| Market price A share Bs | 5,750 | 1,000 | 0.70 | 0.5 | 819.3 |
| Market price B share Bs | 5,750 | 1,050 | 0.70 | 0.4 | 819.3 |
| Net Income (quarter) / Average Assets (ROA) | 150.3% | 72.2% | 6.4% | 0.1 | 2.2 |
| Net Income (quarter) / Average Equity (ROE) | 462.0% | 226.2% | 121.4% | 0.1 | 0.3 |
| Net Income (12 Months) / Average Assets (ROA) | 79.8% | | 2.5% | | 3.1 |
| Net Income (12 Months) / Average Equity (ROE) | 245.2% | | 45.4% | | 0.4 |

✓ **Net Interest Income** increased as a result of the higher financial assets and liabilities, with a larger intermediation (loans to deposits) ratio of 60.6% at the close of 4Q 2018 (31.7% at December 31, 2017).

✓ **Net quarterly result** in 4Q 2018 includes Bs 114,025 million from exchange rate difference

| Summary of Financial Statements <i>(In thousands of Bolívares, including percentages)</i> | | | | | |
|---|----------------------|-----------------------|----------------------|---------------------------------|--------------------------------|
| | December 2018 | September 2018 | December 2017 | Δ Dec. 18 vs. Sept. 18 % | Δ Dec. 18 vs. Dec. 17 % |
| Cash and due from banks | 96,734,793 | 12,626,591 | 82,366 | 0.7 | 117.3 |
| Investment Portfolio | 294,221,332 | 44,956,042 | 4,188 | 0.6 | 7,025.1 |
| Loan Portfolio, Net | 101,469,997 | 37,008,282 | 34,601 | 0.2 | 293.2 |
| TOTAL ASSETS | 540,635,720 | 99,900,957 | 136,700 | 0.4 | 395.4 |
| Deposits | 169,571,309 | 50,126,184 | 112,578 | 0.2 | 150.5 |
| Shareholders' Equity | 221,237,995 | 33,304,061 | 8,646 | 0.6 | 2,558.7 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 540,635,720 | 99,900,957 | 136,700 | 0.4 | 395.4 |
| ASSETS UNDER MANAGEMENT | 446,405,102 | 46,849,550 | 72,238 | 0.9 | 617.9 |

Net Loan Portfolio: During 4Q 2018, the net loan portfolio registered Bs 64,462 million (174%) quarter-over-quarter growth and Bs 101,435 million year-on-year increase.

Deposits: During 4Q 2018, deposits registered Bs 119,445 million (238.2%) quarter-over-quarter growth and Bs 169,459 million year-on-year increase.

Shareholders' Equity: At the close of 4Q 2018, total shareholders' equity reached Bs 221,238 million (564.3% quarter-over-quarter growth). This variation can be attributed mainly to Bs 63,826 million in net income for the period, as well as Bs 125,356 million from the exchange rate variation of subsidiaries abroad net assets; in addition, a decline in the investment portfolio value resulting in higher unrealized gain of Bs 11,537 million in the quarter. The inflationary and foreign exchange environment of the Venezuelan economy continues significantly affecting all items in the balance.

(1) All figures included in this document are expressed in sovereign bolívares in accordance with the provisions of the National Executive from August.

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Contribution of Subsidiaries

Mercantil Servicios Financieros
Equity Bs 221,238 millions



For further information, see Summary of Subsidiaries performance according to their Regulatory Accounting Standards page 13.

Credit Ratings

Mercantil Banco Universal has the best National Rating given to a Venezuelan private financial institution and the highest International Rating based on the country's sovereign rating ceiling of CC.

| | Fitch Ratings | Clave (*) |
|---|---------------|-----------|
| Mercantil Servicios Financieros | | |
| National Ratings | | |
| Long-term | A(Ven) | |
| Short-term | F1(Ven) | |
| Rating for Unsecured Bonds (Long-term in local currency) | A3 | A2 |
| Rating for Commercial Paper (Short-term in local currency) | A2 | A1 |
| Mercantil Banco Universal | | |
| National Ratings | | |
| Long-term | A(Ven) | |
| Short-term | F1(Ven) | |
| International Ratings | | |
| Long-term (Foreign and local currency) | CC | |
| Short-term (Foreign and local currency) | C | |
| Viability | CC | |

(*) A credit rating agency in Venezuela

Analysis of Consolidated Financial Statements

Operating Income

| | Quarter Ended on | | Δ | | Years Ended on | | Δ | |
|--|--------------------|---------------|--------------------|----------------|--------------------|---------------|--------------------|----------------|
| | December 2018 | December 2017 | Bolivars | % | December 2018 | December 2017 | Bolivars | % |
| <i>(In thousands of Bolivars, including percentages)</i> | | | | | | | | |
| Net Interest Income | 4,020,058 | 2,507 | 4,017,551 | 160.3 | 4,835,319 | 4,872 | 4,830,446 | 99.1 |
| Allowance for Losses on Loan Portfolio | 866,238 | 426 | 865,812 | 203.2 | 1,022,539 | 827 | 1,021,712 | 123.6 |
| Net Financial Margin | 3,153,821 | 2,081 | 3,151,740 | 151.5 | 3,812,780 | 4,045 | 3,808,734 | 94.1 |
| Commissions and Other Income | 105,209,909 | 1,496 | 105,208,413 | 7,032.6 | 111,271,124 | 2,577 | 111,268,547 | 4,317.7 |
| Insurance Premiums, Net of Claims | (891,270) | 13 | (891,283) | (6,856.0) | (947,833) | 222 | (948,055) | (427.9) |
| Operating Income | 107,472,460 | 3,590 | 107,468,870 | 2,993.6 | 114,136,071 | 6,844 | 114,129,227 | 1,667.6 |

Net Interest Income

In 4Q 2018, net interest income reached Bs 4,020 million, up Bs 4,018 million from 4Q 2017, mainly due to the increase in financial assets and liabilities. Interest income reached Bs 4,176 million, reflecting Bs 4,173 million year-on-year increase. This increase is reflected in the performance of the income from the loan portfolio, which grew Bs 3,916 million. On the other hand, interest expenses totaled Bs 156 million.

Mercantil's net interest margin (net interest income-to-average financial assets) at December 31, 2018 was 7.4% compared to 26.0% the previous year.

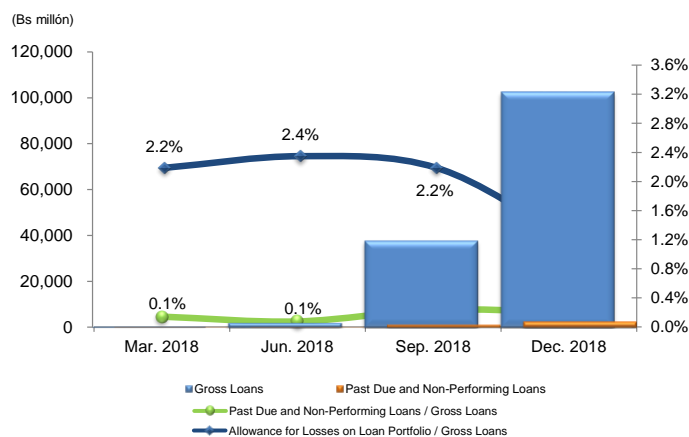
Loan Portfolio Provision

In 4Q 2018, expenses totaled Bs 866 million, compared to Bs 0.4 million in 4Q 2017.

The accumulated allowance reached Bs 1,239 million at December 31, 2018, representing 1.21% of gross loans (2.2% at September 30, 2018). This provision covers 585.2% of past-due and non-performing loans (943.4% at September 30, 2018).

The loan portfolio provision is considered sufficient given the characteristics of the credits granted.

Evolution of Loan Portfolio



Total Commissions and Other Income

In 4Q 2018, commissions and other income totaled Bs 105,210 million, up Bs 105,208 million from 4Q 2017, mainly due to:

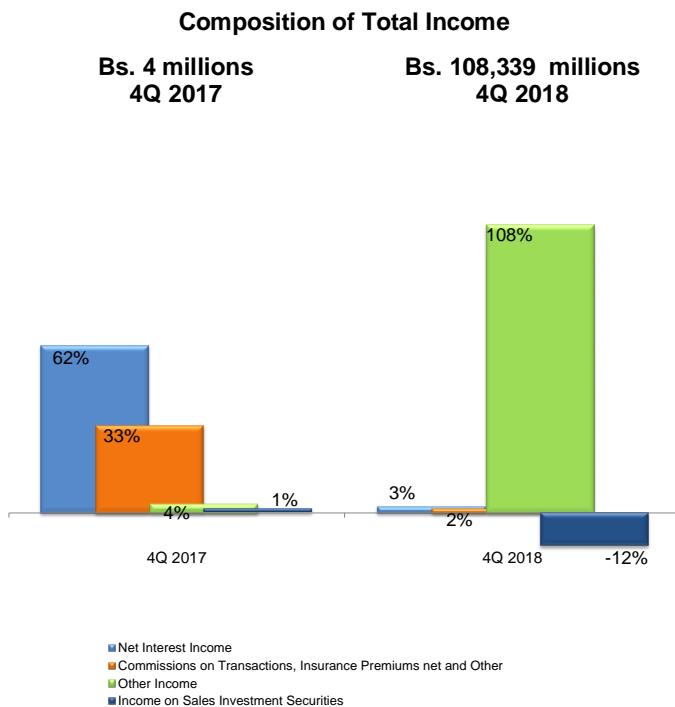
- Bs 114,033 growth from exchange rate differences.
- Bs 4,340 million increase of earnings from commissions for the use of credit and debit cards, income from financing insurance premiums, as well as from other commissions from client transactions, mainly due to higher volume of transactions.

