

Independent Auditors' Report and Financial Statements
**Venezolano de Crédito, S.A. Banco Universal and its Cayman
Islands Branch**
December 31, 2024



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Independent Auditors' Report

To the Shareholders and Board of Directors of
Venezolano de Crédito, S.A. Banco Universal

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Our Opinion

We have audited the accompanying balance sheet of Venezolano de Crédito, S.A. Banco Universal as of December 31, 2024, and the related statements of income, changes in equity, and cash flows for the semester then ended, and the notes, comprising a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position¹ of Venezolano de Crédito, S.A. Banco Universal as of December 31, 2024, and the results of its operations and its cash flows for the semester then ended, in accordance with the accounting instructions and rules established by the Superintendency of Institutions of the Banking Sector (SUDEBAN).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) applicable in Venezuela. Our responsibilities under those standards are further described in the "Independent Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Bank in accordance³ with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and the Code of Ethics to Regulate the Professional Practice of the Venezuelan Public Accountant that are relevant to our audits of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these⁴ codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraphs

The following matters described below do not impact our audit opinion:

We draw attention to Note 2 of the accompanying financial statements, which indicates that the accounting instructions and rules established by SUDEBAN differ, in certain material respects, from accounting principles generally accepted in Venezuela (VEN-NIF).

We draw attention to Note 3 of the accompanying financial statements, which indicates that in accordance with the provisions of the Central Bank of Venezuela (BCV), as of December 31, 2024, banks must maintain a minimum legal reserve requirement on net obligations and transferred investments. This measure could limit the Bank's financial intermediation activities.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting instructions and rules established by SUDEBAN, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to the Bank's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs applicable in Venezuela will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs applicable in Venezuela, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GÓMEZ, MARQUIS Y ASOCIADOS
(Member Firm of Grant Thornton International Ltd)



Jorge Gómez C.
CPC – 10951
CP- 824
January 28, 2025

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Balance Sheet
December 31 and June 30, 2024

	Notes	December 31, 2024	June 30, 2024
(in bolivars)			
Assets			
Cash and due from banks			
Cash	3	780.512.426	242.860.664
Venezuelan Central Bank	3	1.339.778.298	762.734.911
Banks and Other financial institutions in the country		3.289	54.965
Banks and foreign correspondents	3	2.258.776.834	1.010.714.703
		<u>4.379.070.847</u>	<u>2.016.365.243</u>
Investments securities			
Placements in the Venezuelan Central Bank and interbanking operations		223.500.000	63.000.000
Investments in securities available for sale		531.603.591	305.881.502
Investments in securities held to maturity		1.077.175.061	679.767.177
Investments of restricted availability		357.692.473	243.736.959
	4	<u>2.189.971.125</u>	<u>1.292.385.638</u>
Loan portfolio			
Current Credits		3.700.650.612	2.209.244.717
Overdue Credits		2.161.798	17.382.877
Credits in dispute		2.216.569	628.038
(Provision for credit portfolio)		(66.786.273)	(42.140.875)
	5	<u>3.638.242.706</u>	<u>2.185.114.757</u>
Interest and commissions receivable			
Income receivable from investments in securities		12.146.082	7.556.811
Income receivable from credit portfolio		44.315.630	27.588.441
Commissions receivable		3.797.958	2.528.430
(Provision for income receivable and others)		109.706	(584.743)
	7	<u>60.369.376</u>	<u>37.088.939</u>
Realizable assets	9	<u>5.351.852</u>	-
Fixed assets	8	<u>50.647.127</u>	<u>32.778.232</u>
Other assets	10	<u>213.004.108</u>	<u>209.223.328</u>
Total assets		<u>10.536.657.141</u>	<u>5.772.956.137</u>
Memorandum accounts			
Contingent accounts receivable		75.584.437	29.057.311
Trust assets		885.865.769	572.985.430
Other confidential commissions		73.492.010	73.929.929
Other memorandum accounts receivable		5.477.432.019	2.674.462.231
	21	<u>6.512.374.235</u>	<u>3.350.434.901</u>

Notes 1 to 26 are an integral part of these financial statements.

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Balance Sheet
December 31 and June 30, 2024

	Notes	December 31, 2024	June 30, 2024
(in bolivars)			
Liabilities and Shareholders' Equity			
Customer's deposits			
Demand deposits			
Non-interest bearing current accounts		1.353.433.856	785.560.230
Interest-bearing current accounts		5.200.188.510	2.736.191.027
Demand deposits and certificates		17.597.231	21.544.062
Current accounts according to the Free Convertibility Exchange Market System		251.875.670	194.211.911
		<u>6.823.095.267</u>	<u>3.737.507.230</u>
Other liabilities on demand		91.647.905	55.513.775
Savings deposits		101.392.379	58.534.584
Restricted customer's deposits		874.419.528	566.687.239
	11	<u>7.890.555.079</u>	<u>4.418.242.828</u>
Other financing obtained			
Obligations with foreign financial institutions, due in one year		99.337	99.341
	12	<u>99.337</u>	<u>99.341</u>
Interest and commissions payable			
Expenses payable for public deposits		890.282	671.246
		<u>890.282</u>	<u>671.246</u>
Accruals and other liabilities			
	13	<u>1.466.992.607</u>	<u>791.403.583</u>
Total liabilities		<u>9.358.537.305</u>	<u>5.210.416.998</u>
Shareholders' Equity			
Capital stock		87.200.872	12.368.918
Contributions to capital increases		-	44.899.172
Capital reserves		44.283.822	12.616.299
Adjustments to shareholders' equity		480.890.230	135.039.189
Unrealized gain or loss on investment in available for sale securities		6.605.317	1.525.032
Accumulated results		559.139.595	356.090.529
Total equity	17	<u>1.178.119.836</u>	<u>562.539.139</u>
Total liabilities and equity		<u>10.536.657.141</u>	<u>5.772.956.137</u>
Memorandum accounts per contra			
	21	<u>6.512.374.235</u>	<u>3.350.434.901</u>

Notes 1 to 26 are an integral part of these financial statements.

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Statement of Income
For the Semesters Ended December 31 and June 30, 2024

	Notes	December 31, 2024	June 30, 2024
		(in bolivars)	
Financial income			
Income from cash and cash equivalents		27.544.344	11.598.533
Income from investments in securities		89.106.579	34.221.909
Income from credit portfolio		332.177.388	208.986.593
Income from other accounts receivable		1.667.519	1.800.379
Other financial income		68.830	-
		<u>450.564.660</u>	<u>256.607.414</u>
Financial expenses			
Expenses from public deposits		(19.038.049)	(20.478.769)
Expenses from other financing obtained		(314.630)	(904.696)
Other financial expenses		(959.211)	(6.782.447)
		<u>(20.311.890)</u>	<u>(28.165.912)</u>
Gross financial margin		430.252.770	228.441.502
Income from recovery of financial assets		130.014	-
	5	<u>(18.075.283)</u>	<u>(14.550.906)</u>
Net financial margin		412.307.501	213.890.596
Other operating income	19	756.132.811	390.701.680
Other operating expenses	19	(93.150.875)	(59.870.385)
Financial Intermediation Margin		<u>1.075.289.437</u>	<u>544.721.891</u>
Transformation costs			
Personnel expenses		(316.649.902)	(235.638.478)
General and administrative expenses	18	(205.407.364)	(190.171.205)
Contributions to the Social Protection Fund from Bank Deposits	16	(8.533.103)	(7.783.181)
Contributions to the Bank Superintendency of Bank Institutions	16	(8.349.912)	(6.832.384)
		<u>(538.940.281)</u>	<u>(440.425.248)</u>
Gross operating margin		536.349.156	104.296.643
Sundry operating income	20	6.410.526	167.540
Expenses for realizable assets	9	(314.815)	-
Sundry operating expenses	20	(153.280.471)	(42.688.276)
Net operating margin		389.164.396	61.775.907
Extraordinary income	3 y 8	6.599.100	43.733.163
Extraordinary expenses		(228.709)	(273.337)
Result before taxes		395.534.787	105.235.733
Income tax	14	(107.700.000)	-
Net result		<u>287.834.787</u>	<u>105.235.733</u>
Accounting treatment of income, net			
Legal reserve	17	31.231.518	-
Other capital reserves	17	436.004	61.845
Accumulated results		256.167.265	105.173.888
		<u>287.834.787</u>	<u>105.235.733</u>

Notes 1 to 26 are an integral part of these financial statements

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Statement of Changes in Equity
For the Semesters Ended December 31 and June 30, 2024

	Notes	Capital stock	Contributions to increased capital	Capital reserves	Adjustments to Shareholders' Equity	Non-distributable surplus	Accrued results			Unrealized gain or loss in investments on securities available for sale	Total	
							Restricted surplus	Undistributed income	Surplus to be applied Remuneration for employee benefit plans			
Balances at December 31, 2023		12.368.918	15.481.626	12.554.455	180.542.230	5.547.153	187.888.575	98.369.877	(4.005.452)	287.800.153	5.637.711	514.385.093
Net result for the semester		-	-	-	-	-	-	105.235.733	-	105.235.733	-	105.235.733
Unrealized loss on investment securities	4	-	-	-	-	-	-	-	-	-	(4.112.679)	(4.112.679)
SUDEBAN adjustment	17	-	-	-	-	-	-	-	-	-	-	-
Contribution refund according to SUDEBAN official communication SIB-II-GGR-GA-00638		-	(15.481.626)	-	-	-	-	-	-	-	-	(15.481.626)
Contribution for capital increase	17	-	44.899.172	-	-	-	-	-	-	-	-	44.899.172
Adjustment for exchange rate differential, net	17	-	-	-	2.422.657	-	-	-	-	-	-	2.422.657
Credit valuation as established by the BCV	17	-	-	-	(48.103.763)	-	-	-	-	-	-	(48.103.763)
Generic provisions on UVC credits	5	-	-	-	896.849	-	-	-	-	-	-	896.849
Earnings on UVC credits collected in the semester, adjusted according to SUDEBAN		-	-	-	(718.784)	-	-	-	-	-	-	(718.784)
Reveal of Dividend according to SUDEBAN official communication		-	-	-	-	-	-	9.704.843	-	9.704.843	-	9.704.843
Cash Dividend Decree	17	-	-	-	-	-	-	(47.572.761)	-	(47.572.761)	-	(47.572.761)
Reserve for Social Contingency Fund	17	-	-	61.844	-	-	-	(61.844)	-	(61.844)	-	-
Actuarial gain or loss on labor liabilities	15	-	-	-	-	-	-	-	984.405	984.405	-	984.405
Reclassification to Restricted Surplus of 50% of the net results for the semester, including the results of the Foreign Branch	17	-	-	-	-	-	52.586.944	(52.586.944)	-	-	-	-
Balances as of June 30, 2024		12.368.918	44.899.172	12.616.299	135.039.189	5.547.153	240.475.519	113.088.904	(3.021.047)	356.090.529	1.525.032	562.539.139
Net result for the semester		-	-	-	-	-	-	287.834.787	-	287.834.787	-	287.834.787
Unrealized loss on investment securities	4	-	-	-	-	-	-	-	-	-	5.080.285	5.080.285
Capital increase		74.831.954	(44.899.172)	-	-	-	(29.932.782)	-	-	(29.932.782)	-	-
Adjustment for exchange rate differential, net	17	-	-	-	137.671.684	-	-	-	-	-	-	137.671.684
Credit valuation as established by the BCV	17	-	-	-	212.043.129	-	-	-	-	-	-	212.043.129
Generic provisions on UVC credits	5	-	-	-	(3.863.772)	-	-	-	-	-	-	(3.863.772)
Increase in legal reserve		-	-	31.231.519	-	-	-	(31.231.519)	-	(31.231.519)	-	-
Cash Dividend Decree	17	-	-	-	-	-	-	(23.976.670)	-	(23.976.670)	-	(23.976.670)
Reserve for Social Contingency Fund	17	-	-	436.004	-	-	-	(436.004)	-	(436.004)	-	-
Actuarial gain or loss on labor liabilities	15	-	-	-	-	-	-	-	791.254	791.254	-	791.254
Reclassification to Restricted Surplus of 50% of the net results for the semester, including the results of the Foreign Branch	17	-	-	-	-	-	128.083.632	(128.083.632)	-	-	-	-
Balances at December 31, 2024		87.200.872	-	44.283.822	480.890.230	5.547.153	338.626.369	217.195.866	(2.229.793)	559.139.595	6.605.317	1.178.119.836

Notes 1 to 26 are an integral part of these financial statements

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Statement of Cash Flows
For the Semesters Ended December 31 and June 30, 2024

	Notes	December 31, 2024	June 30, 2024
(in bolivars)			
Cash flow from operating activities:			
Result from the six-month period, net		287.834.787	105.235.733
Adjustments to reconcile net income with cash from operating-			
Provisions and depreciations in income account:			
Variation in the provision for credit portafolio and returns receivable		23.950.949	(1.589.010)
SUDEBAN adjustments		-	(5.776.783)
Actuarial loss of working liabilities		791.254	984.405
Depreciations and repayment		9.122.136	6.810.919
Exchange income non-realized for asset valuation and liabilities in foreign currency with cash in shareholders' equity, net of transfers to results		349.714.813	(45.681.106)
Generic and countercyclical provisions on UVC-adjusted receivables		<u>(3.863.772)</u>	<u>178.065</u>
		667.550.167	60.162.223
Net change in other assets		(6.929.010)	(56.965.541)
Net variation in interest and commissions receivable		(22.585.988)	(11.431.944)
Net change in accruals and other liabilities		675.589.024	29.210.384
Net change in interest and commissions payable		<u>219.036</u>	<u>(873.805)</u>
Net cash provided by operating activities		<u>1.313.843.229</u>	<u>20.101.317</u>
Cash flow from financial activities:			
Net change in customer deposits		3.472.312.251	969.799.272
Contributions pending capitalization		-	44.899.172
Net change in other financing obtained		(4)	(67.515.685)
Payment of dividends		<u>(23.976.672)</u>	<u>(47.572.762)</u>
Net cash flows provided by financial activities		<u>3.448.335.575</u>	<u>899.609.997</u>
Cash flows used in investment activities:			
Credits granted during the period		(5.716.688.231)	(2.700.567.293)
Credits collected during the period		4.238.914.887	2.185.138.412
Net change in placements at the Venezuelan Central Bank and interbankinf operations		(160.500.000)	(63.000.000)
Net change in investments available for sale		(220.641.805)	2.074.099
Variations in investments held at maturity, net		(397.407.884)	(14.729.443)
Variations in restricted availability investments, net		(113.955.514)	(12.170.942)
Incorporation of fixed assets and liquid assets, net		<u>(29.194.653)</u>	<u>(18.913.368)</u>
Cash used in investment activities, net		<u>(2.399.473.200)</u>	<u>(622.168.535)</u>
		2.362.705.604	297.542.779
FUNDS AVAILABLE, at the beginning of the six-month period		<u>2.016.365.246</u>	<u>1.718.822.467</u>
FUNDS AVAILABLE, at the end of the six-month period		<u>4.379.070.850</u>	<u>2.016.365.246</u>

Notes 1 to 26 are an integral part of these financial statements.

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch

Notes to the Financial Statements

December 31 and June 30, 2024

1. Incorporation, Operations, and Legal Framework

a) Incorporation and Operations

Venezolano de Crédito, S.A., Banco Universal (hereinafter referred to as "the Bank") is a financial entity that has been operating in Venezuela since 1925, offering banking services to individuals and businesses. Its main office is located in Caracas, with its fiscal domicile at Avenida Alameda, Venezolano de Crédito Building, 3rd floor, San Bernardino Urbanization. The Bank also has an operational branch in the Cayman Islands, with a Category B banking license issued by the Cayman Islands Monetary Authority, which allows it to conduct banking and custody operations with non-residents of the Cayman Islands.

With over 90 years of experience, the Bank has 72 offices distributed throughout the country. Its corporate purpose, both in Venezuela and its foreign branch, is to carry out banking operations and businesses permitted by law, encompassing national, international, personal, and commercial banking services. Trust services are provided through its Trust Department.

On February 16, 2023, an Extraordinary General Meeting of Shareholders was held to amend the Bank's Articles of Incorporation and Bylaws, adapting them to current legal provisions and operational needs. The most relevant changes include the extension of the Bank's term of duration until 2075, the updating of subscribed and paid capital, the number of shares, and adaptation to current banking practices.

The Bank and its branch conduct transactions with several related companies (Note 24).

Superintendency of Institutions of the Banking Sector of Venezuela (SUDEBAN)

SUDEBAN is the government agency responsible for overseeing the operation, development, and stability of the Venezuelan financial market. Its main function is to authorize, supervise, inspect, control, and regulate the activities of institutions in the banking sector in Venezuela, as well as to correct failures and sanction conduct that deviates from the current legal framework. SUDEBAN is attached to the Senior Body of the National Financial System, which is under the Ministry of People's Power for Finance (Note 26).

Approval of Financial Statements for Publication

The Bank's financial statements for the semester ended December 31, 2024, were approved for publication and issuance by the Board of Directors on January 9, 2025 (those corresponding to June 30, 2024, were approved on July 4, 2024).

b) Legal Framework

The Bank's activities are governed by various laws and regulations, including the Law of Institutions of the Banking Sector, the Code of Commerce, the Organic Law of the National Financial System, other applicable laws, regulations of the National Executive, and provisions of the Senior Body of the National Financial System (OSFIN) and the Central Bank of Venezuela (BCV), as well as the instructions and rules of SUDEBAN. OSFIN establishes regulations for citizen participation in financial supervision and social control, protects the rights of users, and promotes collaboration with sectors of the productive economy.

Organic Law of the National Financial System

The Organic Law of the National Financial System, published by the National Assembly in Official Gazette No. 39,447 dated June 16, 2010, reprinted due to material error in Official Gazette No. 39,578 dated December 21, 2010; regulates, supervises, controls, and coordinates the National Financial System to guarantee the use and investment of its resources for the benefit of the public interest and economic and social development. The system is made up of public, private, and communal financial institutions and any other form of organization that operates in the banking sector, the insurance sector, the securities market, and any other sector or group of financial institutions that, in the opinion of the governing body, should form part of this system, as well as natural and legal persons who use them.

Venezolano de Crédito, S.A. Banco Universal and its Cayman Islands Branch
Notes to the Financial Statements
December 31 and June 30, 2024

The Law prohibits the formation of financial groups with companies from other sectors or associated with international financial groups, for purposes other than those provided for in the law.

Law of Institutions of the Banking Sector

The Law of Institutions of the Banking Sector, published in Official Gazette No. 40,557 on December 8, 2014, regulates the operation of financial entities in Venezuela, establishing the requirements for their incorporation, authorization, supervision, control, and sanction, as well as their obligations and rights. It also defines the prudential standards regarding capital, liquidity, risks, corporate governance, and remuneration.

Among other aspects, the Law establishes banking activity as a public service; defines financial intermediation as the raising of funds and their placement in a portfolio of loans and investments in securities issued or guaranteed by the Nation or State-owned companies; limits the assets of the institution and transactions with a single debtor and defines what is considered a related debtor for the purposes of that limitation; regulates the formation and functions of the Board of Directors; provides for the cases of disqualification to be a Director; regulates the formation of financial groups; establishes the obligation to make a social contribution to finance projects of communal councils and establishes prohibitions, among others.

Cayman Islands Branch

The Bank's foreign branch does not have a legal personality distinct from that of the Bank and is subject to the supervision and control of the monetary authorities of the Cayman Islands (among other aspects, regarding prior consultation of certain transactions and the quality of assets, capital, and liquidity levels) and SUDEBAN in Venezuela.

Interest Rates

The active and passive rates in Venezuela are regulated by the BCV, which establishes the maximum and minimum interest rates for deposits and credit operations based on its benchmark rates.

The maximum annual active interest rate for credit card transactions in Venezuela is 60%, according to what was published by the BCV in Official Gazette No. 43,009 of November 18, 2024. This rate applies to institutions governed by the Decree with the Rank, Value, and Force of Law of Institutions of the Banking Sector and other special laws. The minimum annual active interest rate for these operations is 17% and the maximum default interest rate is 3%.

On March 17, 2022, the BCV issued Resolution No. 22-03-01, published in Official Gazette No. 42,341 of March 21, 2022, which establishes that the passive interest rate for savings deposits, including liquid asset accounts, may not be less than 32% per year, calculated on daily balances; and the passive interest rate for term deposits and for transactions through which term deposits are issued may not be less than 36% per year (Note 11). It also establishes, among other matters, the following:

- Credits under the National Single Productive Portfolio will have an annual interest rate of 6% on the resulting balance in Credit Value Unit (UVC).
- The interest rates applied to the commercial and microcredit portfolios will have an annual interest rate that may not exceed 16% or be less than 8%. Active operations related to loans directed to employees and managers of entities are excluded from the Resolution.
- The maximum delinquency rate for UVC credits is 0.8% per year, for those credits other than those expressed in UVC they may charge a maximum of 3% per year.
- Consumer and commercial credits in installments to individuals for payroll and credit card credits of less than 20,400 UVC are excluded from this resolution.

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The BCV's discount, rediscount, and advance rate was 19.2%. The BCV regulates the charges for services on savings and current accounts, leasing and international operations, and credit and debit cards that banks can charge their customers.

National Single Productive Portfolio (CPUN)

The National Single Productive Portfolio is a "credit portfolio" created by the Constituent Decree published in Official Gazette No. 6,507 Extraordinary dated January 29, 2020, with the purpose of financing specific sectors of the Venezuelan economy, such as agri-food, manufacturing, tourism, health, and housing, as well as others that may be incorporated by the National Executive, in order to promote and strengthen the economic sovereignty of the country. The National Single Productive Portfolio is made up of the resources available to public and private financial institutions operating within the national banking sector. The Governing Committee of the National Single Productive Portfolio is the body responsible for approving the policy, direction, regulation, and evaluation of the resources and the impact of this portfolio.

The value and other calculation parameters of the National Single Productive Portfolio are set by Resolution of the Governing Committee, in accordance with the policies and guidelines issued by the National Executive. The value of said portfolio will be equivalent to a mandatory minimum percentage of ten percent (10%) and a maximum of twenty-five percent (25%) of the gross portfolio in accordance with the accounting closures of the banks.

Resolution No. 22-03-01 of the Central Bank of Venezuela (BCV) published in Official Gazette No. 42,341 on March 21, 2022, establishes that credits granted in national currency, within the framework of the National Single Productive Portfolio, must be expressed in Credit Value Unit (UVC), with the aim of stimulating the performance of the credit portfolio and reducing the impact on the value of the currency caused by exchange arbitrage operations, which are calculated by dividing the amount of the credit in bolivars by the Investment Index (IDI) determined by the BCV in force on the date of granting, considering the variation of the market reference exchange rate and published daily on its website.