Total Insurance Policies, net of Claims

In 4Q 2018, collected premiums totaled Bs 2,653 million, representing 154,608% year-on-year growth. This increase is mainly due to the Health (48,290%) and Automobile (28,284%) businesses.

Claims and administrative expenses during 4Q 2018 totaled Bs 834 million, up 136.745 from 4Q 2017, this growth mainly due to the Health business.

The claims ratio was 204.2% in 4Q 2018 (74.5% in 4Q 2017).



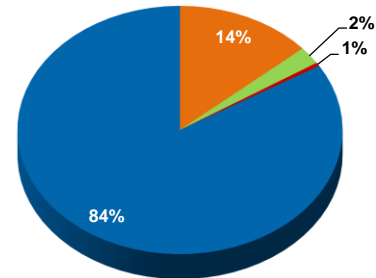
Total Operating Expenses

| | Quarter Ended on | | | | Years Ended on | | | |
|--|--------------------|---------------|--------------------|----------------|--------------------|---------------|--------------------|----------------|
| | December 2018 | December 2017 | Bolivars | % | December 2018 | December 2017 | Bolivars | % |
| <i>(In thousands of Bolivars, including percentages)</i> | | | | | | | | |
| Operating Income | 107,472,460 | 3,591 | 107,468,870 | 2,993.6 | 114,136,071 | 6,844 | 114,129,227 | 1,667.6 |
| Operating Expenses | | | | | | | | |
| Personal and Employee Benefits | 3,208,279 | 459 | 3,207,820 | 698.9 | 4,030,673 | 1,062 | 4,029,611 | 380.0 |
| Other Operating expenses | 20,154,045 | 1,793 | 20,152,252 | 1,123.9 | 21,987,493 | 3,521 | 21,983,972 | 6,244 |
| Taxes Current and Deferred | 20,566,432 | 661 | 20,565,771 | 3,111.3 | 20,874,088 | 1,046 | 20,873,042 | 1,996.4 |
| Minority Interests | 23,009 | (2) | 23,011 | (1,150.6) | 20,956 | (1) | 20,957 | (2,392.4) |
| Discontinued Operation | 259,681 | 3 | 259,678 | 8,655.9 | 494,285 | 7 | 494,278 | 6,643.2 |
| Net Income | 63,826,394 | 678 | 63,825,716 | 9,413.8 | 67,759,059 | 1,222 | 67,757,836 | 5,542.8 |

In 4Q 2018, personnel and operating expenses totaled Bs 23,362 million, up Bs 23,360 million from 4Q 2017. This growth is mainly due to:

- Bs 20,044 million (1,208,951%) increase in operating expenses.
- Bs 3,208 million in personnel expenses, reflecting 698,872% year-on-year rise. This increase is due to the application of compensatory measures and benefits according to market.
- Bs 108 million (79,881%) increase in contributions to regulatory agencies.

Total Personal and Operating Expenses 4Q 2018

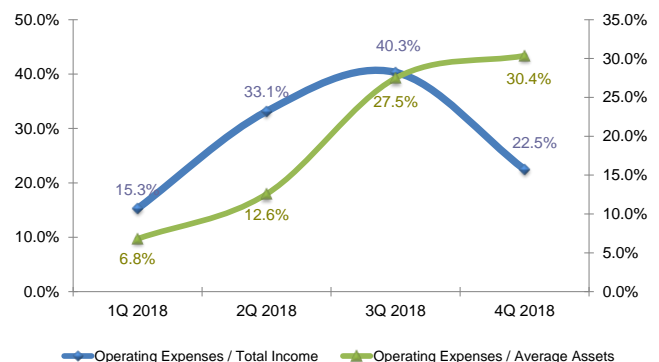


- Salaries and employee benefits
- Depreciation, Property and equipment, Amortization of intangibles and others expenses
- Fees paid to regulatory agencies
- Technology, Maintenance, Securities Transportation and Others

Efficiency Ratios

The efficiency ratio measured as operating expenses to average assets was 30.59% in December 2018, compared to 7.5% in December 2017. The ratio of operating expenses to total income was 22.5% in December 2018 (52.5% in December 2017).

Mercantil has made significant efforts to adapt its organizational and operational structure to the current environment in the geographical areas where it operates.



Balance Sheet

The main variations of the balance sheet during 4Q 2018 are reviewed and commented below, with respect to the previous quarter. The main year on-year variations are also indicated for comparison purposes:

| Summary of Balance Sheet and Assets under Management (In thousands of Bolivars, including percentages) | | | | | | | |
|---|--------------------|-------------------|----------------|---------------------|------------|---------------------|--------------|
| | December 2018 | September 2018 | December 2017 | Δ | | Δ | |
| | | | | Dec. 18 vs. Sep. 18 | % | Dec. 18 vs. Dec. 17 | % |
| | | | | Bolivars | | Bolivars | |
| Cash and due from banks | 96,734,793 | 12,626,591 | 82,366 | 84,108,202 | 0.7 | 96,652,427 | 117.3 |
| Investment Portfolio | 294,221,332 | 44,956,042 | 4,188 | 249,265,290 | 0.6 | 294,217,144 | 7,025.1 |
| Loan Portfolio, Net | 101,469,997 | 37,008,282 | 34,601 | 64,461,715 | 0.2 | 101,435,396 | 293.2 |
| Total Assets | 540,635,720 | 99,900,957 | 136,700 | 440,734,763 | 0.4 | 540,499,020 | 395.4 |
| Deposits | 169,571,309 | 50,126,184 | 112,578 | 119,445,125 | 0.2 | 169,458,731 | 150.5 |
| Shareholders' Equity | 221,237,995 | 33,304,061 | 8,646 | 187,933,934 | 0.6 | 221,229,349 | 2,558.7 |
| Asset Management | 446,405,102 | 46,849,550 | 72,238 | 399,555,552 | 0.9 | 446,332,864 | 617.9 |

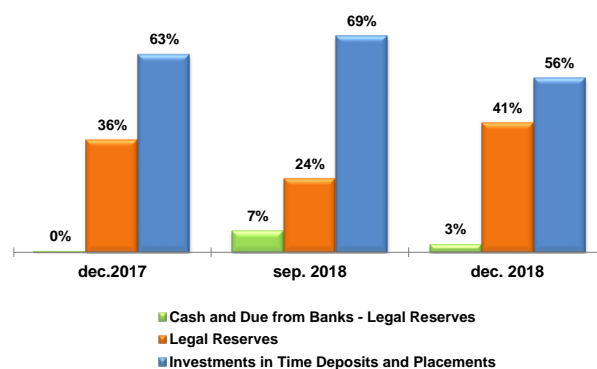
Liquidity

At the close of 4Q 2018, cash and due from banks (cash and legal reserves in Venezuela), plus investments in time deposits and placements included in the investment portfolio increased 632%, to Bs 99,311 million, up Bs 85,757 million from Bs 13,554 million registered in September 30, 2018. This increase is mainly reflected in Mercantil's accounts held at the Venezuelan Central Bank (BCV – Banco Central de Venezuela) and in Banks and Other Financial Institutions abroad.

Non-Interest Bearing Demand deposits are related to the recent high levels of liquidity in the Venezuelan financial system and to internal risk limits.

The liquidity ratio calculated as total cash and due from banks divided by deposits was 57.0%, and the ratio calculated by dividing total cash and due from banks plus investments by deposits was 230.6% compared to 25.2% and 114.1% in September 2018, and 73.2% and 76.9% respectively, at the close of December 2017.

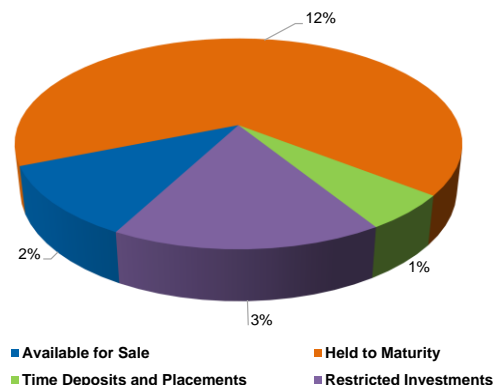
Liquidity



Investment Portfolio

At the close of 4Q 2018, the investment portfolio totaled Bs 294,221 million, up Bs 249,265 million from Bs 44,956 million the previous quarter. This growth is mainly due to the classification of discontinued investments and displacement of the exchange rate.