The annual interest rate for credits expressed in UVC is six percent (6%) on the resulting balance. In addition, credits granted under the modality of single payment at maturity will have a special charge of 20% at the time of settlement, which will be deducted from the debtor balance when the loan is canceled.

By means of circular No. SIB-II-GGR-GNP-CCD-05550 of August 11, 2022, SUDEBAN instructed that banking institutions must allocate for the National Single Productive Portfolio a mandatory minimum monthly percentage of 25% on the balance of the gross credit portfolio at the close of the immediately preceding quarter, discounting capital increases, as a result of the application of the UVC generated on the credits. For the purposes of measuring the National Single Productive Portfolio, the balances maintained of credits granted to the agri-food, manufacturing, tourism, and mortgage sectors prior to the creation of the National Single Productive Portfolio will be taken into consideration.

The Superintendency of Institutions of the Banking Sector (SUDEBAN) issued circular SIB-II-GGR-GNP-07108 on November 1, 2023. In this circular, public and private banks are informed that they must allocate 15% of the National Single Productive Portfolio to finance projects led by women entrepreneurs, under the CREDIMUJER plan. This measure is based on Presidential Decree 4,874, dated October 25, 2023 and published in Official Gazette No. 42,742 of that same date, which seeks to promote the active participation of women in the productive apparatus. Compliance with this portfolio will be evaluated monthly based on the balance registered in September 2023.

Microcredit Portfolio

The Law of the Institutions of the Banking Sector establishes that banking institutions must allocate at least 3% of the credit portfolio, based on the immediately preceding semester, to the microfinance sector of the country (Note 5).

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Income Tax Law (ISLR)

The Income Tax Law reformed and published by the National Executive in Official Gazette Extraordinary No. 6,210 dated December 30, 2015, by Decree No. 2,163, regulates taxes on annual, net, and available income obtained in money or in kind by natural and legal persons. This applies to both residents or domiciled in Venezuela and non-resident or non-domiciled natural and legal persons who obtain income from national sources.

Financial institutions, like any other legal entity, are subject to ISLR and must comply with the formal and material duties established in the law and its regulations. The income tax rate for legal entities is 34%. However, net income from banking, financial, insurance, or reinsurance activities, obtained by legal entities or entities domiciled in the country, will be taxed with a proportional tax of 40%. The Law also allows net operating losses to be carried forward for the next 3 fiscal years and offset up to a maximum of 25% of annual income (Note 14).

The Bank, as a special taxpayer, enjoys certain benefits and must comply with certain tax obligations, such as filing its final return and paying the corresponding income tax for the 2024 fiscal year before February 28, 2025.

Tax on Large Financial Transactions Law (LIGTF)

The LIGTF, published by the National Executive in Official Gazette No. 6,210 Extraordinary on December 30, 2015, in force since February 1, 2016, taxes the total amount of each withdrawal, debit, or transfer transaction from accounts registered in the national financial system, as well as payments made outside the national banking system, whether in cash or by any other means of debt extinction.

The LIGTF was partially reformed by the National Assembly on February 25, 2022, published in Official Gazette Extraordinary No. 6,687, which establishes a rate of 2% for transactions in national currency carried out by legal entities qualified as special passive subjects; and 3% for transactions in currency other than legal tender carried out by natural and legal persons.

The annual exemption Decree No. 4,924 published in Official Gazette No. 42,823 on February 21, 2024, grants the benefit to the following debits or withdrawals made in currency other than legal tender in the country:

- Purchase, sale, and custody transfer operations in securities issued or guaranteed by the Republic or the Central Bank of Venezuela;
- Settlement of capital or interest on the aforementioned securities, and those traded through stock exchanges and agricultural exchanges.

The annual exemption Decree No. 4,911 published in Official Gazette No. 42,797 on January 12, 2024 grants the benefit to operations carried out in the national territory of fuels derived from hydrocarbons, carried out by the State directly, or by companies of its exclusive property, or by mixed companies with participation of state and private capital in any proportion and by private companies, in accordance with the provisions¹ of article 58 of the Organic Law of Hydrocarbons.

As of July 12, 2024, by Presidential Decree No. 4,972 published in Official Gazette No. 6,821 Extraordinary, the IGTF rate applicable to transactions in bolivars carried out by natural persons, legal entities, public entities, and non-profit entities was established at 0%. This measure has significantly reduced the impact of the IGTF on the Bank's operations. However, the application of the tax for transactions in foreign currency and other specific cases is maintained, as established in the Tax on Large Financial Transactions Law.

During the semester ended December 31, 2024, the Bank recognized expenses for the tax on large financial transactions for Bs 764,098 (Bs 8,020,005 in the semester ended June 30, 2024). These expenses are shown in the "General and administrative expenses" item in the attached income statement. In addition, the Bank, in its capacity as a withholding agent, collected and delivered to the National Treasury the amount of Bs 21,411,278 (Bs 177,863,013 in the semester ended June 30, 2024).

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Value Added Tax Law (IVA)

The Law establishing the Value Added Tax (IVA), reformed and published by the National Constituent Assembly in Official Gazette Extraordinary No. 6,507 of January 29, 2020, is an indirect tax that is applied in Venezuela to the transfer of movable property, the provision of services, and the import of goods. Currently, the general VAT rate in Venezuela is 16%. Financial institutions only generate VAT on financial leasing operations. The VAT collected and paid each month is offset, and the resulting tax debits or credits are canceled before the Tax Administration or deferred to be offset in the future, as appropriate. Since the Bank's main operations do not generate a tax debit, the tax credits are charged to the cost of the goods or services acquired.

Taxpayers classified as special by the SENIAT act as VAT withholding agents when they purchase movable property or receive services from suppliers who are ordinary taxpayers of this tax. The amount to be withheld is 75% of the tax accrued, and may reach 100% in certain situations. In the event that the tax withheld by customers (asset) is not offset in a period greater than 3 months, the total or partial recovery of the accumulated balance may be requested from the SENIAT. On the other hand, the tax withheld from suppliers (liability) is paid fortnightly according to the calendar established for special taxpayers.

During the semester ended December 31, 2024, the Bank charged to the cost of goods and services acquired Value Added Tax in the amount of Bs 27,287,810 (Bs 25,624,762 in the semester ended June 30, 2024).

Constitutional Law for the Tax on Large Assets (CLTLA)

The Constitutional Law for the Tax on Large Assets (CLTLA), enacted by the National Constituent Assembly (ANC) and published in Official Gazette No. 41,667 on July 3, 2019 (reprinted due to material error in Official Gazette No. 41,696 on August 16, 2019), aims to tax the assets of natural and legal persons classified as special passive subjects by the national tax administration (SENIAT). This applies to those with assets equal to or exceeding 150 million tax units (150,000,000 U.T.). The tax administration is responsible for issuing regulations and instructions for updating the asset values and implementing the tax.

Key aspects of the law include:

- The tax rate is 0.25% on the net taxable assets.
- The first application period was for the net assets as of September 30, 2019.
- This tax is not deductible from income tax (ISLR).

During the semesters ended December 31, 2024, and June 30, 2024, the Bank did not record any expense related to this tax.

Law on Science, Technology, and Innovation (LOCTI)

The Law on Science, Technology, and Innovation, amended and published by the National Assembly in the Extraordinary Official Gazette No. 6,693 on April 1, 2022, regulates the development of science, technology, and innovation. It establishes an annual tax rate of 0.5% on gross income obtained in Venezuela, aiming to contribute to national sovereignty, participatory democracy, social justice, environmental respect, and cultural diversity.

Key changes introduced by the reform include:

Definition of contributors: Contributors are defined as legal entities, public or private, domiciled or not in Venezuela, that conduct economic activities in the country and obtain annual gross income exceeding 150,000 times the official exchange rate of the highest-value currency, as established by the BCV in the previous fiscal year.

Declaration and payment period: Contributions are declared and paid monthly, based on a percentage of the previous month's gross income.

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Definition of gross income: This includes income, earnings, and proceeds from any activity, including income from exchange differences, interest, dividends, bonds, and operating income, without allowing costs or deductions.

During the semester ended December 31, 2024, the Bank recorded an expense of Bs 4,976,314 for this concept (Bs 3,526,314 in the semester ended June 30, 2024), presented in the "General and administrative expenses" account (Note 18).

Organic Law on Drugs

The Organic Law on Drugs, published in Official Gazette No. 39,546 on November 5, 2010 (repealing the Organic Law Against Illicit Trafficking and Consumption of Narcotic and Psychotropic Substances, published in Official Gazette No. 38,337 on December 16, 2005), regulates the control, surveillance, inspection, prevention, treatment, rehabilitation, and sanction of activities related to narcotics and psychotropic substances, as well as precursor and essential chemical substances that may be used in the illicit manufacture of drugs.

An important aspect of this law is that it establishes the obligation for legal entities with more than 50 employees to allocate 1% of their profit from operations in the fiscal year to the National Anti-Drug Fund (FONA). Entities must submit a declaration and make the annual payment of this contribution within 60 consecutive days following the closing of their fiscal year.

During the semester ended December 31, 2024, the Bank provisioned Bs 3,891,644 (Bs 617,759 in the semester ended June 30, 2024) to comply with this obligation. This amount is recorded in the "Accruals and other liabilities" account (Note 13), and the corresponding expense is reflected in the semester's results in the "Other operating expenses" account (Note 20). In the first half of 2024, the annual contribution of Bs 3,027,897 corresponding to the fiscal year ended December 31, 2023, was paid.

Organic Law on Sports, Physical Activity, and Physical Education

The Organic Law on Sports, Physical Activity, and Physical Education, published by the National Assembly in Official Gazette No. 39,741 on August 23, 2011, and regulated on February 28, 2012, establishes the basis for physical education and regulates the promotion, organization, and administration of sports and physical activity as public services. It considers these aspects as fundamental rights of citizens and a social duty of the State, in addition to their management as an economic activity with social purposes.

A relevant aspect of this law is that it establishes that public and private for-profit companies or organizations whose annual net profit exceeds 20,000 tax units (UT) must make a contribution of 1% of said annual net profit to the National Fund for the Development of Sports, Physical Activity, and Physical Education, and an advance equivalent to 0.25% of the net profit of the immediately preceding fiscal year. The law also establishes guidelines for the execution of projects, declarations, and payments in installments, among other aspects.

During the semester ended December 31, 2024, the Bank settled an advance of Bs 670,357 and provisioned Bs 2,878,348 (Bs 1,052,357 in the semester ended June 30, 2024) to comply with this obligation. This amount is recorded in the "Accruals and other liabilities" account (Note 13), and the corresponding expense is reflected in the semester's results in the "Other operating expenses" account (Note 20). In the first half of 2024, the annual contribution of Bs 2,681,429, net of an advance of Bs 160,973, corresponding to the fiscal year ended December 31, 2023, was paid.

Organic Law on Labor, Workers, and Workers (LOTTT)

The Organic Law on Labor, Workers, and Workers, published in Official Gazette No. 6,076 Extraordinary on May 7, 2012, through Decree No. 8,938, aims to protect work as a social fact and guarantee the rights of workers.

Some of the most relevant aspects of this law include:

Labor benefits: It establishes rights such as vacations, vacation bonus, profit sharing, pre- and post-natal permits, guarantee of social benefits, and retroactivity of these.

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Working conditions: It regulates aspects such as the working day, holidays, rest days, among others.

Job stability: It introduces concepts related to job stability, especially in cases of maternity.

The LOTTT is relevant for the calculation and recording of the Bank's labor obligations with its employees, such as social benefits and other benefits.

Law for the Protection of Social Security Pensions against the imperialist blockade

The Law for the Protection of Social Security Pensions against the imperialist blockade, published in Official Gazette No. 6,806 Extraordinary on May 8, 2024, by the National Assembly, aims to establish transparent and participatory mechanisms to protect social security pensions from the negative effects caused by unilateral coercive measures and other restrictive or punitive actions imposed against Venezuela.

Some of the most relevant aspects of this law include:

- **Special contribution:** A special contribution applicable to legal entities of up to 15% is established on the taxable base, defined as the total payments made to workers for the concept of normal salary and non-salary bonuses.
- **Exemptions:** The National Executive has the power to exempt certain categories of passive subjects and strategic sectors for foreign investment and national development, totally or partially, from the payment of this contribution.
- **Frequency of contribution:** The special contribution will be declared and paid monthly, through Form 19, as established in Provision No. SNAT/2024/000042 of the SENIAT.
- **Administration and destination of funds:** The administration, collection, and inspection of the special contribution will be in charge of the National Integrated Customs and Tax Administration Service (SENIAT).

Subsequently, on May 16, 2024, Presidential Decree No. 4,952 was published in Official Gazette No. 42,880, establishing the amount of the special contribution at 9% of the total payments made by the employer to the workers. Enterprises duly registered with the National Registry of Enterprises (RNE) that commence their activities from May 9, 2024, are exempt from paying the special contribution for one year.

During the semester ended December 31, 2024, the Bank recorded expenses for the special contribution for the protection of social security pensions in the amount of Bs 6,712,629 (Bs 416,577 in the semester ended June 30, 2024).

2. Main Accounting Policies

a) Basis of Preparation

The attached financial statements correspond to the semesters ended December 31 and June 30, 2024. They have been prepared in accordance with the accounting framework required and/or permitted by the Superintendency of Banking Sector Institutions (SUDEBAN). This framework significantly differs from the generally accepted accounting principles in Venezuela (VEN-NIF), which are commonly applied in the preparation of financial statements for other types of industries. The VEN-NIF are largely based on the International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB), however, there are some exceptions related to the adjustment for the effects of inflation, the valuation of assets and liabilities in foreign currency, and the recognition of deferred income tax liabilities, among others.

SUDEBAN, through Resolution No. 648-10 of December 28, 2010, deferred the presentation of financial statements prepared as supplementary information in accordance with VEN-NIF. It established that, until further notice, the financial statements with their notes should continue to be presented as supplementary information in accordance with the generally accepted accounting principles in force until December 31, 2007 (PCGA-Ven).

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Additionally, Circular SIB-II-GGR-GNP-00459 of January 27, 2025, indicates that the presentation of the supplementary financial statements as of December 31, 2024, prepared under the generally accepted accounting principles in force as of December 31, 2007 (PCGA-Ven), as well as the financial statements adjusted for the effects of inflation, is deferred. This supplementary information will be presented for comparison with that of the first semester of 2025.

The Bank applied Circular No. SIB-II-GGR-GNP-07514, issued by SUDEBAN on September 9, 2021, and addressed to all banking institutions. This circular granted a temporary regulatory exception for the presentation of the "A" Form General Balance Sheet of banking institutions, within the framework of the monetary reconversion. According to this circular, the detail of the balances of the accounts that make up the equity must be suppressed and only the total balance should be shown for publication in print, digital, and web media. It is important to note that this exception does not apply to the financial statements sent directly to SUDEBAN, which must maintain the structure required in the accounting manual for Banking Institutions.

On July 31, 2024, SUDEBAN issued Circular No. SIB-II-GGR-GNP-04771, extending the application period of the regulatory exception for the presentation of the "A" Form under the terms indicated in Circular No. SIB-II-GGR-GNP-07514, as described above, for the financial statements as of December 2024.

b) Main Differences between VEN-NIF and the Accounting Manual for Banks

The main differences applicable to the Bank, identified by management between the accounting instructions and standards established by SUDEBAN and VEN-NIF, are as follows:

1. Inflation-adjusted Financial Statements

The financial statements of institutions that make up the National Banking System and their subsidiaries in which they have investments, as well as equity participations, must be presented in historical figures, except for those assets and liabilities measured at fair value. VEN-NIF requires the recognition of the effects of inflation in the financial statements whenever the functional currency is that of a hyperinflationary economy and when the annual economic inflation exceeds a single digit.

2. Functional Currency and Presentation

The SUDEBAN Accounting Manual (the Manual) establishes that the balances included in the financial statements of banks must be measured and presented in bolivars. According to VEN-NIF, financial statements must be prepared in their functional currency, which will be the currency of the primary economic environment in which the entity operates. Additionally, according to VEN-NIF, the entity will determine its functional currency, considering, among others, primarily the following elements: a) the currency that fundamentally influences income and costs (often the currency in which such income and costs are collected and settled, respectively); b) the currency of the country whose competitive forces and regulations fundamentally determine prices; and c) the currency in which funds from financing activities are generated.

3. Investments in Overdue Securities

Investments in securities that, at their maturity date, have not been settled, as well as the corresponding receivable yields, are classified in the other assets account. If 30 days after maturity they have not yet been collected, they must be provisioned at 100%. VEN-NIF establishes that overdue securities are recorded as impaired financial assets and are measured at amortized cost less the provision for expected credit loss. The provision is calculated based on the probability of default and exposure to risk.

4. Other Comprehensive Income

The financial statements consist of the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, and the set of notes that include a summary of significant accounting policies and other explanatory information. According to VEN-NIF, additionally, as part of the financial statements, the statement of other comprehensive income is presented, which can be part of the income statement or as another unique section.

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5. Foreign Currency

Transactions in foreign currency, mainly in US dollars, are recorded at the official purchase exchange rate reported by the BCV in effect at the date of the transaction, and balances are adjusted to the exchange rate in effect at the end of each period. The assets, liabilities, equity, and income statement accounts of the foreign branch are translated at the prevailing exchange rate. According to SUDEBAN regulations, fluctuations in foreign currency balances are presented in equity, except for minor amounts resulting from the fluctuation of other currencies against the US dollar, which are taken to income. Additionally, exchange gains resulting from the fluctuation of holding assets and liabilities in foreign currency may be taken to income when there are no deficit balances of provisions or expenses to offset and with prior authorization from SUDEBAN. VEN-NIF establishes that exchange gains and losses are included in income.

6. Cash Equivalents

The SUDEBAN Accounting Manual for the preparation of the cash flow statement considers the "Availability" account as cash equivalents. VEN-NIF considers as cash equivalents short-term, highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value, and with short maturity periods, of three months or less from the date of acquisition.

7. Premium or Discount on Held-to-Maturity Investments

The SUDEBAN Accounting Manual establishes that the discount or premium on held-to-maturity investments is amortized over the term of the security, charged or credited to the semester's income, in the groups of Other Operating Income and Other Operating Expenses, respectively. According to VEN-NIF, the amortization of the premium or discount on investments valued at amortized cost is part of the effective interest yield of the security, so it would be presented as part of financial income.

8. Items in Bank Reconciliations

The accounting instructions and standards established by SUDEBAN establish that those items in bank reconciliations in national and foreign currency with an age of more than 30 and 60 days pending accounting, when the necessary documentation is not available to account for them, must be recorded in the other assets group with a credit to an item in the Accruals and Other Liabilities group, and must be provisioned at 100% at 30 and 60 days, respectively, following their registration, if the necessary documentation is still not available. This provision will be maintained over time until the institution obtains the necessary documentation for reconciliation. Additionally, those creditor items, both in national and foreign currency, pending accounting when the necessary documentation is not available to record them, the Bank may reflect them in the other assets group with a credit to an item in the Accruals and Other Liabilities group. These items will be maintained over time until the institution obtains the necessary documentation for reconciliation. VEN-NIF does not establish specific accounting criteria; however, an entity will measure the expected credit losses of a financial instrument.

9. Permanent Losses in Investments in Securities

The SUDEBAN Accounting Manual establishes that, in cases where permanent losses have been recorded, caused by a decrease in the fair market value of investments in securities, any subsequent recovery of the fair market value does not affect the new cost basis. For VEN-NIF, in impairment, expected credit losses over the life of the asset are recognized for all financial instruments for which there have been significant increases in credit risk since initial recognition, so the impairment loss for that financial instrument will be measured at an amount equal to the expected credit losses over the next 12 months.

10. Valuation of Investment Transfers

Banking accounting practice establishes the possibility of making transfers between investment categories, including held-to-maturity, with prior authorization from SUDEBAN or due to unforeseeable events, without affecting the classification of the remaining securities held in that category; this is not considered under VEN-NIF.

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11. Overdue Loan Portfolio

The Accounting Manual for Banks establishes that when a loan is overdue and/or in litigation, it will not accrue interest as income, and this amount will be recorded in the memorandum accounts, where subsequent accrued interest will also be recorded. VEN-NIF establishes that, in the case of a financial instrument recorded at amortized cost, impairment is given by the difference between the carrying amount of the instrument and the present value of the estimated future cash flows that the instrument will generate, discounted at the effective interest rate initially recognized for the instrument. Impairment exists whenever the present value of future cash flows is less than the carrying amount of the instrument, in which case interest income will be recognized in the income statement, considering the effective interest rate applied to discount future cash flows for the purpose of evaluating the impairment loss.

12. Classification of the Loan Portfolio

The Manual establishes that loans whose original payment plan, term, and other previously agreed conditions have been modified by the creditor, at the express request of the debtor for refinancing, must be reclassified to the restructured loans accounts.

The Manual also establishes that the period for considering the overdue portfolio as uncollectible shall not exceed 24 months from the date of recording the total loan in that category. Loans in litigation, after 24 months from the date of their recording in that category, must be fully provisioned.

When a loan with monthly installments is overdue and the debtor pays the overdue installments, the bank must reclassify it to the category it had before becoming overdue. Similarly, when a debtor pays the pending installments of a loan in litigation and consequently the lawsuit is withdrawn, the bank must reclassify it to the category it had before entering litigation or becoming overdue.

VEN-NIF does not establish specific classification criteria; however, an entity will measure the expected credit losses of a financial instrument in a way that reflects: a) an unbiased probability-weighted amount determined by evaluating a range of possible outcomes; b) the time value of money; and c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

13. Provision for Loan Portfolio

The Bank conducts a monthly evaluation of its loan portfolio and contingent loans to determine the specific provision for possible losses to be established for each loan. This evaluation considers, among other aspects, economic conditions, credit risk by client, and their credit experience. Additionally, the Bank calculates a provision for the loan portfolio not individually evaluated, equivalent to the risk percentage resulting from the specific evaluation of the loans. According to the accounting instructions and standards established by SUDEBAN, the Bank must maintain a minimum generic provision of 1% of the loan portfolio balance, except for the microcredit portfolio balance, for which the Bank must maintain a generic provision of 2% and, additionally, a countercyclical provision of 0.75% of the gross loan portfolio balance. Furthermore, the Bank may establish voluntary generic provisions. The release of provisions requires authorization from SUDEBAN.

VEN-NIF establishes that the provision for loan uncollectibility is determined based on expected credit losses over the next 12 months, the remaining term of the loan, or for impaired financial assets.

14. Realizable Assets

Assets received in payment are recorded at the lower of the adjudicated amount, book balance, market values, or appraisal amount, and are amortized within the established period according to the accounting standards and practices established by the Superintendency. Additionally, deadlines are set for the disposal of these assets.

According to VEN-NIF, these are valued at the lower of their book amount and fair value less costs to sell, and depreciation of such assets ceases. They establish that an asset held for sale must have a management plan to be sold and a program initiated to find a buyer, expecting the sale to occur within no more than one year, except under particular external conditions.

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15. Premises and Equipments

Premises and Equipments are presented at their original cost value, less accumulated depreciation. The original cost of a property, plant, and equipment item is determined by its acquisition or construction cost, as the case may be. Additionally, assets with a useful life of less than four years and those with acquisition costs below 320 UT must be recorded in the general and administrative expenses account. According to VEN-NIF, Premises and Equipments are presented at their cost, less accumulated depreciation and the accumulated amount of impairment losses; the recognition of an item as Premises and Equipments is not subject to its useful life or amount.

The mandatory asset revaluation measure prescribed by SUDEBAN for Premises and Equipments, except for land, works in progress, and other assets, cannot exceed the Bank's primary equity. According to VEN-NIF, the revaluation model for subsequent measurement of Premises and Equipments is permitted, not mandatory; when adopting this model, it must be applied to all elements of the same class of property, plant, and equipment, and the amount to be recognized is the reliably measured fair value at the time of revaluation, less accumulated depreciation and the accumulated amount of impairment losses suffered.

16. Deferred Tax

Deferred tax according to SUDEBAN accounting standards must be calculated and recorded in accordance with the Accounting Manual for Banking Institutions, which establishes that deferred tax must be recognized using the liability method, based on temporary differences between the book value and the tax value of assets and liabilities. The Manual indicates that deferred tax must be measured using the tax rate in effect at the end of the fiscal year, and deferred tax assets for tax losses should not be recognized. The Manual and standards also include accounting and financial statement models that show how deferred tax should be recorded and disclosed, such as the provision for the loan portfolio, for which only provisions for loans classified as high risk or uncollectible generate a deferred tax asset.

Additionally, deferred income tax cannot be recognized for an amount greater than the tax expense based on taxable income. This deferred tax is measured using the effective tax rate and is recovered or amortized at the applicable historical tax rates.

Deferred tax according to VEN-NIF is the amount of income tax expected to be paid (taxable) or recovered (deductible) in future periods, resulting from previous operations not included in a tax return and whose handling depends on how the tax effect will be reversed. Deferred tax is generated because there are differences between the accounting and tax bases of assets and liabilities, which aim to provide users of the financial statements with a comprehensive view of the tax consequences arising from such operations.

Under VEN-NIF, deferred tax assets or liabilities are recognized in full using the balance sheet method, affecting results or as a reduction of their respective account in equity, depending on the item that originated it.

17. Memorandum Accounts

SUDEBAN standards establish the use of memorandum accounts to record trust assets, received custodianships, granted and received guarantees, received bonds, foreign exchange sale commitments, among others. VEN-NIF establishes that these items should be included in the balance sheet.

18. Recognition and Presentation of Income and Expenses

The variation of commercial loans and the National Single Productive Portfolio granted and expressed through UVC is recorded as financial income at the time of loan collection, considering the capital increases of such loans due to the variation of the Investment Index. Interest on loans, investments, and accounts receivable is recorded as income as it accrues, according to the effective interest rate method, except: a) accrued interest receivable more than 30 days overdue; b) interest on overdue and litigated loan portfolios, or those loans classified as real risk, high risk, or uncollectible; and c) late payment interest, which is recorded as income when collected.

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Interest on current and restructured loan portfolios, with a collection period equal to or greater than 6 months, is recorded when accrued as part of deferred financial income in the Accruals and Other Liabilities group, and is recorded as income at the time of collection.

According to VEN-NIF, interest income is recognized when earned and subsequently provisioned according to recovery expectations.

Commissions for services are recorded as income or expense at the time of their collection or payment, respectively, which will be at the time of the transaction, and are presented in the groups of Other Operating Income and Other Operating Expenses, respectively (Note 19).

Interest on public deposits, obligations, and obtained financing is recorded as financial expenses as they accrue, using the effective interest rate method.

19. Leases

Leases are recognized as expenses based on the terms incurred according to the conditions established in the contracts. Under VEN-NIF, leases are considered a right and an obligation and, therefore, are recognized as financial assets and liabilities when they exceed a 12-month term, and the corresponding depreciation and financial interest are presented separately in the period's results.

20. Other Expenses

Accounting practices for banks consider the possibility of deferring expenses that under VEN-NIF are charged to results when incurred. Additionally, certain taxes, such as contributions for community projects and sports development, are recognized based on what is paid.

c) Presentation Currency and Foreign Currency Transactions

The balances included in the Bank's financial statements are measured and presented in bolivars, as indicated in the Accounting Manual. The Bank records balances and transactions in foreign currency at the official purchase exchange rate reported by the BCV and in effect at the date of the transaction. Foreign currency balances are presented mainly at the following exchange rates:

	December 31, 2024	June 30, 2024
US\$1	Bs 51,89703225	Bs 36,35508450
€ 1	Bs 53,94021840	Bs 38,94283941

d) Investments in Securities

Investments in securities are classified at the time of acquisition, according to the intention for which they were acquired, into placements in the BCV and interbank operations, investments in securities available for sale, held-to-maturity investments, restricted availability investments, and others. Any transfer between the different categories of investments, or when sold for circumstances other than those established in the Accounting Manual, must be authorized by SUDEBAN.

Placements in the BCV and Interbanking transactions

This includes placements of surpluses made in the BCV, as well as "overnight" obligations and obligations issued by other financial institutions in the country with terms not exceeding 60 days.

Available for Sale Security

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These investments, both debt and equity, are recorded at their fair market value. Unrealized gains or losses arising from fluctuations in fair market values are included in equity. If investments in securities available for sale are denominated in foreign currency, their fair value will be determined in that currency and then translated at the prevailing official exchange rate; gains or losses from exchange rate fluctuations are included in equity. If there is a permanent decrease in the fair market value of these investments, the loss is recorded in the corresponding semester's results as part of "other operating expenses." Any subsequent increase in their market value, net of the tax effect, is recognized as an unrealized gain and included in equity accounts.

Held-to-Maturity Securities

Debt investments, which the Bank has the firm intention and ability to hold to maturity, are recorded at acquisition cost adjusted for the amortization of premiums or discounts over the term of the security. This cost must match the market value at the time of purchase and is subsequently adjusted for the amortization of premiums or discounts. The amortization of premiums or discounts is recognized in the period's results, within the groups of "Other Operating Income" and "Other Operating Expenses," as appropriate. Permanent losses, caused by a decrease in fair market value, are recorded in the semester's results in which they originate, also in the "Other Operating Expenses" group. Any subsequent recovery of fair market value does not affect the new cost basis, provided management considers that the decrease is not temporary. Factors evaluated to determine if impairment exists include: - The duration of the period and the extent to which fair value has been below cost. - The financial condition and short-term prospects of the issuer. - The decrease in the issuer's credit rating. - The existence or absence of an active market for the security in question. - The Bank's intention and ability to hold the investment for a sufficient period to allow for an anticipated recovery of fair value. For the semesters ended December 31, 2024, and June 30, 2024, the Bank has not identified impairments in the fair values of investments that need to be recorded.

Restricted Cash Investments

Investments in restricted availability securities that come from other investment categories are valued according to the existing valuation criteria for the securities that gave rise to their registration.

e) Loan Portfolio

According to SUDEBAN regulations, commercial loans and installments of term loans, mortgages, and credit cards are classified as overdue once the corresponding installment is more than 30 days overdue. Additionally, in the case of installment loans, mortgages, and credit cards, if any installment is more than 120 days overdue, the total principal is considered overdue.

Similarly, all loans granted to micro-entrepreneurs, payable in weekly or monthly installments, are considered overdue when at least one weekly installment is 14 days overdue or one monthly installment is 60 days overdue, respectively.

Restructured loans are those whose original payment plan, term, and other previously agreed conditions have been modified due to a refinancing request, under certain conditions established in the SUDEBAN Accounting Manual. On the other hand, loans in litigation correspond to overdue loans that are in the process of collection through legal actions. The Bank's loan portfolio includes:

- Loans granted in nominal bolivars that only accrue financial interest.
- CPUN loans expressed in UVC.
- Commercial and microloans expressed in UVC, which accrue both financial interest and gains or losses derived from the fluctuation of the Investment Index (IDI).

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At the time of settlement, loans are expressed in UVC and valued daily according to the variation of the IDI, determined by the BCV based on the variations of the free market exchange rate reference. If the IDI variation is downward, the reduction is recognized up to the limit of the IDI at the date of loan granting, so that losses can only be generated up to the limit of previously recognized gains. The unrealized gain or loss from the valuation of the UVC loan portfolio at the IDI value is initially recorded in equity, in the "Equity Adjustments" account, and subsequently reclassified to results when collected. The income thus realized is presented under "Financial Income."

According to SUDEBAN regulations, unrealized gains accumulated from the valuation of UVC loans adjusted to the IDI value can be used to create generic and countercyclical provisions.

Resolution 021.18, issued on April 5, 2018, by SUDEBAN, regulates the microfinance system and small and medium-sized enterprises (SMEs) in Venezuela. This resolution establishes the rules regarding the characteristics and risk classification of loans granted to these sectors, as well as the calculation of their provisions and the execution of their guarantees. Universal and microfinance banks must allocate their gross microcredit loan portfolio as follows:

- A maximum of forty percent (40%) for financing marketing activities.
- A maximum of forty percent (40%) for providing services (public transportation for urban and trunk routes); communal, social, and personal services.
- A minimum of twenty percent (20%) in other activities, such as: industrial, agricultural, mixed productive units, and artisanal production, among others.

Similarly, microfinance banks may allocate up to a maximum of forty percent (40%) of the total gross loan portfolio for financing small and medium-sized enterprises and no less than sixty percent (60%) to the microfinance system. They may also issue credit cards to users who already have microcredits with the banking institution.

f) Significant Accounting Estimates and Judgments

SUDEBAN and VEN-NIF standards require the Bank's management to exercise judgment and use estimates and assumptions that affect the amounts reported in the financial statements and their notes, as well as the disclosure of contingent assets and liabilities. These estimates and assumptions are based on historical experience and factors considered reasonable under the circumstances. Actual results may differ from these estimates.

Below is a summary of the main estimates used in the preparation of the financial statements:

Investments in Securities

The Bank determines the market value of securities based on prices published by valuation systems that aggregate reference prices from the entire financial market. Securities and their yields, which have not been collected 30 days after their maturity date, must be provisioned at 100% and reclassified to the other assets category.

Provision for Contingent Loans

The provision for contingent loans is determined based on a collectability evaluation aimed at quantifying the specific provision to be established for each loan, considering, among other aspects, economic conditions, credit risk by client, their credit experience, and the fair value of received guarantees. The evaluation is conducted quarterly, as established by SUDEBAN. Loans of the same nature are evaluated together to determine the necessary provisions.

Provision for Other Assets The Bank semiannually evaluates the collectability of items recorded in the "Other Assets" category, following, when possible, the same criteria as for the loan portfolio. If any loss of value is detected, the affected items are provisioned according to their nature and age.

Provision for Legal and Tax Claims

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The Bank records a provision for those legal and tax contingencies that it considers probable and reasonably quantifiable, based on the opinion of its legal advisors and the known facts at the evaluation date (Note 13). However, these considerations are based on current facts, and the final outcome of these litigation processes may differ from what is expected.

g) Premises and Equipments and Depreciation

Property, plant, and equipment are initially recognized at their original cost, which is their acquisition or construction cost, as the case may be, plus all necessary expenses to have the asset in place and in condition for use. Depreciation is calculated using the straight-line method based on the estimated useful life of the various assets, which is as follows:

	<u>Years</u>
Computer equipment	4
Office equipment	4
Vehicles	4
Furniture	10

h) Conversion and Integration of the Financial Statements of the Foreign Branch

The Bank's financial statements include the accounts of its branch in the Cayman Islands, which operates in US dollars as its functional currency. To present the consolidated financial statements, the branch's accounting has been converted to bolivars, which is the Bank's presentation currency, using the official purchase exchange rate reported by the BCV at the end of each period. This conversion reflects the economic and financial situation of the branch in terms of the Bank's presentation currency. Significant balances between the Bank and its Branch were eliminated in the consolidation, as follows:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Combined asset balances without eliminations	12.714.971.552	7.131.521.992
Elimination of accounts receivable from the Branch to Venezuela	(581.516.809)	(294.746.573)
Elimination of Venezuela's investment in the Branch	(1.596.797.600)	(1.063.819.282)
Total combined assets	<u>10.536.657.143</u>	<u>5.772.956.137</u>
Net assets of Venezuela	3.866.024.670	1.935.896.426
Net assets of the Branch	<u>6.670.632.473</u>	<u>3.837.059.711</u>
	<u>10.536.657.143</u>	<u>5.772.956.137</u>

i) Employee Benefits

Employee benefits are recorded when the obligation arises, whether legal or implicit, as a result of the service received from the employee. Additionally, it must be possible to make a reliable estimate of the labor obligation.

On November 8, 2023, the new Collective Labor Agreement was signed, effective from January 1, 2023, to December 31, 2025. The benefits contemplated in this contract began to apply from January 1, 2023.

Employee benefits are classified as follows:

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Accumulation for Labor Indemnities

The LOTTT and the Bank's Collective Labor Agreement establish that social benefits are an acquired right of workers. The payment of social benefits in Venezuela is made at the end of the employment relationship, proportionally to the length of service, calculated with the last integral salary earned by the worker. The integral salary is composed of the basic salary, vacation bonus aliquot, utility aliquot, bonuses (except for the food bonus), and other regular and permanent payments made by the employer to the worker.

The worker is entitled to be paid at least thirty days of integral salary for each year worked or a fraction exceeding six months, calculated based on the last salary (retroactive benefits). The employer must deposit 15% of the worker's integral salary quarterly into a social benefits account, which generates monthly interest. This interest is paid to the worker each year of service, unless the worker chooses to capitalize it. The LOTTT establishes that at the end of the employment relationship, the higher of the two calculations must be paid, between the retroactive social benefits and the total amount credited to the worker's guarantee in their trust.

The worker can also request an advance of their social benefits, up to 75% of the accumulated amount, for the following purposes: construction, acquisition, improvement, or repair of housing; release of a mortgage or any other lien on housing; investment in education; medical and hospital expenses. The worker must demonstrate to the employer that the money will be used for one of these purposes.

The worker's last salary, the moment of termination of the employment relationship, and the final amount credited to each worker's guarantee are uncertain future events at each fiscal year-end. Therefore, actuarial methods based on assumptions are used to measure and record the additional obligation and related expense for social benefits, which include the discount rate of the obligation, the salary increase rate, and the employee turnover rate. These assumptions are evaluated annually and may affect the obligation amount if there are any variations. The Bank, in accordance with the LOTTT, calculates the additional obligation to the social benefits guarantee based on the last salary earned by the worker at the time of termination, using actuarial methods.

Short-term Benefits

The social statutes, legal provisions, and individual and collective agreements with executives and/or workers contemplate their participation in net profits, as well as other short-term benefits. The main accumulations for this concept refer to the employees' participation in net profits and the vacation bonus. The Bank recognizes this cost based on the established regulations during the fiscal year in which they are incurred, charged to results, according to undiscounted calculations based on labor regulations and the current collective agreement.

Parafiscal Contributions

Parafiscal contributions are established by law or based on it. They are collected by certain public entities to ensure their autonomous financing. Some of the parafiscal contributions are those destined for social security, which include contributions from workers and employers to the various social protection subsystems, such as the Mandatory Social Security (SSO), the Employment Benefit Regime, the Mandatory Housing Savings Fund (FAO), the National Institute of Socialist Educational Training (INCES). These contributions are calculated based on the salary, whether normal or integral, earned by the worker.

Job Security

Job security is a measure that protects public and private sector workers from being dismissed, transferred, or downgraded in their working conditions without prior authorization from the Labor Inspectorate. The National Executive has issued several job security decrees since 2002, the most recent being Decree No. 5,070, published in Extraordinary Official Gazette No. 6,868 on December 27, 2024, which extends job security for a period of two years, from January 1, 2025, to December 31, 2026. However, there are some exceptions to job security, such as workers holding managerial positions, seasonal or occasional workers, and cases of definitive or partial closure of the company.

j) Other Assets

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This category includes assets that cannot be classified into other asset groups, such as deferred expenses, prepaid expenses, miscellaneous assets, and items to be applied, along with their corresponding provision. Deferred expenses include organization and installation expenses of branches and own agencies, improvements in leased properties, software, and acquired licenses. These expenses are not recognized at the time of payment but are distributed over future periods because their benefits extend beyond the period in which they were incurred. Some items in this group have a maximum term of 360 days from their maturity or enforceability. If not realized within that period, they are provisioned at 100% and, with prior authorization, are written off. This maximum term does not apply to miscellaneous assets, VAT on financial leases, prepaid Income Tax (ISLR), Large Financial Transactions Tax (IGTF), fiscal stamps, and items required by SENIAT. The Bank evaluates the collectability of items in "Other Assets," assigning provisions according to their age, nature, and SUDEBAN requirements. Deferred expenses are recorded at cost and presented net of accumulated amortization, calculated using the straight-line method over a maximum period of four years.

k) Trust assets

Trust assets are valued using the same parameters as the Bank's own assets, with the following exceptions:

No generic provisions are established in the loan portfolio.

Investments in securities are recorded at acquisition cost adjusted for premium or discount amortization.

Exchange gains, both realized and unrealized, are recorded in the results of the fiscal year and not in the trust's equity.

The Bank provides custody, administration, and investment management services with various financial instruments. Trust assets are not included in the Bank's assets but are presented in memorandum accounts. As of December 31 and June 30, 2024, the Bank held Bs 885.865.769 and Bs 572,985,430, respectively, in trust assets (Note 21).

l) financial risk management

Due to the nature of its business, the Bank is subject to market risk (price and exchange rate), credit risk, liquidity risk, cash flow risk, and interest rate risk. The Bank controls these risks by creating approval, supervision, and control mechanisms, under risk management policies directed by the Executive Committee.

The BCV has implemented monetary policy measures to reduce inflation and exchange rate pressures, which directly affect the banking sector as they include significant measures of monetary liquidity restriction and automatic and discretionary exchange intervention by the BCV that significantly limit credit intermediation, restrict the free availability of cash, and generate significant operating costs. Additionally, the stabilization of the exchange rate, which is a reference for determining the IDI in the loan portfolio and under an environment of restrictions on active interest rates, affects the banks' ability to generate financial income from their loan portfolio.

In response to these challenges, the Bank has created mechanisms to monitor these risks, reviews its business model when deemed appropriate, and has created provisions to cover general risks inherent to Venezuelan banking activities.

In this context, a summary of the Bank's risk exposure is as follows:

Market risk

Market risk materializes in a financial institution when market conditions change adversely, affecting the liquidity and value of financial instruments that the Bank holds in investment portfolios or contingent positions, including derivative operations, resulting in a loss for the Institution. This risk is fundamentally concentrated in two areas: price risk (which includes interest rate risk, currency risk, and equity value risk) and liquidity risk.

Currency risk

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Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank has significant operations in US dollars. Additionally, when the Bank identifies a market opportunity in the short or medium term, investments could be placed in foreign currency instruments, mainly in US dollars. The Bank conducts operations in currencies other than the bolivar, generating assets and liabilities denominated in foreign currency. As of the financial statement date, the Bank's net foreign currency position is active, meaning that foreign currency assets exceed foreign currency liabilities. This position is mainly concentrated in a currency with lower volatility than the bolivar. The Bank operates a branch in the Cayman Islands, whose functional currency is the US dollar. The assets of this branch, expressed in bolivars, represent a significant percentage of the Bank's total consolidated assets, reaching 63.31% as of December 31, 2024 (66.47% as of June 30, 2024).

Price risk

Financial assets are mainly held in cash, deposits with the BCV, national and foreign banks, as well as obligations in foreign companies, classified as investments available for sale, held to maturity, and restricted availability, which in total represent 62.34% (57.32% in the semester ended June 30, 2024) of the Bank's assets. These assets are substantially independent of price fluctuations; therefore, the Bank has limited exposure to this risk. The Bank does not use hedging instruments to manage its exposure to price risk.

Liquidity risk

Liquidity risk is the risk that the Bank cannot meet its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Bank reviews its available cash resources, current accounts, loans, and guarantees daily. The Bank's investment strategy is aimed at ensuring an adequate level of liquidity. The Bank maintains its investments mostly on demand and/or with short-term maturities to manage liquidity risk and makes cash flow projections to evaluate available liquid assets and financing needs.

Credit risk

The Bank assumes exposure to credit risk as the risk that a counterparty will be unable to pay its debts in full at maturity. Credit risk exposure is monitored by the Bank through regular analysis of borrowers' payment capacity. The Bank structures the level of credit risk by setting limits in relation to a borrower or group of borrowers.

Operational risk

The Bank assumes exposure to operational risk as the risk of direct or indirect losses resulting from inadequate or failed internal processes, human errors, system failures, and external events. The Bank's operational risk measurement structure is carried out through two approaches: qualitative and quantitative; the former based on the identification and analysis of risks before associated events occur; and the latter mainly supported by the collection of occurred events and the experience gained from them.

m) subsequent events

Subsequent events are those that occur between the end of the reporting period and the date of authorization of the financial statements for publication. These events can be of two types: those that require adjustment and those that do not require adjustment. Events that require adjustment are those that provide evidence of conditions that existed at the end of the reporting period. Events that do not require adjustment are those that indicate conditions that arose after the reporting period. Subsequent events can affect the presentation and disclosure of the financial statements.

3. Cash and cash equivalents

The cash balance included in cash and cash equivalents is composed of the following:

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	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Banknotes and foreign currency	24	600.907.331	129.518.565
Banknotes and national currency		50.540.567	36.988.710
Coined gold	24	121.543.782	75.850.996
Free convertibility exchange market		7.520.746	502.393
		<u>780.512.426</u>	<u>242.860.664</u>

As of December 31 and June 30, 2024, the Bank holds inventories in coins and gold bars equivalent to 897,717 ounces, quoted at US\$2,608 and US\$2,324 per ounce, respectively. As of December 31, 2024, the Bank maintains a numismatic inventory. Due to the monetary reconversions that occurred in Venezuela, the book value of this inventory is zero. During the first semester of 2024, the Bank sold part of its numismatic inventory, generating an income of Bs 43,733,163. This income is presented as "extraordinary income" in the financial statements as of June 30, 2024.

The balance with the BCV included in cash and cash equivalents is composed of the following:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
To cover legal reserve		1.112.471.826	642.469.910
Currencies sold under the exchange intervention mechanism pending receipt from the BCV	10 y 24	87.913.580	68.565.694
Demand deposits		214.225	2.260.792
Others		139.178.667	49.438.515
		<u>1.339.778.298</u>	<u>762.734.911</u>

The BCV, in accordance with its legal attributions, determines the amount corresponding to the legal reserve in bolivars to be maintained in the single account at that institution, according to the resolutions issued for this purpose.