Investment Portfolio December 2018



Investments by maturity at the close of 4Q 2018, are broken down as follows:

| Investments by Maturity (In thousands of Bolivars, except percentages) | | | | | |
|---|--------------------|-------------------|------------------------------|---------------------------------------|--------------------|
| | Available for sale | Held to Maturity | Time Deposits and Placements | Trust Fund and Restricted Investments | |
| Years | Bs. ¹ | Bs. ² | Bs. ¹ | Bs. ¹ | TOTAL |
| Less Than 1 | 3,767,388 | 5,128,889 | 2,576,160 | 8,405,383 | 19,877,820 |
| From 1 to 5 | 201,432 | 29,960,952 | - | - | 30,162,384 |
| Over 5 | 3,023,671 | 1,635,129 | - | 3 | 4,658,803 |
| Subtotal | 6,992,491 | 36,724,970 | 2,576,160 | 8,405,386 | 54,699,007 |
| Actions ⁴ | | | | | 239,522,357 |
| Total | 6,992,491 | 36,724,970 | 2,576,160 | 231,962,409 | 294,221,364 |

¹ Registered at Market Value

² Amortized cost

³ The yield of securities is based on amortized cost at the end of the period. Yield is calculated by dividing income investments (including premium amortization or discounts) by the amortized cost or market value.

⁴ It mainly includes the shares of subsidiaries (see pages 16 and 18)

Financial Intermediation Activity

Loan Portfolio

At the close of 4Q 2018, the net loan portfolio amounted to Bs 101,470 million, representing 174% quarter-over-quarter growth from Bs 37,008 million.

Compared to December 31, 2017, the loan portfolio grew Bs 101,435 million (293,161%), from Bs 35 million to Bs 101,470 million.

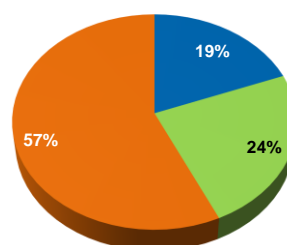
The ratio of past-due and non-performing loans to gross loans is 0.21%, compared to 0.23% at the close of September 2018.

Mercantil Banco Universal's ratio is 0.5% compared to 1.3% of the Venezuelan financial system.

| (In thousands of Bolivars, except percentages) | | | | | | |
|--|--------------------|--------------|-------------------|--------------|---------------|--------------|
| Loan Portfolio by Economic Activity | December 2018 | % | September 2018 | % | December 2017 | % |
| Commercial | 51,529,374 | 50.2 | 20,537,348 | 54.3 | 21,123 | 59.3 |
| Foreign trade | 28,049,238 | 27.3 | 27,412 | 0.1 | 5,151 | 14.5 |
| Services | 9,967,442 | 9.7 | 2,593,548 | 6.9 | 1 | 0.0 |
| Agricultural | 8,009,833 | 7.8 | 2,015,766 | 5.3 | 44 | 0.1 |
| Credit Cards | 4,926,434 | 4.8 | 626,399 | 1.7 | 2,947 | 8.3 |
| Industrial | 175,242 | 0.2 | 2,337,034 | 6.2 | 4,848 | 13.6 |
| Other | 33,300 | 0.0 | 3,842,291 | 10.0 | 406 | 1.1 |
| Construction | 8,880 | 0.0 | 1,642,926 | 4.3 | 640 | 1.8 |
| Car loans | 7,626 | 0.0 | 397,420 | 1.1 | 198 | 0.6 |
| Residential mortgage | 1,361 | 0.0 | 3,819,447 | 10.1 | 236 | 0.7 |
| | 102,708,730 | 100.0 | 37,839,590 | 100.0 | 35,593 | 100.0 |

At the close of December 31, 2018, 99.8% of Mercantil's loan portfolio is outstanding. The allowance for losses on the loan portfolio covers 585.2% of past-due and non-performing loans (943% at September 30, 2018). This ratio is 480.0% at Mercantil Banco Universal (547.7% at September 30, 2018).

Loan Portfolio by Business Segment December 2018



■ SME's ■ Large Corporation ■ Individuals

The analysis of the distribution of the loan portfolio broken down by economic activity and interest rates at December 31, 2018 is as follows:

| Sector | Balance maintained | | Required | Annual interest rated maximum | Calculation Base |
|------------------------------|----------------------------|---------------|--------------|-------------------------------|-----------------------------------|
| | (In thousands of Bolivars) | Achieved % | | | |
| Agriculture | 8,009,833 | 102.50 | 25.00 | 13% | Gross loans at september 30, 2018 |
| Microcredits | 1,266,284 | 87.53 | 3.00 | 24% | Gross loans at june 30, 2018 |
| Mortgage | 9,713 | 27.32 | 20.00 | Between 4.66% and 10.66% | Gross loans at december 31, 2017 |
| Tourism ^(a) | 5,232 | 14.72 | 5.25 | 6.77% ó 3.77% | Gross loans at december 31, 2017 |
| Manufacturing ^(b) | 175,242 | 492.87 | 30.00 | 18% ó 16.20% | Gross loans at december 31, 2017 |
| | 9,466,304 | 724.94 | 83.25 | | |

a) In November 2013, Mercantil C.A. Banco Universal acquires 115,014 shares at Bs 0,018, Bs 2,070 million, which is attributable to the fulfillment of the portfolio destined to the tourism sector. The total amount of the tourist portfolio adding these investments amounts to Bs 5,234,477 million.

b) In November 2016, the Ministry for Industries and the Ministry for Finance ratified the strategic development sectors to which at least 60% of the resources of the manufacturing loan portfolio must be allocated, as well as a minimum percentage of 40% allocated for the financing of small and medium-sized industries, joint ventures, as well as state-owned companies whose main activity is framed in the Classifier of Venezuelan Economic Activities (CAEV).

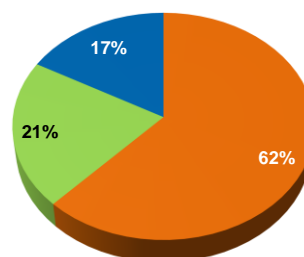
Deposits

At the close of 4Q 2018, deposits amounted to Bs 169,571 million, representing Bs 119,445 million (238%) quarter-over-quarter increase from Bs 50,126 million.

Compared to December 31, 2017, deposits increased Bs 169,459 million (150,526%).

Demand deposits were the main component of total deposits, which reached Bs 79,783 million, 255% quarter-over-quarter growth, accounting for 47.0% of total deposits. Savings deposits increased Bs 6,697 million (115 %) and term deposits rose Bs 55,459 million (254%), in the same period.

Breakdown Deposits by Business Segment December 2018



■ Individuals ■ Large Corporation ■ SME's

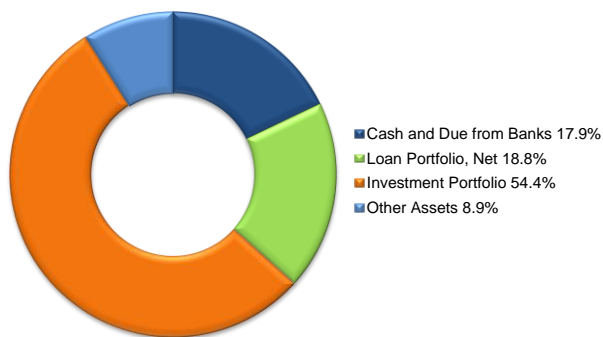
Total Assets

At the close of 4Q 2018 total assets grew 441% to Bs 540,636 million, up Bs 440,735 million from the previous quarter. This growth is due to the combined performance of cash and due from banks, investments and the loan portfolio, which grew Bs 84,108 million, Bs 249,265 million and Bs 64,462 million, respectively. The ratio of performing assets to total assets was 73.5%, up Bs 314,439 million (419 %) from the previous quarter

Compared to December 31, 2017, assets grew Bs 540,499 million, going from Bs 137 million to Bs 540,636 million.

The investment portfolio became the main component of total assets (54.4%), with the loan portfolio accounting for 18.8%, while cash and due from banks accounted to 17.9% at the close of the quarter.

Total Assets Distribution Bs. 540,636 millions December 2018



Financial Obligations

At the close of 4Q 2018, financial obligations reached Bs 42 million, down Bs 1,595 million from the previous quarter. Compared to December 31, 2017, obligations grew Bs 43 million.

| (In thousands of Bolivars) | December 2018 | September 2018 | December 2017 |
|---|---------------|------------------|---------------|
| Publicly Traded Debt Securities Issued by Mercantil | 1,315 | 1,805 | 45 |
| Other Financial Liabilities | 42,164 | 1,636,353 | 44 |
| | 43,479 | 1,638,158 | 88 |

Shareholders' Equity

At the close of 4Q 2018, shareholders' equity totaled Bs 221,238 million representing Bs 187,934 million (564,3%) quarter-over-quarter increase. Compared to 4Q 2017 shareholders' equity grew Bs 221,229 million.