Foreign exchange intervention (BCV)

Foreign exchange intervention is a monetary policy measure that the Central Bank of Venezuela (BCV) uses to influence the exchange rate of the national currency. Generally, the BCV intervenes in the foreign exchange market by buying or selling foreign currency with its own reserves. The objective is to moderate exchange rate fluctuations that may affect inflation, economic activity, or financial stability.

Resolution 19-09-03 of the BCV, issued on September 5, 2019, and published in Official Gazette No. 41,742 on October 21, 2019, establishes that the BCV can conduct foreign currency sales operations with banking entities. These operations are carried out by debiting the single account that entities maintain at the BCV. Banking entities must apply the foreign currency position received from the BCV in buy-sell operations with their private sector clients, using the official exchange rate in effect at the transaction date. However, the banking and securities market sectors are excluded.

The bolivar amount equivalent to the foreign exchange intervention amount is deducted from the legal reserve from the operation date until the last day of the following week.

In a circular sent by the BCV on October 21, 2022, it is confirmed that foreign currency sales operations agreed with clients must be settled on the same value date. This implies debiting the bolivar account for the acquired amount's countervalue and crediting the respective client's foreign currency account.

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Additionally, the special deposits referred to in Article 2 of Resolution No. 19-09-03 must be immediately credited to the foreign currency accounts mentioned in Chapter IV of Exchange Agreement No. 1 dated August 21, 2018. These accounts are maintained by clients at the respective banking entity and are governed by the Accounting Manual for Banking Institutions issued by the Superintendency of Banking Sector Institutions.

As of December 31, 2024, the balance of Bs 87,913,580, equivalent to US\$1,694,000 (Bs 68,565,694, equivalent to US\$1,886,000 as of June 30, 2024), corresponds to the amount of foreign currency pending receipt from the BCV, which was sold to clients under the Foreign Exchange Intervention mechanism (Note 11). It is important to note that these amounts have already been delivered by the BCV as of the date of this report.

Additionally, the BCV will apply an annual interest rate of 32.2% on the unsold balance in buy-sell operations, from the execution date of the foreign exchange intervention and for each day the reserve deficit occurred.

In the circular dated October 7, 2021, the BCV agreed to modify the procedure regarding the unapplied balance by banking institutions in operations with the public. According to this modification, if banking institutions do not manage to apply the total foreign currency sold during the foreign exchange intervention conducted by the BCV, the Institute will automatically conduct a buyback operation of the remaining foreign currency from the respective banking institutions on the last banking business day of the corresponding week. For this, the exchange rate used in the respective foreign exchange intervention operation, reduced by 5.2375%, will be applied. Additionally, the BCV may agree on the following measures:

- a) Not apply the 5.2375% exchange rate reduction for the buyback of the unsold balance to the public from the foreign exchange intervention at the end of the respective week. Instead, the purchase exchange rate in effect on the day the intervention sale was conducted will be used.
- b) Not apply the reserve deficit interest rate charge provided in Article 5 of Resolution No. 19-09-03 for foreign currency not sold to clients.
- c) Extend the period in which banking institutions are obliged to sell foreign currency to their clients, resulting from the foreign exchange intervention, and consequently allow the sale to the BCV of the unapplied foreign currency to be verified on the date it determines.

In the circular dated October 10, 2024, the BCV modified the procedure regarding the unapplied balance by banking institutions in operations with the public under the foreign exchange intervention mechanism. According to the modification, if banking institutions do not manage to apply the total foreign currency sold in operations with the public or interbank operations, the BCV will automatically conduct a buyback operation of the remaining foreign currency on the last banking business day of the corresponding week. The exchange rate used will be that of the foreign exchange intervention operation, reduced by 5.2375%.

The 2024 circular details exceptional measures that the BCV Board may take, such as not applying the exchange rate reduction, not charging the reserve deficit interest rate, extending the foreign currency sale period, and not applying the bolivar discount for the constitution of the reserve fund.

Legal reserve

Resolution 22-01-01 of the Central Bank of Venezuela (BCV), issued on January 27, 2022, and published in Official Gazette No. 42,312 on February 4, 2022, establishes the rules governing the constitution of the minimum reserve that banking institutions must maintain deposited at the BCV. The reserve is a percentage of the net obligations and investments ceded by banks, intended to ensure the solvency and stability of the financial system.

The key points of the Resolution are as follows:

1. Minimum reserve:

- Banking institutions must maintain a minimum legal reserve: - 73% on net obligations in national currency and investments ceded in the money market.

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- 31% for foreign currency deposits.

2. Reserve deficit cost:

- If a bank presents a reserve deficit, it will incur a daily financial cost (COFIDE).
- The annual base interest rate for the reserve deficit is 9 percentage points above the rate set by the BCV in its ordinary discount, rediscount, and advance operations.
- Additional increases according to the following assumptions:
 - 2 percentage points if a deficit occurs between 3 and 7 times within 30 days.
 - 4 percentage points if a deficit occurs 8 or more times within 30 continuous days, counted from the first non-compliance.

According to Resolution 22-01-01 of the BCV, as of December 31, 2024, the Bank was required to maintain a legal reserve of Bs 1,112,471,826 (required by the BCV) compared to Bs 642,469,910 as of June 30, 2024. The available balances at the BCV amounted to Bs 1,112,686,051 (Bs 644,730,701 as of June 30, 2024).

According to the Circular of August 29, 2024, the BCV informed banking institutions that, starting September 4, 2024, 50% of the denominations of Bs 0.5 and 1 of the re-expressed sovereign bolivar monetary cone, plus 70% of the denominations of Bs 5 to 500 of the new monetary expression, will be deducted daily from the reserve position that must be constituted, based on cash inventories as of August 23, 2024.

During 2024, the Bank experienced legal reserve deficits, with most of these concentrated in the first semester. In the semester ended December 31, 2024, the Bank received financial charges from the BCV amounting to Bs 1,007,219 (Bs 20,013,793 as of June 30, 2024). These charges include interest for the legal reserve deficit and IDI variation, presented under "Other Operating Expenses" (Note 20).

Public deposits in foreign currency derived from the Foreign Exchange Market System under the current Exchange Agreement No. 1 are excluded from the calculation of the foreign currency legal reserve, equivalent to 31% of foreign currency deposits, as established by the BCV in its Resolution 21-01-01. However, these deposits cannot be used for financial intermediation without prior authorization from SUDEBAN, and therefore, are entirely maintained in bank accounts and/or cash in the same currency in which they originated (Note 11).

The "Others" account corresponds to pending collections for transactions conducted through the Suiche 7B network. These collections, corresponding to operations with other banking entities, are settled on the next business day.

Foreign banks and correspondents

Foreign banks and correspondents are financial entities that act as intermediaries between different banking institutions, facilitating international transactions and operations. Correspondent banks manage operations on behalf of another financial institution that does not have branches in the country and can, on behalf of a third party, accept deposits, transfer money, manage loans, among others.

The credit quality of foreign banks and correspondents, where Venezolano de Crédito maintains availabilities according to external indices, is as follows:

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	December 31, 2024	June 30, 2024
	(in bolivars)	
A+	83.187.371	46.323.088
A-	376.254.196	230.231.117
AA	7.428	10.722.020
BB+	1.632.119.673	550.661.381
BBB+	28.177.445	-
BBB-	-	8.058.949
Not available	139.030.721	164.718.148
	<u>2.258.776.834</u>	<u>1.010.714.703</u>

As of December 31, 2024, the balance in foreign banks and correspondents amounted to Bs 2,258,776,834 (equivalent to US\$43,524,200) (Bs 1,010,714,703 (equivalent to US\$27,801,193) as of June 30, 2024). These balances include Bs 24,709,915 (equivalent to US\$476,133) corresponding to Foreign Exchange Desk and Retail transactions as of December 31, 2024, and Bs 15,478,017 (equivalent to US\$425,745) as of June 30, 2024.

The balance in foreign banks and correspondents as of December 31, 2024, includes funds maintained in the Bank's branch in the Cayman Islands amounting to Bs 2,116,543,863 (equivalent to US\$40,783,524) (Bs 902,830,535 (equivalent to US\$24,833,680) in June 2024).

4. Investments in securities

Investments in debt securities, shares, and others have been classified in the financial statements according to Management's intention. Investments in securities include:

	Note	December 31, 2024	June 30, 2024
		(in bolivars)	
Placements in the Venezuelan Central Bank and interbank operations		223.500.000	63.000.000
Securities available for sale		531.603.591	305.881.502
Held to maturity		1.077.175.061	679.767.177
Restricted availability		<u>357.692.473</u>	<u>243.736.959</u>
		<u>2.189.971.125</u>	<u>1.292.385.638</u>

a) Placements in the BCV and Interbank Operations

The details of such investments are as follows:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Overnight placements with an annual yield of 33% and maturity in January 2025 (yield between 1% and 4% and maturity in July 2024, as of June 30, 2024)	<u>223.500.000</u>	<u>63.000.000</u>

Overnight placements are short-term operations conducted in the interbank market, generally with maturities scheduled for the next business day after placement. During the semester ended December 31, 2024, interest income from interbank operations amounted to Bs 55,214,166 (Bs 1,074,560 as of June 30, 2024).

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b) Investments in Securities Available for Sale

Investments in securities available for sale are presented at their fair value, and the details are as follows:

	December 31, 2024			June 30, 2024		
	Acquisition Cost	Amortized cost (book value)	Fair value	Acquisition Cost	Amortized cost (book value)	Fair value
	(in bolivars)					
Bonds issued by foreign financial institutions						
American Express Co., with a face value of US\$300,000, yield of 3.95% per annum and maturity in August 2025, December 2024.	15.522.091	(12.144)	15.509.947 (2)	-	-	-
Bank of America Corp., with a nominal value of US\$300,000, yield of 3.95% per annum and maturity in April 2025, December 2024.	15.526.762	1.868	15.528.630 (2)	-	-	-
Citigroup Inc., with a nominal value of US\$300,000, yield of 3.875% per annum and maturity in March 2025, December 2024.	15.525.360	156	15.525.516 (2)	-	-	-
	<u>46.574.213</u>	<u>(10.120)</u>	<u>46.564.093</u>	<u>-</u>	<u>-</u>	<u>-</u>

	December 31, 2024			June 30, 2024		
	Acquisition Cost	Unrealized gross profit (gross loss)	Fair market value	Acquisition Cost	Unrealized gross profit (gross loss)	Fair market value
	(in bolivars)					
Bonds issued by non-financial private companies abroad						
Mondelez International Inc., with a nominal value of US\$750,000, annual interest rate of 1.5% and maturity in May 2025, in June 2024,	-	-	-	25.478.843	882.229	26.361.072 (3)
Procter & Gamble Co., with a nominal value of US\$750,000, annual interest rate of 2.45% and maturity in November 2026.	-	-	-	25.639.464	192.641	25.832.105 (3)
The Campbell's Company, with a nominal value of US\$240,000, annual interest rate of 3.95% and maturity in March 2025, in December 2024.	12.430.626	(3.986)	12.426.641 (2)	-	-	-
General Mills Inc., with a nominal value of US\$350,000, annual interest rate of 4.00% and maturity in April 2025, in December 2024.	18.118.915	(3.996)	18.114.919 (2)	-	-	-
Humana Inc., with a nominal value of US\$300,000, annual interest rate of 4.50% per year and maturity in April 2025, in December 2024.	15.571.445	(22.575)	15.548.870 (2)	-	-	-
Ralph Lauren Corp., with a nominal value of US\$300,000, annual interest rate of 3.75% per year and maturity in September 2025, December 2024.	15.487.683	(33.785)	15.453.898 (2)	-	-	-
Sherwin-Williams Co., with a nominal value of US\$310,000, annual interest rate of 3.45% and maturity in August 2025, December 2024.	15.970.315	(2.896)	15.967.419 (2)	-	-	-
	<u>77.578.984</u>	<u>(67.238)</u>	<u>77.511.747</u>	<u>51.118.307</u>	<u>1.074.870</u>	<u>52.193.177</u>

	December 31, 2024			June 30, 2024		
	Acquisition Cost	Unrealized gross profit (gross loss)	Fair market value	Acquisition Cost	Unrealized gross profit (gross loss)	Fair market value
Securities issued or guaranteed by the Nation						
U.S. Government Treasury Bills, face value of US\$4,100,000, maturing between January and November 2025, in December 2024 (Face value of US\$3,200,000, maturing between July and November 2024, in June 2024).	205.560.118	2.792.714	208.352.832 (1) (2)	113.749.028	1.226.471	114.975.500 (1)
U.S. Government Treasury Bills, face value of US\$3,845,000, annual interest rate between 1.375% and 4.625%, maturing between January and June 2025, in December 2024 (Face value of US\$3,900,000, annual interest rate between 1.375% and 3.875%, maturing between December 2024 and May 2025, in June 2024).	196.829.332	2.345.588	199.174.919 (1)	139.489.133	(776.309)	138.712.825 (1)
	<u>526.542.647</u>	<u>5.060.944</u>	<u>531.603.591</u>	<u>304.356.468</u>	<u>1.525.032</u>	<u>305.881.502</u>

Custodian of Investments

- (1) Raymond James & Associates Inc.
- (2) Venecredit Securities, Inc.
- (3) Brown Brothers Harriman & Co.

The maturities of investments in securities available for sale are as follows:

	December 31, 2024		June 30, 2024	
	Acquisition cost	Fair market value	Acquisition cost	Fair market value
	(in bolivars)			
Up to 6 months	331.883.026	335.369.417	113.749.028	114.975.500
From 6 months to a year	194.659.621	196.234.174	164.967.976	165.073.897
From one to five years	-	-	25.639.464	25.832.105
	<u>526.542.647</u>	<u>531.603.591</u>	<u>304.356.468</u>	<u>305.881.502</u>

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c) Investments in Held-to-Maturity Securities

Investments in held-to-maturity securities correspond to securities that the Bank has the firm intention and ability to hold until maturity. The details of such investments are as follows:

	December 31, 2024			June 30, 2024		
	Acquisition Cost	Amortized cost (book value)	Fair value	Acquisition Cost	Amortized cost (book value)	Fair value
	(in bolivars)					
Bonds issued by private non-financial companies abroad						
7-Eleven Inc., with a nominal value of US\$ 250,000, annual interest rate of 1.3% and maturity in February 2028, in December 2024.	11.556.820	11.570.414	11.526.331 (2)	-	-	-
Adobe Inc., with a nominal value of US\$ 300,000, annual interest rate of 2.150% and maturity in February 2027, in December and June 2024.	14.612.544	14.907.673	14.859.158 (1)	10.236.428	10.331.288	10.182.332 (1)
Amazon.com Inc., with a nominal value of US\$300,000, annual interest rate of 3.150% and maturity in August 2027, in December and June 2024.	14.945.100	15.108.861	15.074.012 (2)	10.469.392	10.522.570	10.361.199 (2)
AT&T Inc., with a nominal value of US\$300,000, annual interest rate of 4.250% and maturity in March 2027, in December and June 2024.	15.358.615	15.422.340	15.418.089 (1)	10.759.069	10.779.762	10.667.672 (2)
CVS Health Corp., with a nominal value of US\$450,000, annual interest rates between 1.30% and 4.30%, and maturity in August 2027 and March 2028, in December 2024.	22.392.506	22.424.506	22.146.280 (4)	-	-	-
Darden Restaurants, Inc. with a nominal value of US\$200,000, annual interest rate of 4.55% and maturity in October 2029, in December 2024.	10.231.811	10.233.891	10.132.377 (1)	-	-	-
General Motors Co., with a nominal value of US\$506,000, annual interest rates between 5.40% and 6.125%, and maturity between October 2025 and October 2029. (Nominal value of US\$490,000 annual interest rate of 6.125% and maturity in October 2025, June 2024).	29.285.817	26.875.870	26.466.251 (2)	20.997.352	18.621.289	17.908.406 (2)
HP Inc., nominal value of US\$500,000, annual interest rate of 4% and maturity in April 2029, December and June 2024.	24.610.092	24.944.698	24.910.575 (2)	17.239.945	17.391.721	17.303.202 (1)
Lowe's Companies Inc., nominal value of US\$300,000, annual interest rate of 3.1% and maturity in May 2027, in December 2024.	15.224.254	15.258.812	15.050.658 (1)	-	-	-
Micron Technology Inc., with nominal value of US\$1,000,000, annual interest rate of 4.975% and maturity in February 2026, in December and June 2024.	60.797.373	53.773.245	51.948.929 (1)	42.589.981	38.270.999	36.075.150 (2)
Microsoft Corp., with nominal value of US\$300,000, annual interest rate of 3.30% and maturity in February 2027, in December and June 2024.	15.197.008	15.311.294	15.211.020 (1)	10.645.859	10.682.593	10.522.616 (1)
Molson Coors Beverage Co., with nominal value of US\$1,000,000, annual interest rate of 3% and maturity in July 2026, in December and June 2024.	55.822.524	52.949.207	50.578.848 (3)	39.104.983	37.333.907	34.802.722 (1)
Mondelez International Inc., with a nominal value of US\$750,000, annual interest rate of 1.5% and maturity in May 2025, in December 2024.	37.868.745	38.446.136	38.876.067 (2)	-	-	-
Netflix Inc., with a nominal value of US\$300,000, annual interest rate of 4.375% and maturity in November 2026, in December 2024 and June 2024.	15.423.694	15.465.824	15.527.073 (2)	10.804.658	10.814.708	10.712.389 (2)
Ralph Lauren Corp., with a nominal value of US\$1,500,000, annual interest rate of 3.750% and maturity in September 2025, in December and June 2024	82.298.314	78.438.638	77.269.491 (4)	57.651.893	55.244.405	53.480.147 (4)
Starbucks Corp., with a nominal value of US\$350,000, annual interest rate of 4.750% and maturity in February 2026, in December and June 2024.	18.162.871	18.163.312	18.198.473 (2)	12.723.516	12.723.621	12.636.482 (2)
Procter & Gamble Co., with a nominal value of US\$750,000, annual interest rate of 2.45% and maturity in November 2026, in December 2024.	37.569.040	37.817.753	37.657.784 (3)	-	-	-
Verizon Communications Inc., with a nominal value of US\$135,000, annual interest rate of 4.1250% and maturity in March 2027, in December and June 2024.	6.834.660	6.879.602	6.924.128 (3)	4.787.839	4.799.067	4.785.729 (3)
Walgreens Boots Alliance Inc., with a nominal value of US\$1,500,000, annual interest rate of 3.750% and maturity in March 2027, in December and June 2024. US\$1,000,000, annual interest rate of 3.450% and maturity in June 2026, December and June 2024.	57.500.355	53.279.149	50.267.465 (1)	40.280.343	37.667.874	34.210.135 (1)
	<u>545.692.143</u>	<u>527.271.225</u>	<u>518.043.009</u>	<u>288.291.258</u>	<u>275.183.804</u>	<u>263.648.181</u>

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	December 31, 2024			June 30, 2024		
	Acquisition Cost	Amortized cost (book value)	Fair value	Acquisition Cost	Amortized cost (book value)	Fair value
	(in bolivars)					
Bonds issued by foreign financial institutions						
American Express Co., with a nominal value of US\$400,000, annual interest rate of 4.990% and maturity in May 2026 and December 2024.	20.775.295	20.768.511	20.767.116 (1)	14.553.580	14.551.400	14.460.598 (1)
B.A.T. Capital Corp., with a nominal value of US\$500,000, annual interest rate of 4.7% and maturity in April 2027, June 2024 and December 2023.	25.486.373	25.634.045	25.857.696 (2)	17.853.800	17.907.933	17.899.426 (2)
Bank of America Corp., with a nominal value of US\$1,550,000, annual interest rate of 4.183% and maturity in November 2027, December and June 2024.	93.125.851	85.741.857	79.129.221 (1)	65.236.836	60.709.443	54.411.928 (3)
Barclays PLC, with a nominal value of US\$1,500,000, annual interest rates between 4.375% and 5.2%, and maturity between January and May 2026, in December and June 2024.	89.166.367	80.170.577	77.599.037 (2)	62.463.125	56.881.274	53.736.450 (2)
Bayer US Finance II LLC, with a nominal value of US\$1,350,000, annual interest rate of 2.850% and maturity in April 2025, in December and June 2024.	74.366.732	70.337.509	69.500.506 (1)	52.095.636	49.612.515	47.832.748 (3)
BPCE SA, with a nominal value of US\$500,000, interest rate of 4.625% and maturity in July 2024, in June 2024.	-	-	-	20.300.752	18.194.201	18.164.818 (1)
General Electric Co., with a nominal value of US\$1,000,000, annual interest rate of 5.1959% (5.9691% in June 2024) and maturity in May 2026, in December and June 2024.	51.274.268	51.805.063	51.980.068 (1)	35.918.823	36.266.465	36.522.318 (3)
Goldman Sachs Group Inc., with a nominal value of US\$500,000, annual interest rate of 5% and maturity in June 2027, in December and June 2024.	25.669.570	25.753.167	25.548.909 (2)	17.982.134	18.012.780	17.870.342 (2)
Harley-Davidson Financial Services Inc., with a nominal value of US\$1,000,000, annual interest rate of 3.350% and maturity in June 2025, in December and June 2024.	54.558.675	52.144.229	51.481.856 (4)	38.219.628	36.728.646	35.497.105 (4)
Hyundai Capital America, with a nominal value of US\$500,000, interest rate of 5.5% and maturity in March 2026, in December and June 2024.	26.025.843	25.984.485	26.119.776 (3)	18.231.711	18.212.952	18.164.818 (2)
Pfizer Investment Enterprises PTE LTD, with a nominal value of US\$500,000, annual interest rate of 4.65% and maturity in May 2025, in December and June 2024.	25.789.452	25.915.067	25.943.326 (3)	18.066.114	18.123.093	18.057.570 (1)
UnitedHealth Group, Inc., with a nominal value of US\$200,000, interest rate of 3.1% and maturity in March 2026, in December and June 2024.	9.977.931	10.165.254	10.233.057 (3)	6.989.774	7.058.121	7.035.436 (1)
Wells Fargo & CO, with a nominal value of US\$500,000, annual interest rate of 4.1% and maturity in June 2026, in December and June 2024.	29.633.984	26.861.961	25.709.790 (2)	20.759.299	19.044.293	17.717.650 (2)
	<u>525.850.341</u>	<u>501.281.725</u>	<u>489.870.358</u>	<u>388.671.212</u>	<u>371.303.116</u>	<u>357.371.207</u>
Certificates of deposits in financial institutions						
Banco de Sabadell, S.A., with a nominal value of US\$936,896, annual interest rate between 4.00% and 3.95%, maturing in January 2025 (Banco Sabadell, S.A., with a nominal value of US\$915,422, annual interest rate of 4.80%, maturing in July 2024).	48.622.111	48.622.111	48.622.111 (4)	33.280.255	33.280.257	33.280.255 (4)
	<u>1.120.164.595</u>	<u>1.077.175.061</u>	<u>1.056.566.616</u>	<u>710.242.725</u>	<u>679.767.177</u>	<u>654.299.645</u>

Custodian of Investments

- (1) Raymond James & Associates Inc.
- (2) Venecredit Securities, Inc.
- (3) Brown Brothers Harriman & Co.
- (4) Banco de Sabadell, S.A. (Miami Branch)

The maturities of investments in held-to-maturity securities are as follows:

	December 31, 2024		June 30, 2024	
	Amortized cost	Fair market value	Amortized cost	Fair market value
	((in bolivars) (in bolivars))			
Less than six months	235.465.035	234.423.863	51.474.456	51.445.073
From six months to one year	94.749.657	93.272.263	104.464.254	101.387.423
From one to five years	746.960.369	728.839.352	523.828.466	501.467.148
More than five years	-	-	-	-
	<u>1.077.175.061</u>	<u>1.056.535.478</u>	<u>679.767.177</u>	<u>654.299.645</u>

During the semester ended December 31, 2024, the Bank recognized losses from premium amortization amounting to Bs 5,866,716, equivalent to US\$113,045 (Bs 4,263,704, equivalent to US\$117,279 in the first semester of 2024), included under "Other Operating Expenses" (Note 19).