The variation in 4Q 2018 is mainly due to Bs 125,356 million from adjustment of the exchange rate of net assets of subsidiaries abroad and Bs. 63,826 million in net income for the period.

Capital Ratios

Mercantil's equity-to-assets ratio at December 31, 2018, is 40.9% and its equity to risk-weighted assets ratio is 47.4%, based on the standards of SUNAVAL (33.3 % and 18% at December 31, 2017). Mercantil Banco Universal, in accordance with the requirements of SUDEBAN, has an equity-to-assets ratio of 40.4% and an equity to risk-weighted assets of 69.6% (28.6% and 47.7% at September 30, 2018).

The equity ratios of Mercantil and its subsidiaries exceed the regulatory minimum.

Wealth Management

The Wealth Management business comprises: trust fund, securities brokerage, mutual funds and portfolio management services. Net assets under management recorded off the balance sheet as of December 31, 2018 reached Bs 446,405 million, representing 853% quarter-over-quarter and Bs 446,333 million year-on-year growths, respectively. They are broken down as follows:

| TOTAL ASSETS UNDER MANAGEMENT (In thousands of Bolivars, including percentages) | | | | | |
|--|--------------------|-------------------|---------------|-----------------------|-----------------------|
| | December 2018 | September 2018 | December 2017 | Δ Dec. 18 vs. Sep. 18 | Δ Dec. 18 vs. Dec. 17 |
| Brokerage | 252,923,014 | 27,285,179 | 70,272 | 0.8 | 359.8 |
| Financial Advisory | 102,380,719 | 10,320,791 | 16 | 0.9 | 639,879.4 |
| Custody of Securities Trading | 73,462,911 | 7,498,767 | 183 | 0.9 | 40,143.6 |
| Trust Funds | 17,631,390 | 1,743,979 | 1,688 | 0.9 | 1,044.4 |
| Mutual Fund | 7,068 | 834 | 79 | 0.7 | 8.8 |
| Total Assets under Management Bs | 446,405,102 | 46,849,550 | 72,238 | 0.9 | 617.9 |

Mercantil offers its clients investment products and services (as broker-dealers, investment advisers and custody) in global financial markets. At the close of December 2018 total value of client assets was Bs 428,767 million, representing 853% quarter-over-quarter increase (Bs 428,696% year-on-year growth).

At the close of 4Q 2018, the Trust Fund managed Bs 17,631 million, which reflects 911% quarter-over-quarter growth. At December 31, 2018, the Trust Fund ranks third in the private banking sector and sixth in the fiduciary market in Venezuela.

At the close of December 2018, Mercantil continues to lead the mutual funds industry in Venezuela. Mutual Fund assets under management grew 748% and 8,847% compared to the previous quarter and to December 2017, respectively, reaching Bs 0.7 million.

Performance of Subsidiaries according to Local Accounting Standards

Mercantil Banco Universal

Mercantil Banco Universal's total assets grew Bs 125,322 million (658%) compared to September 2018. During 4Q 2018 the **net loan portfolio** grew to Bs 38,283 million (433%) and **deposits** increased by Bs 77,811 million (585%) to reach Bs 91,091 million. The quality of the loan portfolio remains at favorable levels, with ratios of past-due and under litigation loans to net loans at 0.5%, compared to 1.3% of the Venezuelan financial system. Loan portfolio provisions cover 543.1% of past-due and under litigation loans (620,5% at September 30, 2018).

Assets by employee in Venezuela rose from Bs 4.4 million in September 2018 to Bs 44 million at the close of the year.

Mercantil ranks sixth and second among the Venezuelan private financial system in terms of manufacturing and agriculture loans, with 1.6% and 20.1% market, respectively. Mercantil ranks third in terms of tourism and microcredits loans, with 2.3% and 10.6% of the market, respectively. Mercantil is the fifth bank in terms of savings with 15.6% of the market.

Shareholders' equity grew Bs 34,817 million (897.7%) from the previous quarter to Bs 38,848 million, which includes Bs 1,730 million in net quarterly income, Bs 33,224 million increase in exchange rate fluctuations registered in equity, among others. At December 31, 2018, the equity-to-assets ratio is 40.4% (minimum required is 7%) and the equity to risk-weighted assets ratio is 69.6% (minimum required is 11%), according to the standards of SUDEBAN for Venezuela.

During 4Q 2018, net earnings totaled Bs 1.612 million representing 1,379% quarter-over-quarter increase, mainly due to Bs 3,633 million increase in net interest margin as a result of higher financial assets and liabilities, Bs 2,333 million in net income from the use of credit and debit cards as well as from other fees from client transactions, Bs 862 million in loan portfolio provision, Bs 2,611 million increase in personnel and operating expenses, and Bs 333 million increase in corporate tax expenses.

Mercantil Banco Universal has made significant efforts to adapt its organizational and operational structure to the current environment.

Mercantil C.A., Banco Universal Consolidated (In thousands of Bolivars)

| | Dec. 2018 | Sep. 2018 | Dec. 2017 |
|-----------------------|--------------|--------------|--------------|
| Total Assets | 144,367,791 | 19,045,613 | 124,292 |
| Investments Portfolio | 14,191,596 | 1,688,382 | 3,748 |
| Loan Portfolio | 47,107,862 | 8,824,806 | 34,562 |
| Deposits | 91,091,119 | 13,280,553 | 114,552 |
| Shareholders' Equity | 38,847,820 | 3,893,395 | 3,677 |
| Net Income Quarter | 1,729,561 | 116,937 | 915 |
| Net Income 9 months | 1,877,915 | | 1,504 |

Historic figures in accordance with the standards of SUDEBAN.

Mercantil Seguros

Net collected premiums in 4Q 2018, reached Bs 2,651 million, Bs 2,651 million up from Bs 2 million at the close of 4Q 2017. At the close of October 31, 2018, Mercantil Seguros ranked first in terms of net collected premiums among the insurance companies in the country with 16.2% of the market.

Net collected premiums per employee in Venezuela rose from Bs 2.1 thousand in 2017 to Bs 4,824 thousand in 2018.

Total asset reached Bs 15,657 million at December 31, 2018, representing a 984% quarter-over-quarter increase. Shareholders' equity totaled Bs 8,254 million, meeting the statutory solvency requirements in place.

These figures include all compulsory and voluntary reserves required to guarantee the company's operations, including outstanding claims reserves and end-of-period payments.

At the close of December 31, 2018, the **investment portfolio** totaled Bs 11,951 million, up 962% from the previous quarter. Total Investments representing Technical Reserves reached Bs 4,663 million (Bs 4,386 million quarter-over-quarter increase, and Bs 4,358 million year-on-year growth), while liquidity levels amply meet all statutory requirements on commitments towards policyholders, insurance brokers and reinsurers.

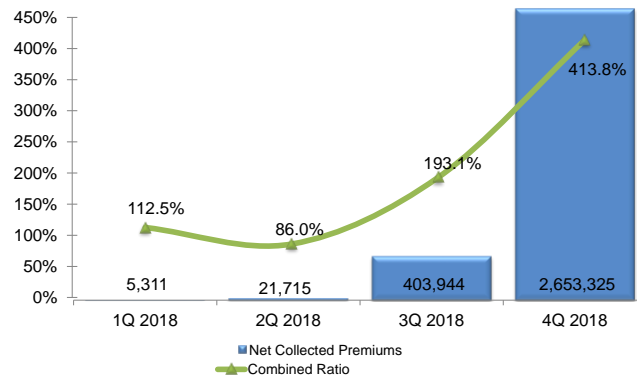
During 4Q 2018, technical results closed at minus Bs 1,011 million, with a combined operating ratio¹ of 413.8%. **Net income** for 4Q 2018 reached Bs 2,858 million. The claims ratio was 191.8% (67.5% in 2017). In annual terms the net income totaled Bs. 2,907 million.