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d) Restricted Availability Investments

Restricted availability investments are composed of:

	December 31, 2024					June 30, 2024				
	Cost	Face Value	Book Value	Market value	Provision established	Cost	Face Value	Book Value	Market value	Provision established
		(in bolívares)					(in bolívares)			
Cash and Certificates of Deposit										
JP Morgan Chase Bank, with a nominal value of US\$ 6,100,687 (US\$ 5,947,554 in June 2024).	316.586.797	316.586.797	316.586.797	316.586.797	-	216.223.828	216.223.828	216.223.828	216.223.828	-
PNC Bank, per value US\$575,590 (US\$62,364 in June 2024).	29.871.412	29.871.412	29.871.412	29.871.412	-	20.444.791	20.444.791	20.444.791	20.444.791	-
	<u>346.458.209</u>	<u>346.458.209</u>	<u>346.458.209</u>	<u>346.458.209</u>	<u>-</u>	<u>236.668.619</u>	<u>236.668.619</u>	<u>236.668.619</u>	<u>236.668.619</u>	<u>-</u>
Restricted funds delivered to trusts										
Social contingency fund trust, held at Banco Exterior, Banco Universal.	683.386	683.386	683.386	683.386	-	247.382	247.382	247.382	247.382	-
ATM and Mobile Payment Transaction Guarantee Fund Trust, at Mercantil, C.A., Banco Universal.	6.385.035	6.385.035	6.385.035	6.385.035	-	3.891.881	3.891.881	3.891.881	3.891.881	-
Other investments with restricted availability										
MasterCard, Inc. (22,940 class 'B' shares, nominal value US\$0.0001 for US\$70,574).	-	2	3.662.581	3.662.581	-	-	2	2.565.723	2.565.723	-
Swift Shares 2 shares, nominal value EUR 125 per share.	503.262	13.493	503.262	867.303	-	363.333	9.743	363.354	626.201	-
	<u>7.571.683</u>	<u>7.081.916</u>	<u>11.234.264</u>	<u>11.598.305</u>	<u>-</u>	<u>4.502.596</u>	<u>4.149.008</u>	<u>7.068.340</u>	<u>7.331.187</u>	<u>-</u>
	<u>354.029.892</u>	<u>353.540.125</u>	<u>357.692.473</u>	<u>358.056.514</u>	<u>-</u>	<u>241.171.215</u>	<u>240.817.627</u>	<u>243.736.959</u>	<u>243.999.806</u>	<u>-</u>

The balance of cash and certificates of deposit as of December 31 and June 30, 2024, amounting to Bs 346,458,209 (US\$6,675,877) and Bs 236,668,619 (US\$6,509,918), respectively, corresponds to deposits in accounts at JP Morgan Chase Bank and PNC Bank, which act as collateral to guarantee the Bank's operations with VISA and MasterCard credit cards.

The shares of MasterCard Incorporated were received by the Bank as a result of the conversion of that entity into a corporation in May 2006. Class B common shares of MasterCard Inc. can only be held by Class A shareholders.

Resolution 305.11 of SUDEBAN, issued on November 28, 2011, establishes the conditions for the creation and administration of the Social Contingency Fund by banking institutions. The objective is to guarantee the payment of social benefits and indemnities to their workers in case of liquidation or intervention of the entity. Among the aspects regulated by this resolution are:

- The amount and frequency of contributions to the fund, which must be equivalent to 0.5% of the social capital of each banking institution, until reaching ten percent (10%) of the social capital.
- The accounting and information obligations that banking institutions must comply with regarding the fund, as well as the applicable sanctions in case of non-compliance.

Additionally, through Resolution No. 18-12-01 of the BCV, the Payment Systems and Non-Banking Payment Service Providers Guarantee Fund was created. This fund aims to protect users of payment systems and non-banking payment service providers against the risk of payment obligation defaults by any of the participants. Corporación Suiche 7B, C.A., as the Administrator of a Payment System, required the Bank to establish a new ATM and Mobile Payment Transaction Guarantee Fund for an initial amount of Bs 8,365,455, payable in eight (8) variable installments, adjustable quarterly based on transaction volume. As of December 31, 2024, the Bank has made payments amounting to Bs 6,385,035 (Bs 3,891,881 as of June 30, 2024) into an account at Mercantil C.A., Banco Universal at the BCV.

Additionally, as of December 31, 2024, the Bank maintains Bs 7,068,421 in Trusts (Bs 4,139,263 as of June 30, 2024).

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e) Concentration of Operations

The Bank has directed its investment activities as follows:

	Note	December 31, 2024		June 30, 2024	
		Book value	%	Book value	%
(in bolivars)					
Securities issued by the US government		407.527.751	18,61	253.688.324	19,63
Obligations issued by several foreign financial entities		547.845.820	25,02	371.303.116	28,73
Non-financial private companies abroad		604.782.970	27,62	327.376.980	25,33
Term deposits in national financial institutions-		618.580.320	28,25	332.948.878	25,76
Shares and others		11.234.264	0,51	7.068.340	0,55
		<u>2.189.971.125</u>	<u>100,00</u>	<u>1.292.385.638</u>	<u>100,00</u>

The Bank's branch in the Cayman Islands maintains placements and obligations issued by financial institutions and various private companies abroad, denominated in US dollars. Obligations issued by financial and non-financial companies are with companies registered on the New York Stock Exchange.

As of December 31, 2024, 66.96% of investments in securities, including the Branch, are concentrated in twenty-one (21) issuers.

5. Loan portfolio

The classification of the loan portfolio, consolidated with the foreign branch, is as follows:

	December 31, 2024				June 30, 2024			
	Current	Expired	Under litigation	Total	Current	Expired	Under litigation	Total
(in bolivars)								
By type of economic activity - Operations in Venezuela								
Agriculture and fishing	165.767.134	-	-	165.767.134	135.457.871	-	-	135.457.871
Mining and quarrying	6.575.553	2.154	-	6.577.707	-	-	-	-
Manufacturing industries	235.387.004	-	-	235.387.004	110.582.224	-	-	110.582.224
Electricity, gas and water	2.140.139	-	-	2.140.139	-	-	-	-
Wholesale and retail trade, restaurants and hotels	364.094.242	49.723	1.634.753	365.778.718	96.654.021	3.458.626	-	100.112.647
Communal, social and personal services	276.434.404	567.541	581.816	277.583.761	120.463.025	523.520	628.038	121.614.583
Construction, engineering and related services	19.438.480	-	-	19.438.480	33.920.159	-	-	33.920.159
Financial institutions, insurance, real estate.	270.366	-	-	270.366	1.910.401	-	-	1.910.401
Transport, storage and communication services and others	38.085.289	-	-	38.085.289	14.620.997	40.237	-	14.661.234
	<u>1.108.192.611</u>	<u>619.418</u>	<u>2.216.569</u>	<u>1.111.028.598</u>	<u>513.608.698</u>	<u>4.022.383</u>	<u>628.038</u>	<u>518.259.119</u>
By type of economic activity - Operations in Cayman Islands Branch								
Wholesale and retail trade, restaurants and hotels	1.369.861.524	-	-	1,369,861,524	909.472.766	-	-	909.472.766
Communal, social and personal services	435.513.396	1.542.380	-	437.055.776	277.902.496	4.508.030	-	282.410.526
Agriculture and fishing	120.891.856	-	-	120,891,856	91.165.382	8.852.464	-	100.017.846
Mining and quarrying	101.896.916	-	-	101,896,916	38.899.940	-	-	38.899.940
Construction	206.106.575	-	-	206,106,575	152.926.207	-	-	152.926.207
Manufacturing industry	156.999.722	-	-	156,999,722	94.471.717	-	-	94.471.717
Financial institutions, insurance, real estate	24.391.605	-	-	24,391,605	23.267.254	-	-	23.267.254
Transport, storage and communication services	176.796.407	-	-	176,796,407	107.530.257	-	-	107.530.257
	<u>2.592.458.001</u>	<u>1.542.380</u>	<u>-</u>	<u>2.594.000.381</u>	<u>1.695.636.019</u>	<u>13.360.494</u>	<u>-</u>	<u>1.708.996.513</u>
	<u>3.700.650.612</u>	<u>2.161.798</u>	<u>2.216.569</u>	<u>3.705.028.979</u>	<u>2.209.244.717</u>	<u>17.382.877</u>	<u>628.038</u>	<u>2.227.255.632</u>
Provision for credit portfolio				(66.786.273)	-	-	-	(42.140.875)
	<u>3.700.650.612</u>	<u>2.161.798</u>	<u>2.216.569</u>	<u>3.638.242.706</u>	<u>2.209.244.717</u>	<u>17.382.877</u>	<u>628.038</u>	<u>2.185.114.757</u>
By type of guarantee - Operations in Venezuela								
Sureties	383.453.836	30.631	2.216.569	385.701.036	216.343.035	552.229	628.038	217.523.302
Pledge	26.529.553	-	-	26,529,553	4.341.191	-	-	4.341.191
Secure pledge	85.676.408	-	-	85,676,408	85.973.682	3.061.033	-	89.034.715
Mortgage and surety bond	49.317.046	-	-	49,317,046	27.670.488	-	-	27.670.488
Commercial	-	-	-	-	179.280.302	409.121	-	179.689.423
Unsecured	563.215.769	588.787	-	563,804,556	-	-	-	-
Total	<u>1.108.192.612</u>	<u>619.418</u>	<u>2.216.569</u>	<u>1.111.028.599</u>	<u>513.608.698</u>	<u>4.022.383</u>	<u>628.038</u>	<u>518.259.119</u>
By type of guarantee - Operations in Cayman Islands Branch								
Sureties	447.137.344	-	-	447,137,344	315.494.405	8.852.464	-	324.346.869
Pledge	252.211.442	648.713	-	252,860,155	224.936.480	3.635.508	-	228.571.988
Secure pledge	1.670.887.232	893.667	-	1,671,780,899	1,007,799,058	872.522	-	1,008,671,580
Unsecured	222.221.982	-	-	222,221,982	147.406.076	-	-	147,406,076
	<u>2.592.458.001</u>	<u>1.542.380</u>	<u>-</u>	<u>2.594.000.380</u>	<u>1.695.636.019</u>	<u>13.360.494</u>	<u>-</u>	<u>1.708.996.513</u>
	<u>3.700.650.612</u>	<u>2.161.798</u>	<u>2.216.569</u>	<u>3.705.028.979</u>	<u>2.209.244.717</u>	<u>17.382.877</u>	<u>628.038</u>	<u>2.227.255.632</u>

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	December 31, 2024				June 30, 2024			
	Current	Expired	Under litigation	Total	Current	Expired	Under litigation	Total
	(in bolivers)							
By maturity - Venezuela operations								
Up to 30 days	22.297.140	89.426	-	22.386.566	15.920.482	101.077	-	16.021.559
Between 31 and 60 days	-	-	-	-	-	-	-	-
Between 61 and 90 days	302.453.077	-	-	302.453.077	35.756.198	-	-	35.756.198
Between 91 and 180 days	259.201.449	-	-	259.201.449	155.373.697	2.516.650	-	157.890.347
Between 181 and 360 days	211.054.247	47.641	2.216.569	213.318.457	180.550.121	1.202.435	628.038	182.380.594
More than 360 days	313.186.698	482.351	-	313.669.049	126.008.200	202.221	-	126.210.421
	<u>1.108.192.611</u>	<u>619.418</u>	<u>2.216.569</u>	<u>1.111.028.598</u>	<u>513.608.698</u>	<u>4.022.383</u>	<u>628.038</u>	<u>518.259.119</u>
By maturity - Operations in Cayman Islands Branch								
Up to 30 days	-	-	-	-	10.906.525	-	-	10.906.525
Between 31 and 60 days	31.138.219	-	-	31.138.219	-	-	-	-
Between 61 and 90 days	474.176.412	-	-	474.176.412	290.558.379	872.522	-	291.430.901
Between 91 and 180 days	503.921.351	-	-	503.921.351	335.986.327	-	-	335.986.327
Between 181 and 360 days	596.598.432	1.023.409	-	597.621.841	455.487.005	3.635.508	-	459.122.513
More than 360 days	986.623.586	518.970	-	987.142.556	602.697.783	8.852.464	-	611.550.247
	<u>2.592.458.000</u>	<u>1.542.380</u>	<u>-</u>	<u>2.594.000.380</u>	<u>1.695.636.019</u>	<u>13.360.494</u>	<u>-</u>	<u>1.708.996.513</u>
	<u>3.700.650.612</u>	<u>2.161.798</u>	<u>2.216.569</u>	<u>3.705.028.979</u>	<u>2.209.244.717</u>	<u>17.382.877</u>	<u>628.038</u>	<u>2.227.255.632</u>
By type of credit - Venezuela operations								
Fixed-term loans	473.570.194	-	-	473.570.194	158.201.090	2.516.650	-	160.717.740
Installment loans	383.131.776	481.219	1.634.753	385.247.747	147.990.293	1.238.201	-	149.228.494
Agricultural	152.347.368	-	-	152.347.368	139.479.859	-	-	139.479.859
Microcredits	27.529.087	48.773	581.816	28.159.676	24.346.487	166.456	628.038	25.140.981
Consumer loans	17.947.811	74.541	-	18.022.352	15.390.583	94.182	-	15.484.765
Mortgage	49.317.046	-	-	49.317.046	27.670.488	-	-	27.670.488
Current account loans	4.349.329	14.885	-	4.364.214	529.898	6.894	-	536.792
	<u>1.108.192.611</u>	<u>619.418</u>	<u>2.216.569</u>	<u>1.111.028.598</u>	<u>513.608.698</u>	<u>4.022.383</u>	<u>628.038</u>	<u>518.259.119</u>
By type of credit - Operations in Cayman Islands Branch								
Fixed-term loans	1.353.192.933	893.667	-	1.354.086.599	830.369.402	9.724.985	-	840.094.387
Installment loans	1.129.137.836	648.713	-	1.129.786.549	834.322.416	3.635.509	-	837.957.925
Consumer loans	-	-	-	-	-	-	-	-
Mortgage	64.924.083	-	-	64.924.083	26.988.473	-	-	26.988.473
Current account loans	45.203.150	-	-	45.203.150	3.955.728	-	-	3.955.728
	<u>2.592.458.000</u>	<u>1.542.380</u>	<u>-</u>	<u>2.594.000.380</u>	<u>1.695.636.019</u>	<u>13.360.494</u>	<u>-</u>	<u>1.708.996.513</u>
	<u>3.700.650.612</u>	<u>2.161.798</u>	<u>2.216.569</u>	<u>3.705.028.979</u>	<u>2.209.244.717</u>	<u>17.382.877</u>	<u>628.038</u>	<u>2.227.255.632</u>

Banking institutions can conduct active and contingent operations up to a limit of 10% of their equity per person or entity, and up to 20% if it involves a single subject. This limit can increase by an additional 10% if the excess is backed by guarantees from solvent banks or guarantees accepted by the Superintendency of Banking Sector Institutions. As of June 30, 2024, the Bank had loans to a debtor exceeding 10% of equity, but this excess was covered with a pledge guarantee. As of December 31, 2024, no debtor exceeded the net equity.

Regulatory Portfolios

According to current legal regulations, the Bank must allocate a minimum nominal percentage for granting loans to the National Single Productive Portfolio and the microenterprise sector as detailed below:

Activity	December 31, 2024					
	Balance held in bolivers	Held	Requested	Number of debtors	Number of credits	Maximum annual interest rate
Single national productive portfolio (Note 1)						
Agricultural	152.347.368	25,17%	21,00%	8	15	6%
Credimujer	<u>16.548.223</u>	<u>2,73%</u>	<u>4,00%</u>	<u>118</u>	<u>118</u>	<u>6%</u>
	<u>168.895.591</u>					
Microcredits (Note 1)	<u>28.159.676</u>	5,43%	3,00%	147	148	16%

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Activity	Balance held in bolivars	Held	Requested	Number of debtors	Number of credits	June 30, 2024 Maximum annual interest rate
Single national productive portfolio (Note 1)	<u>151.364.742</u>	28,09%	25,00%	84	89	6%
Microcredits (Note 1)	<u>25.140.981</u>	3,46%	3,00%	175	177	16%

The National Single Productive Portfolio is allocated as follows:

Activity	December 31, 2024			June 30, 2024		
	Balance held in bolivars	Held	Requested	Balance held in bolivars	Held	Requested
Agricultural	152.347.368	90,20%	85%	139.479.859	92,15%	85,00%
Credimujer	<u>16.548.223</u>	9,80%	15%	<u>11.884.884</u>	7,85%	15,00%
	<u>168.895.591</u>			<u>151.364.743</u>		

The gross microcredit loan portfolio is allocated as follows:

Activity	December 31, 2024			June 30, 2024		
	Balance held in bolivars	Held	Requested	Balance held in bolivars	Held	Requested
Marketing	11.645.406	41,35%	40%	13.299.435	52,90%	40%
Provision of services (Public transport for urban and main routes; communal, social and personal services)	12.313.274	43,73%	40%	9.615.002	38,24%	40%
Other activities	<u>4.200.996</u>	14,92%	20%	<u>2.226.543</u>	8,86%	20%
	<u>28.159.676</u>			<u>25.140.980</u>		

The minimum nominal percentage for granting loans to the National Single Productive Portfolio is 25% of the gross loan portfolio balance at the end of the previous quarter, discounting the capital update increase resulting from the application of the Credit Value Unit (UVC) generated on commercial loans. As of December 31 and June 30, 2024, the calculation was based on the gross loan portfolio as of September 30, 2024, and March 31, 2024, respectively.

The minimum nominal percentage for granting loans to the country's microfinance sector is at least 3% of the loan portfolio, based on the previous semester. As of December 31 and June 30, 2024, the calculation was based on the gross loan portfolio as of June 30, 2024, and December 31, 2023, respectively.

Through Circular No. 00919 of February 28, 2024, the Superintendency of Banking Sector Institutions (SUDEBAN) ratified Circular No. SIB-II-GGR-GNP-00335, dated January 18, 2023. This circular establishes that banking institutions can grant loans in national currency to their clients using funds from foreign currency deposits. The key aspects are detailed below:

- **Limit of Loans in National Currency:** Banking institutions can grant loans in national currency to their clients using funds from foreign currency deposits. The maximum allowed amount is equivalent to 30% of the foreign currency balance recorded in the account named "Current Accounts according to Free Convertibility Market System" as of December 31, 2022. It is important to note that this provision excludes foreign currency custody accounts.
- **Settlement in Bolivars:** The foreign currency corresponding to the aforementioned percentage must be offered in the Foreign Exchange Market System for subsequent settlement in bolivars. The various credit modalities provided in the Law and other complementary regulations must be applied in this process.

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These loans must be measured and expressed solely using UVC, as established in Resolution No. 22-03-01 dated March 17, 2022. Additionally, banking institutions intending to conduct the aforementioned credit operations must submit a contract proposal to SUDEBAN for subsequent approval.

During the semesters ended December 31 and June 30, 2024, neither the Bank nor its foreign branch conducted repo operations or portfolio buy-sell operations.

Provision for the Loan Portfolio

The Bank maintains provisions for loan portfolio contingencies that exceed the minimum requirements established by SUDEBAN. The movement of the loan portfolio provision balance is as follows:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Balance at the beginning of the semester	42.140.875	44.314.628
Effect of the translation of the balance of the provision held in the Branch	14.475.496	-
Increase in provision-		
Charged to results	17.515.840	14.115.331
Charged to equity	17 3.863.770	-
Reclassifications allowed and others	-	1.276.959
Decrease in provision-		
Credited to equity	17 -	(896.849)
Applied write-offs	(11.209.708)	(16.669.194)
Balance at the end of the semester	<u>66.786.273</u>	<u>42.140.875</u>

The loan portfolio provision is distributed as follows:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Generic provision, equivalent to 1% of the capital balance of the credit portfolio, except for the balance of the microcredit portfolio, which maintains a generic provision of 2%	11.391.883	5.434.001
Countercyclical provision, equivalent to 0.75% of the gross credit portfolio	8.332.715	3.886.942
Provision maintained by the Branch Abroad for US\$880,798 (US\$859,173 in June 2024), for the credit portfolio	45.710.803	31.235.307
Specific provisions	<u>1.350.872</u>	<u>1.584.625</u>
	<u>66.786.273</u>	<u>42.140.875</u>

During the semester ended December 31, 2024, reclassifications were made from the generic and countercyclical provision to the provisions for receivable yields. The increase in the loan portfolio provision corresponds to an increase of Bs 17,515,840 in Caracas, charged to the semester's results and presented in the account "Uncollectibility and Impairment of Financial Assets Expenses." Additionally, an increase of Bs 3,863,770 was recorded, charged to equity (a decrease of Bs 896,849, credited to equity in June 2024), presented in the account "Equity Adjustments," as permitted in Resolution No. 070.19 of SUDEBAN dated December 20, 2019. Additionally, write-offs amounting to Bs 11,209,708 (Bs 16,669,194 in June 2024) were directly charged to the provision.

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The total loan portfolio, including overdue and litigated loans, on which no interest was accrued, amounts to Bs 4,378,367 as of December 31, 2024 (Bs 18,010,915 as of June 30, 2024). Additionally, unrecognized interest on that portfolio amounts to Bs 112,813 (Bs 79,417 in the semester ended June 30, 2024). Furthermore, the immobilized portfolio represents 0.1182% of the gross loan portfolio and 0.3716% of the Bank's total equity.