Mercantil Seguros C.A. (in thousands of bolivars)

| | Dec. 2018 | Sep. 2018 | Dec. 2017 |
|--|------------|-----------|-----------|
| Total Assets | 15,657,225 | 1,444,132 | 7,168 |
| Investments suitable for representing | 4,662,526 | 276,673 | 4,150 |
| Investments not-suitable for representing Technical Reserves | 7,288,619 | 848,803 | 2,291 |
| Shareholders' Equity | 8,253,555 | 489,135 | 4,569 |
| Net Income Quarter | 2,858,139 | 57,684 | (143) |
| Income net 12 Months | 2,906,623 | | 152 |
| Premiums Received Quarter | 403,944 | 403,944 | 171,506 |
| Premiums Received 12 months | 430,971 | | 323,867 |

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

Evolution of Net Collected Premiums and Combined Ratio¹



¹ Combined operating ratio = (incurred claims + commissions + operating expenses) / earned premiums)

Other Subsidiaries of Mercantil Servicios Financieros

Among its subsidiaries, Mercantil includes a brokerage house, a mutual fund and investment portfolio management society, and other banks abroad, in addition to other non-financial subsidiaries in Venezuela. A summary of the activities of these subsidiaries is presented as follows:

Switzerland

- Mercantil Bank (Schweiz) AG, began activities in 1988 under the name BMS Finanz AG. It acted as correspondent bank, facilitating international trade. Twelve years later, in 2000, Swiss authorities granted the license to operate as a bank and securities intermediary under the name Banco Mercantil (Schweiz) AG. From then onwards, it developed personal, private and corporate banking services. In 2012, it redirected its activities exclusively towards private banking and wealth management, in accordance with international standards. At the close of December 2018, total assets reached US\$ 164 million and assets under management totaled US\$ 481 million. Net income for 4Q 2018 was US\$ 0.4 million, and the net income at the close of 2018 was US\$ 1.4 million.

Panama

In the last five years, Mercantil has developed a comprehensive range of financial services, and has ventured into the business of insurance and wealth management in Panama.

- Mercantil Banco, S.A. started banking activities in 1977 under an international license under as Banco del Centro. In 2008, it received authorization to operate with a general license, and changed its name to Mercantil Bank (Panama), with a simultaneous expansion process; in the last five years, it has developed a complete set of financial services, has venture into insurance and wealth management business. At December 31, 2018, total assets amounted to US\$ 547 million. The net loan portfolio totaled US\$ 370 million, 5.1% up from the previous quarter. Deposits increased US\$ 17 million compared to the close of the previous quarter to reach US\$ 491 million at the close of December 2018. Net income for 4Q 2018 totaled US\$ 1.1 million and the net annual income was US\$ 5.7 million, 201.8% up from 2017.
- Mercantil Seguros y Reaseguros' total assets at December 31, 2018 amount to US\$ 73 million, 2.8% up from the close of September 2018. The investment portfolio reached US\$ 54 million. Shareholders' equity totaled US\$ 51 million 7.6% up from the close of September 2018. Net income for 4Q 2018 was US\$ 4.4 million, and in annual terms was Bs. 14,8 million.

Venezuela

- Mercantil Merinvest Casa de Bolsa, C.A. was incorporated in Venezuela, and provides brokering services (purchase and sale of securities) and financial advisory in the securities market. At December 31, 2018 total assets were Bs 487 million, representing a 711% quarter-over-quarter increase. This variation is mainly reflected in cash and due from Banks which increased 996% from the previous quarter to Bs 264 million, and to the investment portfolio, which increased 494% to Bs 211 million from the previous quarter. Net earnings for 4Q 2018 was Bs 138 million, up 236,934% compared to 4Q 2017. The net income for the year 2018 was Bs 149 million, up 203,937% from 2017.
- Mercantil Inversiones y Valores consolidates Mercantil's non-financial businesses, such as Servibien, Almacenadora Mercantil and other with various investments in securities. At December 31, 2018, Mercantil Inversiones y Valores C.A. had Bs 113 million in consolidated assets and Bs 111 million in shareholders' equity.

Corporate Events

Venezuela

General Shareholders Meeting

The General Shareholders' Meeting of Mercantil held on January 9, 2019 approved a dividend in kind, to be charged to earnings at December 31, 2019, for each outstanding common Class "A" and Class "B" shares, to be paid in shares of the Alvina Corporation subsidiary, on the basis of one Class "A" share and one Class "B" share of the said subsidiary for each outstanding Class "A" and Class "B" shares of MSF, respectively, held by MSF shareholders at the "Effective Record Date".

The amount in Bolívares of the dividend for each share is Bs 2,662, resulting from calculating and estimating the book value of the shares of the aforementioned subsidiary to be distributed in dividend by the estimated distribution date, at the applicable exchange rate according to legal regulations in force by the date of the decree of the said dividend, for a total amount calculated and estimated as a dividend in kind to be distributed of Bs 278.873.678.182. This amount will be applied by Mercantil on January 9, 2019 as advanced retained earnings in order to record the corresponding liability with the respective shareholders receiving shares according to the dividend decree proposal. Additionally, the Meeting approved to grant in the Mercantil Board of Directors the designation of the "Effective Record Date" and the "Last Date Shares Trade (Cum-Dividend)", corresponding to the aforementioned dividend.

Mercantil Seguros reinforces its self-operated and sales channels within its Más Digital strategy, during 1H 2018

Mercantil Seguros continued to reinforce its self-operated and sales channels, through the implementation of tools providing to its clients and advisors greater autonomy and independence in their operations, and in the selection of products that best suits their needs; based on the transformation of its structure and organization towards a more digital and modern vision.

The company continued innovating in the market with the commercialization of new benefits and services that complement the current range of options, resulting into more protection possibilities for its clients. In that sense, it expanded the services of its international health policy Global Benefits with the new Global Benefits Medical app, which allows clients to request online medical appointment, medical care at home, ambulance and medicine delivery services for emergencies, and specific medical attention; the iOS and Android versions of the app are available at the corresponding online app stores. The Company also reinforced its corporate business strategy, which already includes 100 clients, with a stable growth rate of its products Línea Vital line (personal accidents, deaths, cancer diagnosis, hospitalization rent).

Panama

Mercantil celebrated 40 years of vision, trust and commitment in Panama, in October 2018

To celebrate these four decades of uninterrupted work, the event "The Art of Creation" was held. The activity was an innovative and creative experience that integrated art, culture, technology, gastronomy and music in one place to present in an original way the range of products and services offered by the companies in Panamá: Mercantil Banco, Mercantil Seguros y Reaseguros and Mercantil Servicios de Inversión.

Mercantil Servicios de Inversión modified its website and launched the @MercantiliSI Twitter account

The evolution of Mercantil companies in Panama continues. As part of this process aimed at promoting the brand that identifies them, Mercantil Servicios de Inversión, the international brokerage house of the Company, changed its website at www.mercantili.com.pa and launched the @MercantiliSI Twitter account.

The Twitter account, developed a set of informative and guidance messages that include tables with daily variations of several stock exchange indexes, bonds and various quotes offered in the main markets in America, Europe and Asia, as well as data on the products and services provided by Mercantil Servicios de Inversión, among others. It will also serve to meet the requirements or inquires of clients and users.

Awards and Acknowledgments

Mercantil Servicios Financieros among the Venamcham Top 100 Companies

Mercantil Servicios Financieros ranked 9th positions in the ranking "Top 100 Companies" granted by The Venezuelan-American Chamber of Commerce and Industry (Venamcham). It likewise ranks Mercantil Seguros as 21th. In the banking sector, Mercantil Banco ranks 3rd and in the insurance sector Mercantil Seguros also ranks 3rd. The list includes the most successful companies in the country, be their capital national or foreign, and ranked according to their total income at the close of 2017. Mercantil Servicios Financieros also leads the Social Investment ranking. Social investment is considered as non-compulsory expenditures to finance projects to improve living standards of employees and their families, as well as those of the local community and society in general.

New Measures announced in the Financial Environment

The Venezuelan Central Bank (BCV – Banco Central de Venezuela) established:

- In November 2018, the BCV determined a minimum legal reserves equivalent to 50% of the deposits marginal balance as of August 2018 that banking institutions must preserve

The Office of the President of the Republic issued the following Decrees:

- Decree establishing at 2% the Tax on Large Financial Transactions, effective as of November 19, 2018.

Panama's Financial Environment

The Superintendency of Banking in Panama (SBP – Superintendencia de Bancos de Panamá) reported:

- The reference rate of the local market for preferential mortgages loans for restoration and houses is 5.5% for the 4Q 2018.

The SBP issued:

- Decree regulating the retention mechanism to withholding agents of real estate tax, general license banks, financial institutions, cooperatives and other institutions that grant loans for the acquisition of houses and / or real estate or by guaranteed loans with real estate and its improvements, which have been financed through loans of mortgage loans or guaranteed by trusts and securities issuance.

ANNEX I

Summary of the Accounting Principles used to prepare the Financial Statements

Financial statements are presented in accordance with the accounting standards of the SUNAVAL, 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 market value due to market fluctuations are included in the results for the period. *Available-for-Sale Securities* – Recorded at their market value. Unrealized gains or losses resulting from differences in market 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 market value are recorded as a charge to 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 loan portfolio losses are determined through a collectability assessment that quantifies the amount that must 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 assessing loans for small amounts of the same nature, these are grouped together to determine the provisions required.

Recognition of income and expenditure

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

Consolidation and discontinued operation

The consolidated financial statements include the accounts of Mercantil and its more than 50%-owned subsidiaries and other institutions in which Mercantil has control. See the main subsidiaries on page 3. The net assets of Mercantil Bank Holding Corporation and Alvina Corporation are presented as discontinued operations, given that their shares were decreed in dividends in December 2017 and January 2019. Amerant shares were paid in April 2018.

Inflation Adjustment

According to SUNAVAL 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 higher than the inflation cost adjusted for inflation indicated above. New additions are being recorded at their acquisition value.

Fixed assets

The buildings and land of the main MERCANTIL headquarters are presented at market values determined by experts, the revaluation of assets is recorded in equity, net of deferred corporate tax income. The rest of the fixed assets are presented at their historical cost. Depreciation expense is recorded in the results of the period.

Assets and liability in foreign currency

Transactions and balances in foreign currency are translated according to the best estimate of the expectations of the future flows of bolivars obtained, making use of mechanisms legally established, see Annex III.

Main differences between the accounting standards of SUNAVAL and the accounting standards of other subsidiaries

The main accounting differences for the reconciliation of items under SUNAVAL and SUDEBAN for Mercantil Servicios Financieros 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 SUNAVAL standards.
- Under the SUNAVAL regulations, the effects of foreign exchange rate fluctuations from the cash and due from banks in foreign currency, as a result of the valuation of the positions, can not be used for capital increases or losses replacement, and must be recorded in the not realized Superavit by the foreign exchange rate fluctuations of cash and due from banks. Foreign exchange rate fluctuations are recorded in the results, with the exception of those that SUDEBAN indicates of the portfolio for the trading of shares portfolio and the fluctuations that SUDEBAN allows the registration in the equity and are subsequently recorded in the results when SUDEBAN authorize it.

ANNEX II

MERCANTIL SERVICIOS FINANCIEROS. C.A. CONSOLIDATED BALANCE SHEET UNAUDITED FIGURES (In thousands of Bolivars, including percentages)

| | △ | | △ | | | | |
|--|--------------------|-------------------|------------------|---------------------------------|------------|---------------------------------|--------------|
| | December 2018 | September 2018 | December 2017 | Dec. 18 vs. Sep. 18 Bolivars | % | Dec. 18 vs. Dec. 17 Bolivars | % |
| CASH AND DUE FROM BANKS | 96,734,793 | 12,626,591 | 82,366 | 84,108,202 | 0.7 | 96,652,427 | 117.3 |
| INVESTMENT PORTFOLIO | 294,221,332 | 44,956,042 | 4,188 | 249,265,290 | 0.6 | 294,217,144 | 7,025.1 |
| DIRECT PRODUCTIVE ASSETS | 680,242 | 252,385 | 3 | 427,857 | 0.2 | 680,239 | 21,225.2 |
| LOAN PORTFOLIO | 101,469,997 | 37,008,282 | 34,601 | 64,461,715 | 0.2 | 101,435,396 | 293.2 |
| OTHER ASSETS | 47,529,356 | 5,057,657 | 15,542 | 42,471,699 | 0.8 | 47,513,814 | 305.7 |
| TOTAL ASSETS | 540,635,720 | 99,900,957 | 136,700 | 440,734,763 | 0.4 | 540,499,020 | 395.4 |
| DEPOSITS | 169,571,309 | 50,126,184 | 112,578 | 119,445,125 | 0.2 | 169,458,731 | 150.5 |
| DEPOSITS AUTHORIZED BY THE VENEZUELAN SECURITIES AND EXCHANGE COMMISSION | 1,315 | 1,805 | 448 | (490) | (0.0) | 867 | 0.2 |
| FINANCIAL LIABILITIES | 42,164 | 1,636,353 | 435 | (1,594,189) | (0.1) | 41,729 | 9.6 |
| OTHER LIABILITIES | 149,757,173 | 14,829,717 | 14,591 | 134,927,456 | 0.9 | 149,742,582 | 1,026.3 |
| TOTAL LIABILITIES | 319,371,961 | 66,594,059 | 128,052 | 252,777,902 | 0.4 | 319,243,909 | 249.3 |
| MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES | 25,764 | 2,837 | 2 | 22,927 | 0.8 | 25,762 | 1,212.8 |
| TOTAL SHAREHOLDERS' EQUITY | 221,237,995 | 33,304,061 | 8,646 | 187,933,934 | 0.6 | 221,229,349 | 2,558.7 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 540,635,720 | 99,900,957 | 136,700 | 440,734,763 | 0.4 | 540,499,020 | 395.4 |

MERCANTIL SERVICIOS FINANCIEROS. C.A. CONSOLIDATED BALANCE SHEET UNAUDITED FIGURES (In thousands of Bolivars, including percentages)

| | Quarter Ended on | | | | Years Ended on | | | |
|---|-------------------|--------------|-------------------|----------------|-------------------|--------------|-------------------|----------------|
| | △ | | △ | | △ | | △ | |
| | Dec. 2018 | Dec. 2017 | Bolivars | % | Dec. 2018 | Dec. 2017 | Bolivars | % |
| INTEREST INCOME | 4,175,685 | 2,964 | 4,172,721 | 140.8 | 5,025,706 | 5,737 | 5,019,969 | 87.5 |
| INTEREST EXPENSE | 155,627 | 457 | 155,170 | 34.0 | 190,387 | 864 | 189,523 | 21.9 |
| NET INTEREST INCOME | 4,020,058 | 2,507 | 4,017,551 | 160.3 | 4,835,319 | 4,872 | 4,830,446 | 99.1 |
| Provision for losses on loan portfolio | 866,237 | 426 | 865,811 | 203.2 | 1,022,539 | 827 | 1,021,712 | 123.6 |
| NET FINANCIAL MARGIN | 3,153,821 | 2,081 | 3,151,740 | 151.5 | 3,812,780 | 4,045 | 3,808,734 | 94.1 |
| TOTAL COMMISSIONS AND OTHER INCOME | 105,209,909 | 1,496 | 105,208,413 | 7,032.6 | 111,271,124 | 2,577 | 111,268,547 | 4,317.7 |
| Total insures premiums, net of claims | (891,270) | 13 | (891,283) | (6,856.0) | (947,833) | 222 | (948,055) | (427.9) |
| OPERATING INCOME | 107,472,460 | 3,590 | 107,468,870 | 2,993.6 | 114,136,071 | 6,844 | 114,129,227 | 1,667.6 |
| TOTAL OPERATING EXPENSES | 23,362,324 | 2,252 | 23,360,072 | 1,037.3 | 26,018,166 | 4,583 | 26,013,583 | 567.7 |
| INCOME BEFORE TAXES AND MINORITY INTEREST | 84,110,136 | 1,338 | 84,108,798 | 6,286.2 | 88,117,905 | 2,261 | 88,115,644 | 3,896.5 |
| Total Taxes | 20,566,432 | 661 | 20,565,771 | 3,111.3 | 20,874,088 | 1,046 | 20,873,042 | 1,996.4 |
| Minority Interests | 23,009 | (2) | 23,011 | (1,150.6) | 20,956 | (1) | 20,957 | (2,392.4) |
| Discontinued operation | 259,681 | 3 | 259,678 | 8,655.9 | 494,285 | 7 | 494,278 | 6,643.2 |
| NET INCOME | 63,826,394 | 678 | 63,825,716 | 9,413.8 | 67,759,059 | 1,222 | 67,757,836 | 5,542.8 |

ANNEX II

MERCANTIL SERVICIOS FINANCIEROS. C.A. CONSOLIDATED STATEMENT OF CASH FLOWS UNAUDITED FIGURES (in thousands of bolivars)

| | Quarter ended on | | Years ended on | |
|--|----------------------|-----------------|----------------------|-----------------|
| | December | December | December | December |
| | 2018 | 2017 | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Continued Operation | 63,566,715 | 673 | 67,264,690 | 541 |
| Discontinued operation | 259,679 | 3 | 494,369 | 3 |
| Net income | 63,826,394 | 678 | 67,759,059 | 545 |
| Adjustments to reconcile net income to net cash provided | (10,268,016) | 8,157 | 110,966,971 | 3,715 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 268,559,543 | (18,240) | 261,375,350 | (17,547) |
| CASH FLOWS FROM FINANCING ACTIVITIES | (250,160,524) | 72,394 | (238,257,606) | 118 |
| CASH AND CASH EQUIVALENTS¹ | | | | |
| Net increase for the period | 8,131,003 | 62,299 | 13,644,643 | 14,245 |
| Effect of exchange rate changes on cash | 75,853,950 | 0 | 83,639,550 | 0 |
| At the beginning of the period | 13,381,803 | 0 | 82,564 | 6,020 |
| At the end of the period | 97,366,757 | 62,299 | 97,366,757 | 20,265 |