As of December 31, 2024, and June 30, 2024, the coverage margin of the loan portfolio provision in relation to the immobilized portfolio is 1,525.37% and 233.97%, respectively, complying with the requirements established by the Superintendency.

In previous semesters, the Bank had not recorded portfolio recoveries through asset adjudication. However, during the semester ended December 31, 2024, the Bank received a property as payment for an overdue debt from a client.

6. Financial statements of the foreign branch

As of December 31 and June 30, 2024, the Branch has assigned capital of US\$13,500,000, which comes from contributions made by the Bank and approved by the Board of Directors. A summary of the financial statements of the Branch in the Cayman Islands, integrated with the Bank's financial statements before eliminations, is shown below:

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	December 31, 2024		June 30, 2024	
	US\$	Equivalent in bolivars	US\$	Equivalent in bolivars
Assets:				
Cash and due from banks	40.834.035	2.119.165.208	24.880.973	904.549.875
Investments in securities	37.685.009	1.955.740.124	33.631.628	1.222.680.651
Loan portfolio	49.102.800	2.548.289.579	46.149.286	1.677.761.205
Interest and commissions receivable	877.295	45.529.000	826.194	30.036.366
Fixed assets	16.001	830.429		
Other assets	11.225.978	582.594.945	8.163.320	296.778.187
	<u>139.741.118</u>	<u>7.252.149.285</u>	<u>113.651.401</u>	<u>4.131.806.284</u>
Memorandum accounts:				
Other debit memo accounts	73.312.435	3.804.697.821	53.266.110	1.936.493.930
Liabilities:				
Customer's deposits	105.466.650	5.473.406.116	83.467.095	3.034.453.290
Accruals and other liabilities	3.505.895	181.945.567	922.394	33.533.710
	<u>108.972.545</u>	<u>5.655.351.683</u>	<u>84.389.489</u>	<u>3.067.987.000</u>
Assigned capital and accumulated surplus	13.500.000	700.609.935	13.500.000	490.793.641
Unrealized gain on investments available for sale	127.277	6.605.299	41.948	1.525.023
Surplus	17.141.296	889.582.368	15.719.964	571.500.620
	<u>30.768.573</u>	<u>1.596.797.602</u>	<u>29.261.912</u>	<u>1.063.819.284</u>
	<u>139.741.118</u>	<u>7.252.149.285</u>	<u>113.651.401</u>	<u>4.131.806.284</u>
Per-contra memorandum accounts:				
Other credit memorandum accounts	73.312.435	3.804.697.821	53.266.110	1.936.493.930
Income statements:				
Financial income	5.300.115	275.060.168	4.140.820	150.539.849
Financial expenses	(3.472)	(180.162)	(2.707)	(98.407)
	<u>5.296.643</u>	<u>274.880.006</u>	<u>4.138.113</u>	<u>150.441.442</u>
Other operating income	7.235.433	375.497.506	4.460.454	162.160.196
Other operating expenses	(3.154.678)	(163.718.434)	(515.205)	(18.730.332)
Transformation expenses	(1.989.219)	(103.234.540)	(1.732.283)	(62.977.284)
Other income or expenses, net	(3.817)	(198.093)	(388.049)	(14.107.563)
	<u>2.087.719</u>	<u>108.346.439</u>	<u>1.824.917</u>	<u>66.345.017</u>
Net profit for the semester	7.384.362	383.226.445	5.963.030	216.786.459
Surplus at the beginning	15.719.964	571.500.620	13.161.792	472.105.605
Effect of the conversion	-	244.318.863	-	6.392.456
Repatriation of profits	(5.963.030)	(309.463.560)	(3.404.858)	(123.783.900)
Surplus at the end	<u>17.141.296</u>	<u>889.582.368</u>	<u>15.719.964</u>	<u>571.500.620</u>

The assets, liabilities, equity, and results of the Branch, denominated in US dollars, were converted to bolivars for presentation in the financial statements. The conversion was made using the exchange rates in the foreign exchange market at the end of each period: Bs 51.89703225 per dollar as of December 31, 2024, and Bs 36.35508450 per dollar as of June 30, 2024.

During the semester ended December 31, 2024, the Bank repatriated profits from its Branch amounting to US\$5,963,030 (US\$3,404,858 in June 2024).

7. Interest and commissions receivable

The details of interest and commissions receivable are as follows:

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	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Income receivable from investments in securities			
On available-for-sale securities		2.685.203	1.221.553
On securities held to maturity		9.051.129	6.318.758
From placements in the Central Bank of Venezuela and interbank transactions		409.750	16.500
		<u>12.146.082</u>	<u>7.556.811</u>
Income receivable from credit portfolio			
Current credits		43.656.522	26.611.856
Overdue credits		102.762	586.969
From default		331.729	204.583
Microcredits and other financing instruments		224.617	185.033
		<u>44.315.630</u>	<u>27.588.441</u>
Commissions receivable			
Trust		3.797.958	2.528.430
		<u>3.797.958</u>	<u>2.528.430</u>
Provision for income receivable and others			
		109.706	(584.743)
		<u>60.369.376</u>	<u>37.088.939</u>

8. Premises and equipment

Premises and equipment are represented by:

	Note	Buildings	Computing equipment	Office equipment	Vehicles	Furniture	Total
(in bolivars)							
Cost							
Balance as of January 1, 2024		-	9.527.453	11.595.029	2.097	702.734	21.827.313
Additions		1.992.094	6.192.787	10.058.765	-	669.722	18.913.368
		<u>1.992.094</u>	<u>15.720.240</u>	<u>21.653.794</u>	<u>2.097</u>	<u>1.372.456</u>	<u>40.740.681</u>
Depreciation							
Balance as of January 1, 2024		-	(2.242.610)	(1.610.839)	(2.097)	(25.098)	(3.880.644)
Semester expense	18	(20.751)	(1.677.830)	(2.334.162)	-	(49.062)	(4.081.805)
Others		-	-	-	-	-	-
		<u>(20.751)</u>	<u>(3.920.440)</u>	<u>(3.945.001)</u>	<u>(2.097)</u>	<u>(74.160)</u>	<u>(7.962.449)</u>
Balance as of June 30, 2024		<u>1.971.343</u>	<u>11.799.800</u>	<u>17.708.793</u>	<u>-</u>	<u>1.298.296</u>	<u>32.778.232</u>
Costo							
Balance as of June 30, 2024		1.992.094	15.720.240	21.653.794	2.097	1.372.456	40.740.681
Adiciones		-	1.492.233	20.700.420	(447)	1.335.333	23.527.539
		<u>1.992.094</u>	<u>17.212.473</u>	<u>42.354.214</u>	<u>1.650</u>	<u>2.707.789</u>	<u>64.268.220</u>
Depreciation							
Balance as of June 30, 2024		(20.751)	(3.920.440)	(3.945.001)	(2.097)	(74.160)	(7.962.449)
Semester expense	18	(24.901)	(2.027.217)	(3.507.668)	-	(99.305)	(5.659.091)
Others		-	-	-	447	-	447
		<u>(45.652)</u>	<u>(5.947.657)</u>	<u>(7.452.669)</u>	<u>(1.650)</u>	<u>(173.465)</u>	<u>(13.621.093)</u>
December 31, 2024		<u>1.946.442</u>	<u>11.264.816</u>	<u>34.901.545</u>	<u>-</u>	<u>2.534.324</u>	<u>50.647.127</u>

The Bank owns properties intended for its operations as established by the Law of Banking Sector Institutions, which are recorded at their acquisition value less accumulated depreciation according to the accounting manual governing financial institutions. Due to the monetary reconversions that occurred in Venezuela, these currently have a book value of zero. It is important to note that during the second semester of the year, the Bank sold a property, generating a profit of Bs 6,599,099, which is included in the "Extraordinary Income" account.

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During the second semester of 2024, the Bank made improvements to its branch located in the Cayman Islands, intended for customer service, including the acquisition of furniture, office equipment, and computer equipment.

During the semester ended December 31, 2024, the Bank recorded depreciation expenses for property, plant, and equipment amounting to Bs 5,659,091 (Bs 4,081,805 in the semester ended June 30, 2024), included under "General and Administrative Expenses" (Note 18).

9. Realizable assets

During the semester ended December 31, 2024, the Bank received an asset in payment as a result of the cancellation of two loans. The book value of the loans at the time of the payment in kind amounted to Bs 5,666,667, the amount at which the asset was initially recorded. This value was lower than the market value of the asset, which was determined through an independent appraisal. The asset is amortized using the straight-line method over its estimated useful life. As of December 31, 2024, the book value of the asset is Bs 5,351,852 (Bs 5,666,667 initial cost less Bs 314,815 accumulated amortization). The amortization for the period amounted to Bs 314,815, included in the income statement under the account "Expenses for Realizable Assets."

10. Other assets

Other assets are composed of the following:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Prepaid expenses:			
Prepaid maintenance contracts		10.860.207	20.753.854
Prepaid insurance premiums		7.538.595	18.804.832
Advance to suppliers for various services		13.564.291	18.036.540
Prepaid professional fees		4.241.479	16.703.766
Prepaid rents		2.772.980	3.190.046
Prepaid taxes	14	26.620.719	9.852.007
		<u>65.598.271</u>	<u>87.341.045</u>
Outstanding collections for immediate credits received		59.285.495	45.755.446
Advances to suppliers		41.992.691	33.616.712
Cost of foreign currency acquired at point-of-sale terminals US\$245,162 (US\$473,830 in June 2024)	11	12.860.874	17.382.478
Deferred expenses		18.411.952	11.385.959
Items to be applied		5.581.157	3.904.067
Accounts receivable from employees		3.921.331	3.316.605
Stationery stocks		2.678.995	1.897.939
Recoverable expenses		539.027	982.700
Accounts receivable from other banks for P2P operations		164.025	46.651
Debit card claims		16.372	45.619
Others		2.047.043	3.627.329
		<u>213.097.233</u>	<u>209.302.550</u>
Provisions for other assets		(93.125)	(79.222)
		<u>213.004.108</u>	<u>209.223.328</u>

"Pending immediate credit collections" received correspond to transfers received by the Bank's client through various digital channels that have not been settled or compensated by the BCV. These compensations are made twice a day, with the second compensation pending at the end of the day.

Prepaid taxes are mainly composed of:

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- 1) Income tax advances for special taxpayers: Bs 25,468,364.00 (Bs 8,454,303 as of June 30, 2024).
- 2) VAT tax credits: Bs 189,654 (Bs 67,653 as of June 30, 2024).
- 3) Advance for the contribution to the National Sports Fund: Bs 670,357 as of December 31 and June 30, 2024. This advance will be deducted from the final declaration to be made within 120 days after the fiscal year-end (Note 13).

Prepaid technology maintenance contracts and others are mainly composed of maintenance and support services for the technological platform equipment, as well as the renewal of software and internet licenses covering a one-year period.

Advances to various service providers represent expenses for maintenance and repair services paid in advance to providers. These advances are amortized as the contracted goods or services are received.

Prepaid insurance premiums are composed of advance payments for the bank crime policy, whose coverage extends to the following period.

Advances to suppliers are payments made to suppliers for goods and services acquired that have not yet been received.

Items to be applied are mainly composed of accounts receivable for client operations with debit and credit cards. These accounts are mostly applied to the corresponding accounts during the first days of the month following the close.

The balance of Bs 5,581,157 as of December 31, 2024 (Bs 3,904,067 as of June 30, 2024) is mainly composed of the following concepts:

- Bs 2,399,662 (Bs 957,836 as of June 30, 2024) for regularized current and savings account transactions on the next business day.
- Bs 3,078,452 (Bs 2,761,836 as of June 30, 2024) for pending debit card consumption transactions to be applied to affiliated merchants, also regularized on the next business day.

The costs of foreign currency acquired at point-of-sale terminals correspond to purchases made at commercial establishments by individuals with foreign debit and credit cards in foreign currency through point-of-sale terminals. These foreign currencies are available for sale to the Bank's clients, as permitted by the Central Bank of Venezuela (BCV) in a communication dated May 14, 2019.

During the semester ended December 31, 2024, the Bank sold US\$13,617,788 (US\$14,163,253 as of June 30, 2024) and, consequently, recognized net realized exchange gains of Bs 8,106,961 (Bs 1,811,910 as of June 30, 2024).

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The Deferred expenses movement are as follows:

	Note	Licenses	Software for monetary reconversion	Improvements to leased property	Other software	Advertising for monetary reconversion	Other	Total
(in bolivars)								
Cost								
Balance as of January 1, 2024		3.997.257	94.900	3.709.502	1.423.238	11.204	6.008.402	15.244.503
Additions		2.366.493	-	-	278.977	-	-	2.645.470
Withdrawals		-	-	-	-	-	-	-
		<u>6.363.750</u>	<u>94.900</u>	<u>3.709.502</u>	<u>1.702.215</u>	<u>11.204</u>	<u>6.008.402</u>	<u>17.889.973</u>
Amortization								
Balance as of January 1, 2024		(734.859)	(39.848)	(433.568)	(41.610)	(8.091)	(2.525.296)	(3.783.272)
Semester expense	18	(621.985)	(9.490)	(463.688)	(183.717)	(1.867)	(1.439.993)	(2.720.740)
Withdrawals		-	-	-	-	-	-	-
		<u>(1.356.844)</u>	<u>(49.338)</u>	<u>(897.256)</u>	<u>(225.327)</u>	<u>(9.958)</u>	<u>(3.965.289)</u>	<u>(6.504.012)</u>
Balance as of June 30, 2024		<u>5.006.906</u>	<u>45.562</u>	<u>2.812.246</u>	<u>1.476.888</u>	<u>1.246</u>	<u>2.043.113</u>	<u>11.385.961</u>
Cost								
Balance as of June 30, 2024		6.363.750	94.900	3.709.502	1.702.215	11.204	6.008.402	17.889.973
Additions		4.226.866	-	2.018.728	2.608.913	-	1.319.714	10.174.221
Withdrawals		-	-	-	-	-	-	-
		<u>10.590.616</u>	<u>94.900</u>	<u>5.728.230</u>	<u>4.311.128</u>	<u>11.204</u>	<u>7.328.116</u>	<u>28.064.194</u>
Amortization								
Balance as of June 30, 2024		(1.356.844)	(49.338)	(897.256)	(225.327)	(9.958)	(3.965.289)	(6.504.012)
Semester expense	18	(833.741)	(9.490)	(547.801)	(321.482)	(1.246)	(1.434.470)	(3.148.230)
Withdrawals		-	-	-	-	-	-	-
		<u>(2.190.585)</u>	<u>(58.828)</u>	<u>(1.445.057)</u>	<u>(546.809)</u>	<u>(11.204)</u>	<u>(5.399.759)</u>	<u>(9.652.242)</u>
Balance as of December 31, 2024		<u>8.400.031</u>	<u>36.072</u>	<u>4.283.173</u>	<u>3.764.319</u>	<u>-</u>	<u>1.928.357</u>	<u>18.411.952</u>

The Bank made disbursements amounting to Bs 10,174,721 during the semester ended December 31, 2024 (Bs 2,645,470 in the semester ended June 30, 2024), mainly for software license maintenance. An amortization expense of Bs 3,148,229 (Bs 2,720,740 as of June 30, 2024) was recognized for software licenses and other deferred charges (Note 18).

The Bank provisions other assets based on specific recovery and aging analyses, following SUDEBAN's parameters. The movement of the provision for other assets is as follows:

	Note	December 31, 2024	June 30, 2024
(En bolívares)			
Balance at the beginning of the semester		(79.222)	(78.787)
Increase in the provision			
Effect of the translation of the balance of the provision held in the Branch		(13.903)	(435)
Charged to equity		-	-
Balance at the end of the semester		<u>(93.125)</u>	<u>(79.222)</u>

11. Customers' deposits

Customers' Deposits are composed of the following:

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	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Demand deposits			
interested current accounts		1.353.433.856	785.560.230
Interest-bearing current accounts, including US\$88,815,247 from Branch clients (US\$67,948,723 in June 2024)		5.200.188.510	2.736.191.027
Deposits and certificates at sight, including US\$25,000 from Branch clients as of December 31 and June 30, 2024)		17.597.231	21.544.062
Current accounts according to the Free Convertibility Exchange Market System, equivalent to US\$4,853,373 (US\$5,342,084 in June 2024)	3	251.875.670	194.211.911
		<u>6.823.095.267</u>	<u>3.737.507.230</u>
Other demand obligations			
Cash and cashier's checks sold		1.316.839	5.549.759
Trust obligations, including US\$18,737 (US\$23,603 in June 2024) deposited in Branch current accounts	21	53.230.201	15.532.290
Drafts and transfers payable	10	35.127.079	32.920.585
Other		1.973.786	1.511.141
		<u>91.647.905</u>	<u>55.513.775</u>
		<u>101.392.379</u>	<u>58.534.584</u>
Savings deposits			
Restricted public deposits, including US\$16,645,300 from Branch clients (US\$15,469,715 in June 2024) that guarantee credit operations		874.419.528	566.687.239
		<u>7.890.555.079</u>	<u>4.418.242.828</u>

99.5% (99% in June 2024) of public deposits come from individuals and private sector entities.

The Free Convertibility Foreign Exchange Market System is a system for buying and selling foreign currency in bolivars, where demanders and suppliers participate without any restrictions. This system was established by Exchange Agreement No. 1 on September 7, 2018. According to this system, individuals and entities can conduct foreign exchange operations through exchange desks authorized by the BCV, which must publish the average exchange rate resulting from the operations conducted daily. The most relevant aspects of the agreement are:

- 1) It establishes the free convertibility of currency throughout the national territory.
- 2) It nullifies the exchange control regime that began to be implemented since 2003.
- 3) It establishes two mechanisms for conducting foreign exchange operations: the mechanism applicable to the public sector and the mechanism applicable to the private sector:
 - a) The public sector mechanism centralizes the purchase and sale of foreign currency and foreign coins at the BCV.
 - b) The private sector mechanism allows individuals to conduct foreign exchange operations directly, without the need to intermediate with the BCV, through the Foreign Exchange Market System.
- 4) It regulates retail operations and operations with securities.

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Current accounts according to the Free Convertibility Foreign Exchange Market System correspond to public deposits in foreign currency, maintained in Venezuela (Notes 3 and 25), of which Bs 87,913,580 (Bs 68,565,694 as of June 30, 2024) are pending receipt from the BCV, and the rest is maintained in cash in the Bank's vaults. Additionally, the Bank charged its clients 3.8% of the amount in foreign currency cash withdrawn at offices and tellers, generating income from this concept during the semester ended December 31, 2024, of Bs 46,658,413 (Bs 12,772,902 in the semester ended June 30, 2024), included in the cash withdrawal commissions account under other operating income (Note 19).

As of December 31 and June 30, 2024, interest-bearing checking accounts generated returns at an annual interest rate of 0.01%, with the exception of the trust interest-bearing account, which had an annual interest rate of 21%.

Cashier's check sold correspond to obligations for funds received from the public in exchange for cashier's checks, mainly for payments to the National Treasury by large clients.

Drafts and transfers payable are composed of two concepts. The first, amounting to US\$431,699 as of December 31 and June 30, 2024, equivalent to Bs 22,403,915 (equivalent to Bs 15,694,466 as of June 30, 2024), corresponds to interest on Sovereign Bonds, whose payment to the Bank's clients is suspended. The second concept, amounting to US\$245,162, equivalent to Bs 12,723,164 (US\$473,830, equivalent to Bs 17,226,119 as of June 30, 2024), corresponds to foreign currency acquired through point-of-sale terminals of foreign banks' cards. This foreign currency will be sold to the Bank's clients, subject to BCV authorization (Note 10).

The deposits of the Bank's Branch in the Cayman Islands are susceptible to the Venezuelan market and have experienced variations in recent semesters due to the country's inflationary effects. Consequently, the Bank monitors its liquidity risks and adjusts its investment strategy as necessary.

12. Other financing obtained

The details of other financing obtained are as follows:

	Note	December 31, 2024	June 30, 2024
		(in bolivars)	
Deposits from foreign financial institutions in national currency		99.337	99.341
		<u>99.337</u>	<u>99.341</u>

During the second semester of 2024, the Bank recorded a significant decrease in the volume of these operations, resulting in a reduction in interest expenses to Bs 314,630, compared to Bs 904,696 in the first semester of 2024. These interests are included under the category of 'Financial Expenses.'

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13. Accruals and other liabilities

Accruals and other liabilities are composed of the following:

	Note	December 31, 2024	June 30, 2024
		(in bolivars)	
Provision for contingencies, includes US\$17,021,264 (US\$14,401,741 in June 2024)"		884.580.425	524.097.012
Items to be applied		272.175.731	142.158.850
Provision for income tax	14	108.220.923	538.538
Profits payable to directors and employees, equivalent to US\$1,748,964 (US\$838,085 in June 2024)		90.766.038	31.275.419
Accruals for Social Benefits	15	27.932.100	17.507.940
Visa growth agreement, equivalent to US\$422,424 (593,424 in June 2024)		21.992.552	21.573.980
Contracted services payable		16.034.399	21.120.694
Dividends payable, includes US\$226,512 (US\$228,127 in June 2024)	17	13.058.642	9.125.780
Withheld taxes		8.090.820	5.957.452
Provisions for social protection of personnel		7.245.537	7.985.263
Contribution payable for the Organic Law on Drugs	1	4.509.428	617.759
Contribution payable for the Sports Law	1	3.930.705	1.052.357
Other accounts payable various		2.468.808	1.729.458
Cash checks		1.540.202	2.477.146
Provision for TDD and other claims		1.244.521	883.999
Other taxes		303.635	44.493
Other		2.898.143	3.257.443
		1.466.992.609	791.403.583

"Provisions for contingencies" include estimates made by Management to cover tax, labor, administrative, and/or civil contingencies, and voluntary provisions to cover general risks inherent to banking activities. The movement of the mentioned provision is as follows:

Items to be applied include the following:

	Note	December 31, 2024	June 30, 2024
		(En bolívares)	
P2P payments pending to Suiche 7B		155.146.390	67.181.125
Payment orders to be applied to the BCV		14.775.757	5.406.282
Point of sale operations to be paid - Clearing accounts		40.751.414	22.779.116
Collection of national funds		585.338	4.019.822
Immediate credits to the Electronic Clearing House		58.157.607	40.294.264
Others		2.759.225	2.778.241
		272.175.731	142.458.850

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P2P (person-to-person) payments are money transfers between individuals through mobile devices, which are instantly effective from any bank affiliated with Suiche 7B. These payments are known as mobile payments and function as an alternative for making payments in stores and conducting transactions between individuals. Pending P2P payments to Suiche 7B as of December 31 and June 30, 2024, correspond to Mobile Payment operations that are usually regularized the day after the operation.

Point-of-sale operations are transactions conducted with debit or credit cards through electronic devices (POS) that allow the merchant to charge the customer for a purchase transaction. As of December 31 and June 30, 2024, the balance of point-of-sale operations payable corresponds to the use of point-of-sale devices from other financial institutions by Venezolano de Crédito's clients, which are mostly regularized during the first days of the month following each monthly close.

Payment orders to be applied as of December 31 and June 30, 2024, correspond to transfers made by the Bank's clients to other financial institutions in the last days of December and June 2024, respectively, which become effective in the first days of January 2025 and July 2024, respectively.

"Accrued liabilities for employees and executives" are calculated based on the net profits of the semester, according to the current collective agreement and the Bank's statutes. According to the approval by the Executive Committee, the payment currency for amounts owed for labor and statutory profits would be the US dollar, to avoid, as much as possible, the inflation effects on the beneficiary's purchasing power from the time the obligation is incurred until the time of payment. During the semester ended December 31, 2024, bonuses were paid to employees and executives amounting to Bs 106,997,722, of which Bs 80,126,570 (equivalent to US\$1,543,953) was through its Branch (US\$1,581,000 equivalent to Bs 57,477,389 in June 2024).

In September 2023, Venezolano de Crédito S.A. Banco Universal signed a "growth agreement" with Visa International Servicios de Pago España, S.R.L.U. (VISA) with a 10-year term starting October 1, 2023, aimed at promoting the use of Visa Debit with contactless technology in Venezuela. In October 2023, the Bank received US\$300,000 as a signing bonus and US\$300,000 as an incentive for purchasing plastics (cards). During the second semester of 2024, an additional US\$20,000 was recorded as an increase in the incentive ordered by Visa, totaling US\$620,000. During the second semester of 2024, US\$191,000 of the incentive was used for card acquisition. If the provisions established by Visa in the agreement are not met, the Bank must return both the signing bonus and the incentive for purchasing plastics. The agreement also includes a participation bonus of US\$100,000 if 50% of the proposed goal is reached within 4 years, and an additional US\$100,000 if 80% of the goal is reached within 6 years.

14. Income Tax

The Income Tax Law contemplates the regime for paying taxes related to operating profits and capital gains, the worldwide income system, the international fiscal transparency regime, the transfer pricing regime, and the inflation adjustment system, among other aspects.

The Bank's fiscal year ends on December 31 of each year, and it files its tax returns on an annual basis. The current Income Tax Law establishes, among other aspects for institutions engaged in banking and financial activities, a proportional tax of 40% on taxable income and the exclusion of the fiscal inflation adjustment system. The Law additionally establishes that net operating losses can be carried forward for the next three fiscal years and offset only up to a maximum of 25% of the annual enrichment.

According to the current legislation in the Cayman Islands, there is no corporate or personal income tax. This means that the branch is not subject to income tax on its earnings generated in that territory. Although there is no income tax in the Cayman Islands, the branch may be subject to other fiscal obligations, such as license fees, stamp duties, or import duties. The Bank files its tax return based on worldwide income.

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The reconciliation between book profit and taxable profit for the fiscal year ended December 31, 2024, is as follows:

	December 31, 2024
Applicable tax rate	40%
Annual profit according to books before taxes	<u>500.770.520</u>
Tax expense determined on accounting profit	200.308.208
Effect of tax on prepaid expenses	(10.617.147)
Effect of income tax not available at the end of the semester	(72.467.370)
Effect of tax on exempt income	(3.933.683)
Effect of tax on income released in 2024	11.973.113
Other net effects	<u>(17.684.659)</u>
	<u>107.578.462</u>
Estimated income tax expense	<u><u>107.700.000</u></u>

In accordance with the Income Tax Law, this tax is generated annually; therefore, the provision as of December 31, 2024, was determined based on the combined financial statements of the Bank for both semesters.

During the semester ended December 31, 2024, the Bank constituted a provision for ISLR amounting to Bs 107,700,000. This provision was recognized in the financial statements to reflect the Bank's estimated tax obligation for the 2024 fiscal year. As of June 30, 2024, the Bank had not constituted any provision for ISLR.

Deferred income tax

The Bank has not recorded the effect of the tax that could arise from temporary differences between taxable and accounting profit, as there is no reasonable certainty in the foreseeable future about the occurrence of the availability of that income, which would increase or decrease the taxable profit subject to tax payment.

As of December 31 and June 30, 2024, the deferred tax asset resulting from certain loan portfolio provisions and the deferred tax liability resulting from valuations affecting equity accounts are not recognized, according to the accounting interpretation of the accounting instructions contained in the Accounting Manual for Banks and Resolutions No. 198 of June 17, 1999, No. 025.17 of March 28, 2017, and No. 101.17 of September 12, 2017, issued by SUDEBAN.

Income Tax prepayment regime

On August 21, 2018, the National Constituent Assembly published a Decree establishing the temporary regime for paying income tax advances for special taxpayers engaged in economic activities other than mining and hydrocarbons exploitation, and who do not receive royalties from these. The tax advances provided in this Constituent Decree are determined: a) On the gross income obtained in the previous fortnightly period with a rate of 2% for financial institutions, banking sector, insurance, and reinsurance; b) On the sales of goods and services declared in the Value Added Tax of each fortnightly period with a rate of 1%.

These advances are deductible in the final income tax return. This regime will remain in effect until the National Executive decides to repeal it. As of December 31, 2024, the Bank has settled income tax advances totaling Bs 25,468,364 (Bs 8,454,303 as of June 30, 2024).

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Transfer pricing regime

The Income Tax Law establishes for taxpayers subject to the transfer pricing obligation, who conduct operations with shareholder or related companies domiciled abroad, the obligation to determine the income, costs, and deductions of such operations, applying the methodology established in the Law, and the presentation of an Informative Declaration of Investments in Low Tax Jurisdictions. The evaluation of the Bank's activities and the applicable transfer pricing regulations conducted by Management and its tax advisors concluded that the Bank does not conduct activities subject to the mentioned regime.

Capital Gains Tax

The Income Tax Law establishes a dividend tax whose taxable base is represented by the excess of the Company's net financial income, not exempt or exonerated, over its taxable income subject to income tax. The applicable tax rate is 34% and must be fully withheld by the Bank when paying or crediting dividends attributed from the mentioned excess. The Bank is subject to this regime as a withholding agent for the dividends it pays to its shareholders.

Tributary Organic Code

The current Tributary Organic Code, published by Decree of the National Constituent Assembly in Extraordinary Official Gazette No. 6,507 dated January 29, 2020, is the highest-ranking norm after the National Constitution that regulates national taxation, containing the principles, sources, classification, characteristics, procedures, and sanctions of Venezuelan tax law.

The current COT introduced several modifications compared to the previous one, among which the following stand out:

- a. It establishes that the value of the Tax Unit (UT) applicable to taxes settled for annual periods will be the one in effect at the end of the respective fiscal year.
- b. It reduces the maximum term of the exemption benefit to one year with the possibility of renewal by the National Executive for the same maximum term.
- c. It eliminates the UT as a factor for calculating fines for formal and material offenses and replaces it with the official exchange rate of the highest value currency published by the Central Bank of Venezuela.
- d. It strengthens sanctions for tax offenses, increasing fines and charges indexed to the euro.
- e. It establishes that national tax exemptions will be contained in a single administrative act called the General Decree of National Tax Exemptions and will be published for each fiscal year.

15. Employee benefits and employee benefit plan

Employee benefits and employee benefit plan include the following:

a) Accrual for employee termination benefits

	Note	December 31, 2024	June 30, 2024
		(in bolivars)	
Guarantee for social benefits		17.153.157	7.201.350
Additional obligation for social benefits		10.778.943	10.306.590
	13	27.932.100	17.507.940

The Bank has calculated the social benefits guarantee for each worker, which corresponds to the equivalent of fifteen days of salary for each quarter, based on the last salary earned in the respective quarter. Additionally, an additional amount has been determined, corresponding to the difference between the benefits calculated based on 30 days for each year of service or fraction exceeding six months, calculated at the last salary.

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For determining the additional amount, the Bank has relied on the evaluation of an independent actuary, who has applied the principles of a defined benefit plan. This approach ensures that the calculations accurately reflect the Bank's future obligations in terms of social benefits, in accordance with current actuarial practices and regulations. The present value of the defined benefit obligation and the service cost were determined using the projected unit credit method.

The entity has facilitated advances of up to 75% of social benefits for specific purposes such as housing, education, and medical expenses, in accordance with established policies.

The defined benefit plan for the Bank's employees' social benefits exposes it to actuarial risks such as interest rate risk, mortality risk, and salary risk.

The main long-term assumptions used for actuarial purposes as of December 31 and June 30, 2024, are as follows:

	December 31, 2024	June 30, 2024
Turnover rate	22,12%	22,12%
Mortality rate	GAM83	GAM83
Wage increase rate	0,00%	0,00%
Discount rate	8,00%	8,00%
Long-term geometric average inflation rate	150%	150%

- The turnover rate is the estimated percentage of workers who leave or are dismissed from the company each year. This rate affects the number of workers entitled to receive social benefits and the time they must wait to collect them.
- The mortality rate is the probability that a worker will die before receiving their social benefits. This rate is usually expressed through a mortality table that indicates the life expectancy of workers based on their age and gender. The GAM83 table is a mortality table used to estimate the survival and death probability of a group of people receiving an annuity.
- The salary increase rate is the annual percentage increase in workers' salaries. This rate affects the amount of social benefits, as they are calculated based on the last salary earned by the worker. A high salary increase rate implies that more workers receive higher benefits.
- The discount rate is the interest percentage used to calculate the present value of future payments. This rate reflects the opportunity cost of investing the money in another asset. A high discount rate implies that future payments have a lower present value.
- The long-term geometric average inflation rate is the annual percentage increase in the general price level. This rate affects the purchasing power of workers receiving social benefits. A high inflation rate implies that workers lose purchasing power over time.

The reconciliation of the movement in the present value of the defined benefit obligation for the periods ended December 31 and June 30, 2024, is presented below:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Present value of the obligation at the beginning of the semester	10.168.342	10.616.668
Interest cost (a)	406.734	424.667
Service cost (a)	225.070	249.660
Benefits paid	(176.761)	(138.247)
Actuarial losses (gains) on the obligations (b)	(791.254)	(984.406)
Balance at the end of the semester	<u>9.832.131</u>	<u>10.168.342</u>

(a) Presented in the personnel expenses account in the income statement.

(b) Presented in the surplus to be applied account.

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b) Provisional retirement plan

Since 2017, the Bank has maintained a plan for its employees called the "Retirement Plan," which replaced the defined benefit plan known as the "Pension Plan."

The Retirement Plan is contributory in nature and allows the employee to make monthly and extraordinary contributions, and the Bank is obligated to make contributions on behalf of each employee, both determined based on the employees' basic monthly salary under certain conditions. The contributions are managed by a civil association created by mutual agreement by the employees for this purpose, which is responsible for investing the received funds and distributing the generated returns, if any, among the beneficiary employees during the employment relationship, which can only be withdrawn at the end of it. The Bank is only responsible for making its contributions and does not assume responsibility for the administration and/or disposition of the plan's funds.

As of December 31 and June 30, 2024, the Bank has made the extraordinary and ordinary contributions established in the contractual agreement. The Bank's expense for the semester ended December 31, 2024, related to this Plan, is Bs 2,016,186 (Bs 1,916,738 in the semester ended June 30, 2024), presented under "Personnel Expenses."

The funds of the Pension Plan are managed by a financial institution in the country through a Trust contract, whose objective is to manage and invest the resources received from the Bank related to pension payments. Management and its actuaries consider that the Trust for the social contingency fund also covers post-retirement benefits for the company's ongoing employees and, therefore, is part of the pension and retirement plan assets.

16. Regulatory Contributions

Contribution for Community Council Projects

According to Resolution No. 233.11 of August 22, 2011, published in Official Gazette of the Bolivarian Republic of Venezuela No. 39,741 on August 23, 2011, contributions for community council projects are resources allocated to community councils or other forms of social organization for financing projects aimed at responding to the needs, potentialities, and aspirations of communities. The Banking Institutions Law establishes that financial institutions must allocate 5% of their gross profit before tax to fulfill social responsibility through contributions to community councils. This contribution must be made within 30 days following the semester's end and is amortized over the 6 months of the semester in which it is paid.

The Bank recognized expenses for this concept amounting to Bs 5,261,787 (Bs 9,657,702 for the semester ended June 30, 2024), presented under "Various Operating Expenses" (Note 20).

Contribution to SUDEBAN

For the fiscal years ended December 31 and June 30, 2024, financial institutions must make special contributions to support SUDEBAN's operations, calculated based on 0.8 per thousand of the average assets corresponding to the two months preceding the two-month period, respectively. The Bank recognized expenses for this concept amounting to Bs 8,349,912 (Bs 6,832,384 for the semester ended June 30, 2024), presented separately under "Transformation Expenses" in the attached income statements.

Contribution to FOGADE

Financial institutions must make special contributions to support FOGADE's operations, calculated based on 0.75% of the public deposit balance at the semester's end. The Bank recognized expenses for this concept amounting to Bs 8,533,103 (Bs 7,783,181 for the semester ended June 30, 2024), presented separately under "Transformation Expenses" in the attached income statements.

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17. Equity

Paid-in Capital Stock

Resolution No. 029.23, published in Official Gazette No. 42,664 on July 4, 2023, establishes the rules regarding the minimum required capital for banking institutions. Universal banks must maintain a minimum capital of 3% of their total assets (1.5% for public banks), not less than 1,200,000 times the official exchange rate of the highest value currency published by the BCV, calculated based on the financial statements at the end of the fiscal year ended December 31 of the previous year.

In compliance with this resolution, and based on the financial statements as of December 31, 2023, of its operation in Venezuela, the Bank determined a minimum required capital of Bs 87,194,424 for 2024. To reach this amount, the Extraordinary General Shareholders' Meeting on March 12, 2024, approved increasing the share capital by Bs 74,831,953.97, bringing it to Bs 87,200,872. This increase was made through:

- a) Increasing the nominal value of existing shares to Bs 0.02223, amounting to Bs 29,932,781.58, from the Restricted Surplus as of December 31, 2023.
- b) Issuing 2,019,755,843 new shares with a nominal value of Bs 0.02223 each, totaling Bs 44,899,172.39, paid in cash as of June 30, 2024.

During the second semester of 2024, SUDEBAN authorized the increase in share capital through official letter SIB-II-GGR-GA-07367. Therefore, as of December 31, 2024, the Bank's share capital amounts to Bs 87,200,872 (Bs 12,368,918 in June 2024), represented by 3,922,666,307 common shares (1,902,910,464 shares in June 2024) with a nominal value of Bs 0.02223 (Bs 0.0065 in June 2024) each, fully subscribed and paid.

According to the aforementioned Resolution, the minimum required share capital for the Bank in 2025 amounts to Bs 163,884,668, implying an increase of Bs 76,683,796 compared to the current capital. In the next shareholders' meeting, the precise amount of the capital increase and the payment method will be defined, aiming to comply with the provisions established in the current regulations and maintain the institution's financial solidity. As of December 31 and June 30, 2024, the titles of the shares subscribed by the shareholders are identified as nominative common shares distributed as follows:

	December 31, 2024		June 30, 2024	
	Number of shares	Stake %	Number of shares	Stake %
Vencred, S.A.	700.405.817	17,855%	355.120.579	18,661%
Tabay Netherlands B.V.	387.564.110	9,880%	188.009.824	9,880%
Parthena Investments, B.V.	210.645.284	5,370%	96.498.064	5,071%
Kamalei Investments, B.V.	203.339.116	5,184%	95.229.910	5,004%
Barbina Investments, B.V.	170.554.830	4,348%	79.876.029	4,198%
Great White Investment Fund, Ltd	126.959.389	3,237%	59.458.954	3,125%
Green View Investment Enterprises L	126.417.237	3,223%	59.205.048	3,111%
Alivium, Inc.	125.173.470	3,191%	58.622.554	3,081%
Addendum, Inc.	123.100.534	3,138%	57.651.735	3,030%
Inversiones Bonorum, C.A.	76.953.691	1,962%	36.039.761	1,894%
Invema Investments 2000, C.A.	66.025.181	1,683%	30.921.606	1,625%
Other shareholders with participation less than 1.5%	1.605.527.648	40,929%	786.276.400	41,320%
	<u>3.922.666.307</u>	<u>100,000%</u>	<u>1.902.910.464</u>	<u>100,000%</u>

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Capital Reserves

a) Legal Reserve

The Banking Sector Institutions Law establishes that the Bank must transfer a minimum of 20% of the net profit of each period to the legal reserve until it reaches 50% of the share capital. Once this limit is reached, no less than 10% of the net profits of each semester must be allocated to increase the legal reserve fund until it reaches 100% of the share capital. As of December 31, 2024, the legal reserve amounts to Bs 43,600,436, representing 50% of the share capital (Bs 12,368,918 as of June 30, 2024, representing 100% of the share capital at that date).

Adjustments to equity

The item "Adjustments to equity" includes income, expenses, gains, and losses that, according to prudential accounting standards, are recorded directly in equity accounts. The movement of these accounts is presented below:

	December 31, 2024			June 30, 2024		
	Profit in exchange	UVC Income	Total	Profit in exchange	UVC Income	Total
	(En bolívares)					
Initial balance	88.898.493	46.140.696	135.039.189	86.476.436	94.065.794	180.542.230
Unrealized exchange gain for the semester, net	137.671.682	-	137.671.682	2.422.057	-	2.422.057
Transfer of collected income to results	-	276.100.276	276.100.276	-	4.759.378	4.759.378
Transfer to generic and anti-cyclical provisions	-	(64.057.147)	(64.057.147)	-	(52.863.141)	(52.863.141)
Final balance	-	(3.863.770)	(3.863.770)	-	178.665	178.665
Saldo final	<u>226.570.175</u>	<u>254.320.055</u>	<u>480.890.230</u>	<u>88.898.493</u>	<u>46.140.696</u>	<u>135.039.189</u>

According to current banking prudential regulations, net gains/income included in " Adjustments to equity" accounts are of restricted availability and can only be used based on the following criteria:

Exchange gains can only be used to:

- Offset operational losses or deficits maintained in equity accounts,
- Establish or cover deficit balances in provisions for asset contingencies, adjustments, or determined losses,
- Increase capital,
- Compensate amounts paid to national suppliers for necessary operational inputs such as hardware, software, among others, and
- Establish a provision for income tax generated by the sale of the foreign currency position, depending on the origin of these gains and subject to prior approval by SUDEBAN.

Unrealized gains from the valuation of UVC loans can be used to cover generic and countercyclical provisions of the loan portfolio, as established by SUDEBAN in Resolution No. 070.19 dated December 20, 2019. During the semester ended December 31, 2024, the Bank constituted loan portfolio provisions charged to these gains amounting to Bs 3,863,770 (Bs 301,852 in June 2024).

Retained earnings

a) Restriction of profits

"Undistributable and restricted surplus" is composed as follows:

	Note	December 31, 2024	June 30, 2024
		(in bolívares)	
Restricted surplus, according to Resolution No. 329-99		268.299.582	170.148.732
Accumulated results of the foreign branch		75.873.941	75.873.941
		<u>344.173.523</u>	<u>246.022.673</u>

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Circular SIB-II-GGR-GNP-03660 of SUDEBAN is a document issued by the Superintendency of Banking Sector Institutions on February 3, 2015, establishing the parameters that banking institutions must consider for applying the restricted surplus constituted on the occasion of the 50% equity allocation of each semester's results.

The restricted surplus is the balance maintained in subaccount 361.02 derived from the mentioned equity allocation, made in compliance with Resolution No. 329.99, issued by SUDEBAN on December 28, 1999.

- Circular SIB-II-GGR-GNP-03660 indicates that the restricted surplus can be applied or used according to the following order of priority:
- Increase share capital.
- Cover losses or deficits arising from operations maintained in equity accounts.
- Establish or cover deficit balances in provisions for asset contingencies, adjustments, or determined losses by SUDEBAN.
- Compensate deferred expenses based on special plans approved by SUDEBAN; additionally, costs and goodwill generated in mergers or transformations reflected in due course according to the repealed Decree with Rank, Value, and Force of Partial Reform Law of Banking Sector Institutions will be compensated.

Circular SIB-II-GGR-GNP-03660 also establishes the conditions and requirements that banking institutions must meet to request SUDEBAN's authorization to apply the restricted surplus, as well as the deadlines and procedures for doing so.

On December 28, 1999, SUDEBAN issued Resolution No. 329-99, establishing that 50% of the semi-annual results, as well as 50% of the balance of the "Surplus to be Applied" account from previous semesters as of December 31, 1999, must be presented as "Restricted Surplus" and can only be distributed with prior authorization from SUDEBAN. During the semester ended December 31, 2024, the Bank restricted a total of Bs 128,083,632 (Bs 52,586,944 in June 2024), equivalent to 50% of its consolidated net available profit for the semester, after deducting those profits that must be fully restricted.

As of December 31 and June 30, 2024, the amount of restricted profits is Bs 75,873,941 and will be available for distribution as dividends when transferred to the accumulated results of its Head Office.

b) Declaration and payment of dividends

The Ordinary General Shareholders' meeting on August 15, 2024, authorized the Executive Committee to decree ordinary dividends No. 714 and No. 715 of Bs 0,0025 per share each, which were paid for a total amount of Bs 4,757,276 each, and an extraordinary dividend No. 151 of Bs 0,0076 per share, paid for Bs 14,462,120. The number of shares registered at the time of payment was 1,902,910,464. In total, Bs 23,976,672 in dividends were paid during the period. The Ordinary General Shareholders' Meeting on February 15, 2024, authorized the Executive Committee to decree ordinary dividends No. 712 and No. 713 of Bs 0,023595 and Bs 0,001405 per share each, respectively, which were paid for a total amount of Bs 47,572,761. The number of shares registered at the time of payment was 1,902,910,464. These dividends were made effective charged to the "Surplus to be Applied."

c) Capital adequacy Ratios

The maintained ratios, calculated by the Bank based on the figures presented in its financial statements, and the minimum required ratios, according to SUDEBAN's regulations, are indicated below:

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	Required %	Kept	
		December 31, 2024	30 de junio de 2024
Total financial adequacy	12	21,72%	17,94%
Declaration of solvency	6	21,72%	17,94%
Accounting financial adequacy	9	12,60%	11,20%

For calculating the equity indicators, SUDEBAN's prudential regulations establish the following regulatory exceptions, depending on the applicable ratio:

- Exclusion of total assets from balances with the BCV and PDVSA bonds,
- Inclusion in accounting equity of generic and countercyclical provisions as Tier 1 equity,
- Exclusion of total assets and/or zero weighting of participation certificates of the "Simón Bolívar Fund for Reconstruction, S.A." and "BANDES Agricultural Participation Certificate."