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

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

| | 2017 | 2018 | |
|---|----------------|-------------------|--------------------|
| | Fourth Quarter | Third Quarter | Fourth Quarter |
| Beginning balance | 2,635 | 657,352 | 33,304,061 |
| Net income | 678 | 3,805,840 | 63,826,392 |
| Pension Plans Remeasurement | (47) | 0 | (112,632) |
| Recompras de acciones | 8 | 0 | 0 |
| Share repurchased | (9) | 15,206,748 | (11,537,093) |
| Cash dividends | (85) | 0 | 0 |
| Amortization of the surplus of fixed assets revaluation | (17) | 0 | 0 |
| Fixed assets revaluation | 5,467 | 0 | 10,401,472 |
| Translation effect of net assets in subsidiaries abroad | 16 | 13,634,121 | 125,355,795 |
| Final balance | 8,646 | 33,304,061 | 221,237,995 |

ANNEX III

Stock Performance

Net income in billions of Bolivars

Mercantil's stock indicators

Class A share:

Number of outstanding shares (Issued shares minus repurchased shares)

Market Price Bs

Average daily volume (# of shares)

Market Price / Book value per share

Market Price / Period Net Earnings per share

Class B share:

Number of outstanding shares (Issued shares minus repurchased shares)

Market Price Bs

Average daily volume (# of shares)

Market Price / Book value per share

Market Price / Period Net Earnings per share

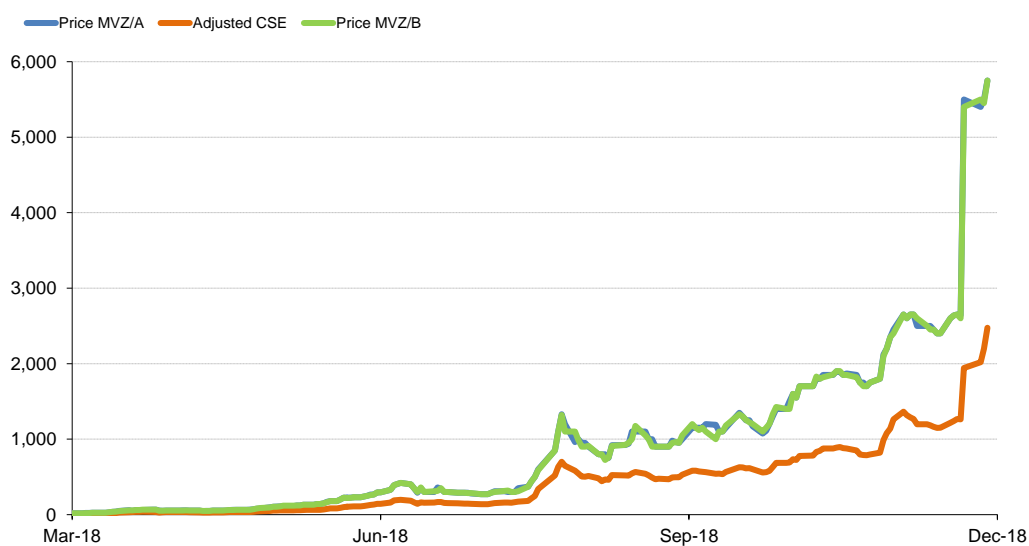
Book value per share in Bs (Equity / # of outstanding shares)¹

Total weighted outstanding shares

Earnings per share (Net Result / weighted outstanding shares)

| | Quarter Ended on | | Years Ended on | |
|--|-------------------|---------------|-------------------|---------------|
| | December 2018 | December 2017 | December 2018 | December 2017 |
| Net income in billions of Bolivars | 63,826,394 | 678 | 67,759,059 | 1,222 |
| Number of outstanding shares (Issued shares minus repurchased shares) | 60,880,929 | 60,880,929 | | |
| Market Price Bs | 5,750 | 7 | | |
| Average daily volume (# of shares) | 9,401 | 19,042 | 3,673 | 8,742 |
| Market Price / Book value per share | 2.7 | 0.001 | | |
| Market Price / Period Net Earnings per share | 9.2 | 0.01 | 8.7 | 0.01 |
| Number of outstanding shares (Issued shares minus repurchased shares) | 43,880,032 | 43,880,032 | | |
| Market Price Bs | 5,750 | 7 | | |
| Average daily volume (# of shares) | 2,662 | 4,036 | 3,147 | 4,628 |
| Market Price / Book value per share | 2.7 | 0.001 | | |
| Market Price / Period Net Earnings per share | 9.2 | 0.01 | 8.7 | 0.01 |
| Book value per share in Bs (Equity / # of outstanding shares) ¹ | 2,111.8 | 0.08 | | |
| Total weighted outstanding shares | 102,100,056 | 102,105,393 | 102,100,373 | 102,104,377 |
| Earnings per share (Net Result / weighted outstanding shares) | 622.7 | 0.001 | 663.7 | 0.01 |

**Market Quote Mercantil Class A and Class B Shares vs. Caracas Stock Exchange (CSE) Index
(In Bolivars)**



¹ Issued shares minus repurchased shares

ANNEX III

Summary of Financial Ratios

| | Quarter Ended on | | Years Ended on | |
|--|------------------|---------------|----------------|---------------|
| | December 2018 | December 2017 | December 2018 | December 2017 |
| <u>Profitability Ratios (%):</u> | | | | |
| Net Interest Income / Average Financial Assets (NIM) | 12.4% | 53.5% | 7.4% | 26.0% |
| Commissions and other income / Total income | 96.3% | 37.2% | 95.8% | 34.4% |
| Return on average assets (ROA) | 150.3% | 6.4% | 79.8% | 2.9% |
| Return on average equity (ROE) | 462.0% | 121.4% | 245.2% | 54.8% |
| <u>Efficiency Ratios (%):</u> | | | | |
| Operating expenses / Average total assets | 54.8% | 19.8% | 30.5% | 8.5% |
| Operating expenses / Total income | 21.5% | 52.5% | 22.5% | 56.4% |
| <u>Exchange and inflation rates</u> | | | | |
| Exchange rate Bs / US\$1 (Controlled since February 2003) | 636.5846 | 9.975 | | |
| Average Exchange Rate for the quarter (Bs / US\$1) | 284.1412 | 9.975 | 81.7176 | 9.975 |
| | | | | |
| <u>Balance Structure indicators</u> | | | | |
| Gross Loans/Deposits | | | 60.6% | 31.7% |
| <u>Liquidity Ratios (%):</u> | | | | |
| Cash and due from banks / Deposits | | | 57.0% | 73.2% |
| Cash and due from banks and Investments Portfolio / Deposits | | | 230.6% | 76.9% |
| <u>Asset Quality Ratios (%):</u> | | | | |
| Non-performing loans/ Gross loans | | | 0.2% | 0.1% |
| Allowance for loan losses / Non-performing loans | | | 585.2% | 3,534.7% |
| Allowance for loan losses / Gross loans | | | 1.2% | 2.8% |
| <u>Capital Adequacy Ratios (%):</u> | | | | |
| Shareholders equity / Assets | | | 40.9% | 6.3% |
| SUNAVAL-Risk based capital (minimum required 8%) | | | 47.4% | 18.0% |
| | | | | |
| <u>Number of employees</u> | | | | |
| Employees in Venezuela | | | 5,057 | 6,047 |
| Employees Abroad | | | 166 | 149 |
| | | | | |
| <u>Distribution network</u> | | | | |
| Branches in Venezuela | | | 252 | 264 |
| Bank branches | | | 236 | 240 |
| Insurance branches | | | 16 | 24 |
| Branches Abroad | | | 11 | 10 |
| Representative Offices | | | 2 | 3 |
| Number of ATMs | | | 829 | 1,012 |
| Number of points of sale (POS) | | | 53,986 | 54,091 |
| Mercantil Aliado Network: | | | | |
| Correspondent Desk | | | - | - |
| Correspondent Trading Points | | | 217 | 217 |

ANNEX IV

MERCANTIL C.A. BANCO UNIVERSAL
According to rules issued by SUNAVAL ¹
UNAUDITED CONSOLIDATED FIGURES
(In thousands of Bolivars, including percentages)

| | △ | | △ | | | | |
|---|--------------------|-------------------|------------------|-----------------------------------|-----------------------------------|--------------------|-----------------|
| | December 2018 | September 2018 | December 2017 | Dec. 18 vs. Sep. 18 Bolivars % | Dec. 18 vs. Dec. 17 Bolivars % | | |
| SUMMARY OF BALANCE SHEET | | | | | | | |
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | 75,122,743 | 7,482,127 | 81,945 | 67,640,616 | 0.90 | 75,040,798 | 91.58 |
| Investments Portfolio | 14,191,596 | 1,688,382 | 3,748 | 12,503,214 | 0.74 | 14,187,849 | 378.56 |
| Loan Portfolio | 47,107,862 | 8,824,806 | 34,562 | 38,283,056 | 0.43 | 47,073,301 | 136.20 |
| Properties and Equipment and Other Assets | 7,945,590 | 1,050,298 | 4,038 | 6,895,292 | 0.66 | 7,941,552 | 196.67 |
| | 144,367,791 | 19,045,613 | 124,292 | 125,322,178 | 0.66 | 144,243,499 | 116.05 |
| TOTAL ASSETS | | | | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | |
| Deposits | 91,091,119 | 13,280,553 | 114,552 | 77,810,566 | 0.59 | 90,976,566 | 79.42 |
| Financial Liabilities and Other Liabilities | 14,428,853 | 1,871,665 | 6,062 | 12,557,188 | 0.67 | 14,422,791 | 237.91 |
| | 105,519,972 | 15,152,218 | 120,615 | 90,367,754 | 0.60 | 105,399,357 | 87.39 |
| TOTAL LIABILITIES | | | | | | | |
| | 38,847,820 | 3,893,395 | 3,677 | 34,954,425 | 0.90 | 38,844,142 | 1,056.31 |
| SHAREHOLDERS' EQUITY | | | | | | | |
| | 144,367,791 | 19,045,613 | 124,292 | 125,322,178 | 0.66 | 144,243,499 | 116.05 |

| | Quarter Ended on | | | | Years Ended on | | | |
|--|------------------|------------------|------------------|---------------|------------------|------------------|------------------|--------------|
| | December 2018 | December 2017 | Bolivars | % | December 2018 | December 2017 | Bolivars | % |
| SUMMARY OF INCOME STATEMENT | | | | | | | | |
| Interest Income | 3,810,293 | 2,955 | 3,807,337 | 128.82 | 4,598,111 | 5,739 | 4,592,373 | 80.0 |
| Interest Expense | 177,263 | 415 | 176,848 | 42.58 | 204,109 | 813 | 203,296 | 25.0 |
| Net Interest Income | 3,633,030 | 2,540 | 3,630,489 | 142.92 | 4,394,002 | 4,926 | 4,389,077 | 89.1 |
| Provision for Losses on Loan Portfolio | 862,572 | 425 | 862,146 | 202.66 | 1,018,351 | 828 | 1,017,523 | 123.0 |
| Net Financial Margin | 2,770,458 | 2,115 | 2,768,343 | 130.91 | 3,375,651 | 4,098 | 3,371,553 | 82.3 |
| Commissions and Other Income | 3,018,814 | 1,374 | 3,017,440 | 219.58 | 3,251,187 | 2,363 | 3,248,823 | 137.5 |
| Operating Income | 5,789,272 | 3,489 | 5,785,783 | 165.83 | 6,626,838 | 6,461 | 6,620,377 | 102.5 |
| Operating Expenses | 3,669,600 | 1,971 | 3,667,629 | 186.06 | 4,298,941 | 3,958 | 4,294,983 | 108.5 |
| Income before taxes | 2,119,672 | 1,518 | 2,118,154 | 139.56 | 2,327,897 | 2,503 | 2,325,394 | 92.9 |
| Taxes | 390,110 | 603 | 389,507 | 64.60 | 450,016 | 999 | 449,018 | 45.0 |
| NET INCOME | 1,729,561 | 915 | 1,728,646 | 188.97 | 1,877,881 | 1,504 | 1,876,376 | 124.7 |

Mercantil Banco Universal Indicators¹

| | System Average ² | December 2018 | December 2017 |
|---|--------------------------------|------------------|------------------|
| Net Interest Income / Average assets | 5.8% | 20.5% | 12.6% |
| Return on average assets (ROA) ² | 3.6% | 8.9% | 3.8% |
| Return on average equity (ROE) ² | 17.2% | 40.3% | 89.4% |
| Non-performing loans / Gross loans | 1.3% | 0.5% | 0.1% |
| Allowance for loan losses / Past-Due and Non-performing loans | 371.5% | 480.0% | 1,487.0% |
| Allowance for loan losses / Gross loans | 2.5% | 5.0% | 2.8% |
| Operating expenses / average total assets | 14.8% | 4.4% | 6.8% |
| Equity / Assets | 26.9% | 20.4% | 3.6% |
| Equity / Assets minus Venezuelan Government Investments | N.D. | 40.4% | 11.1% |
| Equity / Risk-weighted Assets | N.D. | 69.6% | 12.3% |

¹ Venezuela.

² Based on annualized figures.

N.A.: Not Available

ANNEX V

MERCANTIL SEGUROS According to rules issued by SUDEASEG Unaudited Consolidated Figures (In thousands of Bolivars, including percentages)

| | December 2018 | September 2018 | December 2017 | Dec. 18 vs. Sep. 18 Bolivars | % | Dec. 18 vs. Dec. 17 2018 | % |
|---|-------------------|-------------------|------------------|---------------------------------|------------|-----------------------------|--------------|
| SUMMARY OF BALANCE SHEET ASSETS | | | | | | | |
| Investments suitable for representing Technical Reserves | 4,662,526 | 276,673 | 4,150 | 4,385,853 | 1.6 | 4,658,376 | 112.2 |
| Investments no-suitable for representing Technical Reserves | 7,288,619 | 848,803 | 2,291 | 6,439,816 | 0.8 | 7,286,328 | 318.0 |
| Other assets | 3,706,080 | 318,657 | 726 | 3,387,423 | 1.1 | 3,705,354 | 510.2 |
| TOTAL ASSETS | 15,657,225 | 1,444,132 | 7,168 | 14,213,093 | 1.0 | 15,650,058 | 218.3 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | |
| Technical Reserves | 1,068,983 | 110,812 | 1,638 | 958,171 | 0.9 | 1,067,345 | 65.2 |
| Other provisions and other liabilities | 6,334,686 | 844,185 | 960 | 5,490,501 | 0.7 | 6,333,727 | 659.7 |
| TOTAL LIABILITIES | 7,403,670 | 954,997 | 2,598 | 6,448,672 | 0.7 | 7,401,072 | 284.9 |
| SHAREHOLDERS' EQUITY | 8,253,555 | 489,135 | 4,569 | 7,764,420 | 1.6 | 8,248,986 | 180.5 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 15,657,225 | 1,444,132 | 7,168 | 14,213,093 | 1.0 | 15,650,058 | 218.3 |

| | Quarter Ended on | | Years Ended on | | Quarter Ended on | | Years Ended on | |
|--------------------------------------|------------------|------------------|----------------|---------|------------------|------------------|----------------|---------|
| | December 2018 | December 2017 | Bolivars | % | December 2018 | December 2017 | Bolivars | % |
| SUMMARY OF INCOME STATEMENT | | | | | | | | |
| Earned Premiums Received | 322,130 | 809 | 321,321 | 39.7 | 367,397 | 1,969 | 365,429 | 18.6 |
| Claims Incurred | 751,832 | (603) | 752,435 | (124.8) | 704,843 | (1,329) | 706,172 | (53.1) |
| Commissions and Acquisition Expenses | 26,235 | (147) | 26,382 | (18.0) | 49,598 | (323) | 49,922 | (15.4) |
| Management Expenses | 342,640 | (138) | 342,778 | (248.3) | 315,112 | (289) | 315,401 | (109.2) |
| Taxes and Contributions | 367,474 | (105) | 367,579 | (349) | 340,946 | (205) | 341,151 | (167) |
| Technical Result | (1,010,688) | (184) | 1,810,494 | (986) | (1,043,102) | (177) | 1,778,074 | (1,002) |
| Income from Investments | 3,799,346 | 41 | 3,799,305 | 9,266.6 | 3,909,725 | 329 | 3,909,396 | 1,187.5 |
| Foreign exchange gains | 40,000 | 0 | 40,000 | 0.0 | 40,000 | 0 | 40,000 | 0.0 |
| Taxes | 2,858,139 | (143) | 2,858,282 | (2,004) | 2,906,623 | 152 | 5,687,470 | 3,746 |

Mercantil Seguros Indicators

(In thousands of Bolivars, except percentages and insured persons)

| | Quarter Ended on | | Years Ended on | |
|---|------------------|------------------|------------------|------------------|
| | December 2018 | December 2017 | December 2018 | December 2017 |
| Premiums Received Net | 2,653,325 | 1,715,1 | 3,084,296 | 3,239 |
| Market Share ³ | 16.2% | 8.5% | | |
| Equity / Total Assets | 52.7% | 63.8% | | |
| Incurred Claims / Earned Premiums (%) | 204.2% | 74.5% | 191.8% | 67.5% |
| Commissions and Acq. Expenses / Earned Premiums (%) | 22.6% | 18.1% | 13.5% | 16.4% |
| Administrative Expenses / Earned Premiums (%) | 89.3% | 17.1% | 85.8% | 14.7% |
| Combined Operating Ratio (%) ¹ | 413.8% | 122.7% | 383.9% | 109.0% |
| Insured Persons ² | 1,653,779 | 1,951,777 | | |

¹ Combined operating ratio = (incurred claims + commissions + operating expenses) / earned premiums

² In numbers

³ Market Share at 10/31/2018