As of December 31 and June 30, 2024, the Bank has no amounts to deduct for investments in securities of this category.

18. General and Administrative Expenses

General and administrative expenses are composed of the following:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Transfers and communications		28.742.202	22.746.059
Professional fees		27.692.766	27.169.981
Maintenance and repairs		34.680.394	30.162.101
Rentals		8.203.288	12.145.937
Software licenses		9.514.634	9.939.867
Other external services		27.697.505	16.176.715
Other taxes		2.296.200	2.633.937
Surveillance		9.038.630	7.562.668
Tax on Economic Activities		8.735.022	7.227.903
Insurance		11.715.118	18.410.358
Tax on Large Financial Transactions	1	764.098	8.020.005
Services and supplies		13.699.806	13.642.860
Depreciation and amortization	9	8.807.320	6.811.783
Contribution to the Organic Law of Science, Technology and Innovation	1	4.976.314	3.526.314
Other expenses	1	8.844.067	3.994.717
		<u>205.407.364</u>	<u>190.171.205</u>

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19. Other Operating Income and Operating Expenses

"Other Operating Income" and "Other Operating Expenses" shown in the income statements are represented by the following concepts:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Other operating income			
Service fees, including US\$7,074,218 (US\$4,226,859 in June 2024) from its Branch	18	697.540.634	354.866.626
Exchange gains	9 y 16	51.247.923	27.831.961
Gains on securities		7.344.260	8.003.093
		<u>756.132.817</u>	<u>390.701.680</u>
Other operating expenses			
Service fees		80.624.180	54.412.857
Exchange losses		6.659.980	1.231.077
Losses on securities	4	5.866.716	4.226.451
		<u>93.150.876</u>	<u>59.870.385</u>

Commissions for services rendered include the following:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Commissions for money orders and transfers		247.568.373	106.284.602
Commissions charged for the use of points of sale		53.147.863	38.467.239
Commissions for cash withdrawals		115.417.709	37.064.035
Commissions for operations in the foreign exchange system		23.460.919	17.718.023
Commissions for depositing funds		46.771.060	18.738.574
Commissions for trust orders and transferred investments		39.443.288	23.870.100
Commissions for trust		26.493.524	14.838.314
Commissions for collections		29.186.567	21.060.668
Commissions for the use and maintenance of debit cards		28.116.792	15.798.138
Commissions for payment to suppliers		17.630.002	13.581.762
Commissions for P2P payments sent		9.799.166	9.245.208
Commissions for issuing credit cards		14.720.874	8.275.472
Commissions for mobile payment		15.057.280	8.917.122
Commissions for maintenance of current accounts		12.995.062	7.718.112
Commissions for payroll service		3.890.553	2.501.518
Commission for issuing cashier's checks		812.995	1.697.142
Commissions for telephone recharge		1.466.816	1.403.394
Commissions for payment of services		1.340.812	1.219.285
Other commissions		10.220.979	6.467.918
		<u>697.540.634</u>	<u>354.866.626</u>

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20. Miscellaneous Operating Income and Expenses

Miscellaneous operating income and expenses correspond to the following:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Other miscellaneous operating income			
Income from recoveries		5.748.230	-
Other		662.296	167.540
		<u>6.410.526</u>	<u>167.540</u>
Other miscellaneous operating expenses			
Provision for various and other contingencies		136.667.761	5.585.037
Refund of interest as required by SUDEBAN		-	4.050.899
Contribution to the National Anti-Drug Fund	1	3.891.644	617.759
Contribution to community council projects	16	5.261.787	9.657.702
Contribution to the Organic Law on Sports	1	2.878.348	1.052.357
Comprehensive prevention expenses against money laundering		380.333	1.101.444
Costs related to legal reserve deficits	3	1.007.219	20.013.793
Other		3.193.379	609.285
		<u>153.280.471</u>	<u>42.688.276</u>

21. Memorandum Accounts

The "Memorandum Accounts" shown in the balance sheets correspond to the following operations:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Contingent accounts receivable:			
Guarantees granted		22.783.327	14.452.299
Automatic use credit line		52.801.110	14.605.012
		<u>75.584.437</u>	<u>29.057.311</u>
Trust assets		<u>885.865.769</u>	<u>572.985.430</u>
Other trust orders		<u>73.492.010</u>	<u>73.929.929</u>
Other receivable accounts receivable:			
Guarantees received		4.530.958.245	2.441.525.670
Custody received		786.096.718	147.675.335
Other registration accounts		160.377.056	85.261.226
		<u>5.477.432.019</u>	<u>2.674.462.231</u>
		<u>6.512.374.235</u>	<u>3.350.434.901</u>

a) Guarantees Granted

The Bank grants guarantees at the request of certain clients, after a credit risk analysis and within their credit line, which are issued in the name of a beneficiary and will be executed by the beneficiary if the client does not comply with the conditions established in the contract.

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b) Trust Assets

The Bank administers trust assets on behalf of third parties. The combined balance sheets of the Bank's Trust Department are presented below:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Assets:			
Cash and due from the bank, including US\$1,190,431 (US\$1,129,500 in June 2024)		114.037.730	55.737.413
Investments in securities		101.247.000	75.689.964
Loan portfolio, net		669.896.966	439.921.835
Interest and commissions receivable		684.073	1.636.218
		<u>885.865.769</u>	<u>572.985.430</u>
Liabilities and equity:			
Liabilities		4.116.433	2.747.884
Total liabilities		<u>4.116.433</u>	<u>2.747.884</u>
Trust assets:			
Assets assigned to trusts		867.700.952	557.798.020
Adjustment to equity		774.897	420.853
Retained earnings		13.273.487	12.018.673
Total equity		<u>881.749.336</u>	<u>570.237.546</u>
Total liabilities and equity		<u>885.865.769</u>	<u>572.985.430</u>

The cash and cash equivalents in the trust are composed of the following:

	December 31, 2024	June 30, 2024
(in bolivars)		
Deposits in the institution, including US\$18,737 (including US\$23,603 as of June 30, 2024)	53.230.201	15.532.290
Deposits in institutions abroad for US\$1,164,299 (US\$1,098,502 as of June 30, 2024)	60.423.640	39.936.149
Other cash availabilities for US\$7,395 (US\$7,395 as of June 30, 2024)	383.779	268.846
Deposits in other institutions in national currency	110	128
	<u>114.037.730</u>	<u>55.737.413</u>

The classification of trusts, according to their purpose and type of contracting entity, is presented below:

	December 31, 2024					June 30, 2024				
	%	Investment	Administration	Warranty	Total	%	Investment	Administration	Warranty	Total
Legal entities	97,61%	31	846.861.980	73.711	846.935.722	97,69%	31	544.867.268	63.265	544.930.564
Natural persons	0,00%	-	1.358	-	1.358	0,00%	-	4.178	-	4.178
Decentralized entities and other organizations with special regime	2,39%	-	20.763.872	-	20.763.872	2,31%	-	12.863.278	-	12.863.278
	<u>100,00%</u>	<u>31</u>	<u>867.627.210</u>	<u>73.711</u>	<u>867.700.952</u>	<u>100,00%</u>	<u>31</u>	<u>557.734.724</u>	<u>63.265</u>	<u>557.798.020</u>

According to Resolution No. 083.12 of Official Gazette No. 39,941 dated June 11, 2012, the trust funds as of December 31 and June 30, 2024, do not exceed five times the Bank's equity.

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Investments in securities included in the Trust accounts are composed of the following:

	December 31, 2024		June 30, 2024	
	Amortized cost/book value	Fair value	Amortized cost/book value	Fair value
	(in bolivars)			
<i>Demand and term deposits in financial institutions in the country.</i>				
Mercantil, C.A., Banco Universal, with an annual interest rate of 15%, nominal value of Bs. 6,286,190 and with maturity between 28 and 29 days, for December 2024, (annual interest rate of 15%, nominal value of Bs. 5,892,725 and with maturity between 28 and 29 days for June 2024).	6.286.190	6.286.190	5.892.725	5.892.725
Banco del Caribe, C.A., Banco Universal, with an annual interest rate between 18% and 20%, nominal value of Bs. 19,049,538 and with maturity between 28 and 29 days, for December 2024, (annual interest rate of 15%, nominal value of Bs. 3,342,771, and with maturity between 21 and 27 days, for June 2024).	19.049.538	19.049.538	3.342.771	3.342.771
Bancreer S.A., Microfinance Bank, with an annual interest rate of 20% to 23%, nominal value of Bs. 2,991,826 and maturity between 26 and 29 days, for December 2024, (annual interest rate of 30%, nominal value of Bs. 2,979,404 and maturity between 27 and 28 days, for June 2024).	2.991.826	2.991.826	2.979.404	2.979.404
	(in bolivars)			
	December 31, 2024		June 30, 2024	
	Amortized cost/book value	Fair value	Amortized cost/book value	Fair value
	(in bolivars)			
Banco Exterior, C.A., Banco Universal, with an annual interest rate between 15% and 16%, nominal value of Bs. 19,996,728 and with maturity between 26 and 29 days, for December 2024, (annual interest rate of 25%, nominal value of Bs. 19,996,728 and with maturity between 27 and 29 days, for June 2024)	19.996.728	19.996.728	19.996.728	19.996.728
Banco Provincial, S.A., Banco Universal, with an annual interest rate of 15%, nominal value of Bs. 10,976,864 and with maturity between 26 and 29 days, for December 2024, (annual interest rate of 15%, nominal value of Bs. 508,435 and with maturity of 27 days, for June 2024)	10.976.864	10.976.864	508.435	508.435
Banco Nacional de Crédito, C ... Annual interest rate of 15% to 18%, nominal value of Bs. 39,945,884 and with maturity between 26 and 29 days, for December 2024, (annual interest rate of 30%, nominal value of Bs. 29,955,000 and with maturity between 27 and 28 days, for June 2024)	39.945.884	39.945.884	29.955.000	29.955.000
	<u>99.247.030</u>	<u>99.247.030</u>	<u>62.675.063</u>	<u>62.675.063</u>
<i>Corporate commercial papers issued by private companies in the country.</i>				
Mercantil Servicios Financieros, C.A., with an annual interest rate between 43% and 55%, nominal value of Bs. 10,015,000 and with a maturity of 102 to 117 days, for June 2024.	-	-	10.015.000	10.015.000
Corporación Grupo Quimico, C.A., with an annual interest rate of 12%, nominal value of Bs. 999,982 and with a maturity of 173 days for June 2024.	-	-	999.982	999.982
Purolomo, C.A., with an annual interest rate of 12%, nominal value of Bs. 1,999,970 and with a maturity of 133 to 175 days for December 2024, (annual interest rate of 12%, nominal value of Bs. 1,999,919 and with a maturity of 163 to 180 days for June 2024).	1.999.970	1.999.970	1.999.919	1.999.919
	<u>1.999.970</u>	<u>1.999.970</u>	<u>13.014.901</u>	<u>13.014.901</u>
	<u>101.247.000</u>	<u>101.247.000</u>	<u>75.689.964</u>	<u>75.689.964</u>

Investments in securities have a maturity of no more than six (6) months.

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The loan portfolio of the Trust Department includes the following:

	December 31, 2024	June 30, 2024
	(in bolivars)	
Loans to beneficiaries receivable	<u>669.896.966</u>	<u>439.921.835</u>

The "Loans to Beneficiaries" account mainly corresponds to loans granted to employees with guarantees on the balances of their social benefits, which are deposited in the trust. These loans do not accrue interest and have no defined maturity date. The Trust Department does not maintain a provision for the loan portfolio since these loans are without maturity or have variable maturity. The total payment of these loans will occur when the beneficiary ends their employment or contractual relationship with the trustor or employer.

c) Other Trust Allocations

Other Trust Allocations assignments amounting to Bs 73,492,010 (Bs 73,929,929 as of June 30, 2024) correspond to clients' (principals') credit titles received by the Bank, in its capacity as a commission agent, with the commitment to place them with a third party, according to the commission contracts. These contracts authorize the Bank to negotiate these titles with other clients in exchange for a commission and will only be responsible to the principal for fraud, negligence, imprudence, or breach of contractual obligations. During the semester ended December 31, 2024, the Bank obtained commission income amounting to Bs 39,443,287 (Bs 23,870,099 as of June 30, 2024), included in the "Other Operating Income" account in the income statement.

d) Custodies Received

This sub-account records the values and assets received from clients in simple custody, such as jewelry, precious metals, securities, merchandise, third-party checks, documents, and gold in custody at the BCV, as well as other values and assets. As of December 31, 2024, the custodies received mainly correspond to securities received from clients under the custody of Raymond James & Associates Inc., and the Bank obtained custody commission income amounting to Bs 1,334,142 (Bs 1,129,666 as of June 30, 2024).

22. Fair Value of Financial Instruments

Below are the book values and estimated fair values for the financial instruments held by the Bank and its branch:

	December 31, 2024		June 30, 2024	
	Book value	Fair value	Book value	Fair value
	(in bolivars)			
Assets:				
Cash and cash equivalents	4.379.070.847	4.379.070.847	2.016.365.243	2.016.365.243
Investments in securities	2.189.971.125	1.946.226.724	1.292.385.638	1.267.180.953
Credit portfolio	3.638.242.706	3.638.242.706	2.185.114.757	2.185.114.757
Interest and commissions receivable	60.369.376	60.369.376	37.088.939	37.088.939
	<u>10.267.654.054</u>	<u>10.023.909.653</u>	<u>5.530.954.577</u>	<u>5.505.749.892</u>
Liabilities:				
Public deposits	7.890.555.079	7.890.555.079	4.418.242.828	4.418.242.828
Other financing obtained	99.337	99.337	99.341	99.341
Interest and commissions payable	890.282	890.282	671.246	671.246
	<u>7.891.544.698</u>	<u>7.891.544.698</u>	<u>4.419.013.415</u>	<u>4.419.013.415</u>
Memorandum accounts:				
Contingent debtor accounts	<u>75.584.437</u>	<u>75.584.437</u>	<u>29.057.311</u>	<u>29.057.311</u>

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Short-term Financial Instruments

Short-term financial instruments, both assets and liabilities, have been presented at their book value included in the balance sheet, which does not differ significantly from their fair market value, given the relatively short maturity period of these instruments. This category includes availabilities, public deposits without a defined maturity and with short-term maturity, other short-term financing obtained, other short-term financial intermediation obligations, and interest receivable and payable.

Investments in Securities

The fair value of investments in securities available for sale and held to maturity was determined with market prices reported by market operations compiled by Bloomberg. Investments in other securities were measured at their nominal value, assumed to be their fair value. For foreign currency instruments, the official exchange rate was applied to the fair value.

Loan Portfolio

The loan portfolio accrues interest at variable rates that are frequently reviewed. Consequently, and due to the provisions constituted for uncollectibility risks in the loan portfolio, in the opinion of the Bank's management, the book balance of the loan portfolio approximates its fair market value.

Deposits, Long-term Obligations, and Other Financing Obtained

Deposits, long-term obligations, and other financing obtained accrue interest at variable rates that are frequently reviewed, so the Bank's management has considered their book value as their fair market value.

23. Contingencies and Commitments

According to IAS 37, the disclosure and recognition of loss contingencies depend on whether they are contingent liabilities or provisions. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. A provision is a liability of uncertain amount or timing that arises as a result of a past event.

IAS 37 prohibits the recognition of contingent liabilities unless they have been assumed in a business combination. However, information about contingent liabilities will be disclosed when it is probable that an outflow of resources will be required to settle them. The information to be disclosed will include a description of the nature of the contingency, an estimate of its financial effect, the uncertainties affecting the amount or timing of the outflow, and the possibility of any reimbursement.

IAS 37 requires a provision to be recognized when three conditions are met: there is a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will have to part with resources embodying economic benefits to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The provision will be measured at the amount the entity would reasonably pay at the balance sheet date to transfer the obligation to a third party, taking into account risks and uncertainties, present value, and future events.

Litigation, Regulation, and Other Contingencies

In the ordinary course of its activities, Venezolano de Crédito, S.A. Banco Universal and its branch in the Cayman Islands are subject to governmental and regulatory examinations, information requests, investigations, and proceedings (both formal and informal), some of which may result in adverse judgments, settlements, fines, penalties, restitutions, refunds, court orders, or other remedial actions. In connection with these formal and informal investigations by regulators, the Bank and its Branch receive numerous requests and orders for documents, testimonies, and other information related to various aspects of their regulated activities and their clients.

24. Balances and Transactions with Related Parties

The Bank and its Branch have conducted transactions and maintain balances with related companies, whose effects are included in their financial statements.

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The most significant transactions conducted by the Bank with shareholders and other related parties are mainly represented by resource collection operations and banking and security services, whose most significant effects are presented below:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Transformation costs:			
Vencred, S.A.		182.191	294.244
Investments 120915, C.A.		1.127.752	1.100.659
Investments Las Monjas, C.A.		1.620.329	1.161.402
Others		29	23
		<u>2.930.301</u>	<u>2.556.328</u>

As a result of these transactions and other minor ones, the following balances are included in various items of the balance sheets:

	Note	December 31, 2024	June 30, 2024
(in bolivars)			
Public deposits and other obligations on sight			
Venezolana de Bienes, S.A.		128.664	712.932
Vencred, S.A.		1.721.530	800.616
Las Monjas Investments, C.A.		52.741	29.657
Modigliani Investments, C.A.		480.202	37.478
Markowitz Promotions, C.A.		101.853	72.478
Bonorum Investments, C.A.		77.094	103.433
Vencred Investments, C.A.		4.483	2.323
Vencred Securities Stock Exchange, S.A.		26.708	1.531.469
120915 Investments, C.A.		2.284	20.613
Vencred Engineering and Construction, C.A.		101.425	71.994
Vencred Promotions, S.A		29.766	41.174
		<u>2.726.750</u>	<u>3.424.167</u>

25. Foreign Currency Assets and Liabilities

Resolution No. 19-04-01, published in Official Gazette No. 41,611, establishes the Rules Relating to Foreign Currency Positions of Banking Institutions, the most relevant aspects are as follows:

- The resolution establishes the rules regulating the purchase and sale of foreign currencies by individuals and entities through the exchange desks of banking institutions authorized as exchange operators.
- The resolution provides that banking institutions may agree on foreign currency purchase and sale operations between their clients or in interbank transactions, at the exchange rate resulting from supply and demand.
- The resolution establishes the requirements that individuals and entities must meet to participate in foreign exchange operations, as well as the maximum and minimum limits of such operations.
- The resolution also determines the information, registration, and control obligations that banking institutions and participants in the foreign exchange market must comply with, as well as the applicable sanctions in case of non-compliance.

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- The BCV will determine the maximum limit that the net global foreign currency position of each banking institution can reach at the close of each day's operations.
- The BCV will review the determined limits for each banking institution at least semi-annually and may modify them whenever the situation and circumstances so advise.
- The interest percentage that banking institutions exceeding the limits must pay.
- The BCV may authorize banking institutions to exclude certain operations from the calculation of the authorized foreign currency position or to maintain a total risk position above the maximum established limit.

Current legal regulations establish that universal banks must maintain their net foreign currency positions within the limits set by the BCV through special resolutions. On April 8, 2019, through Official Letter No. VOI-GOC-DNPC-004, the BCV provided that the active or long net global foreign currency position will not be subject to a maximum limit temporarily.

The foreign currency balances included in the balance sheets are detailed below:

	December 31, 2024				June 30, 2024			
	Venezuela	Cayman Islands Branch	Total	Equivalent in bolivars	Venezuela	Cayman Islands Branch	Total	Equivalent in bolivars
Assets:								
Cash and due	18.449.938	40.834.035	59.283.973	3.076.662.259	10.469.030	24.880.973	35.350.003	1.285.152.346
Investments in securities	70.574	37.685.009	37.755.583	1.959.402.709	70.574	33.631.628	33.702.202	1.225.246.402
Loan portfolio	-	49.102.800	49.102.800	2.548.289.595	-	46.149.286	46.149.286	1.677.761.192
Interest and commissions receivable	-	877.295	877.295	45.529.007	-	826.194	826.194	30.036.353
Other assets	300	20.774	21.074	1.093.678	300	55.883	56.183	2.042.538
	<u>18.520.812</u>	<u>128.519.913</u>	<u>147.040.725</u>	<u>7.630.977.248</u>	<u>10.539.904</u>	<u>105.543.964</u>	<u>116.083.868</u>	<u>4.220.238.831</u>
Pasivos:								
Liabilities:	5.568.134	105.466.649	111.034.783	5.762.375.714	6.322.613	83.467.095	89.789.708	3.264.312.422
Public deposits	16.013.637	3.505.895	19.519.532	1.013.005.782	15.277.719	922.394	16.200.113	588.956.477
Accruals and other liabilities	21.581.771	108.972.544	130.554.315	6.775.381.496	21.600.332	84.389.489	105.989.821	3.853.268.899
Accounting assets, net	<u>(3.060.959)</u>	<u>19.547.369</u>	<u>16.486.410</u>	<u>855.595.752</u>	<u>(11.060.428)</u>	<u>21.154.475</u>	<u>10.094.047</u>	<u>366.969.932</u>
Other debit accounts, net	<u>3.254.433</u>	<u>-</u>	<u>3.254.433</u>	<u>168.895.414</u>	<u>3.278.027</u>	<u>-</u>	<u>3.278.027</u>	<u>119.172.949</u>

The amounts reflected in dollars include minor amounts in euros, presented at their dollar equivalent.

During the semester ended December 31, 2024, the Bank recorded net gains, mainly attributable to the variation in the official exchange rate of the US dollar. This variation generated a gain of Bs 137,671,684, reflected in the statement of changes in equity as "gain from exchange rate fluctuation due to holding foreign currency assets and liabilities." It is important to note that this gain contrasts with the one recorded in June 2024, which was Bs 2,422,657. The exchange rate volatility has had a significant impact on the Bank's financial results during this period.

As of December 31, 2024, the unrealized net exchange gain amounted to Bs 226,570,175 (Bs 88,898,493 as of June 30, 2024), included in the "Equity Adjustments" account (Note 17).

Exchange Agreement No. 1 issued by the BCV and published in Official Gazette No. 6405 on September 7, 2018, aims to establish the free convertibility of currency throughout the national territory, to promote the development of economic activity in an orderly foreign exchange market where actions can be deployed to ensure its optimal functioning. The agreement establishes that the exchange rate governing the purchase and sale of foreign currencies will fluctuate freely according to the supply and demand of individuals or entities, through the Foreign Exchange Market System.

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Exchange Agreement No. 1 authorizes individuals and entities interested in conducting foreign currency sales operations for amounts equal to or less than Eight Thousand Five Hundred euros (€ 8,500) or its equivalent in another foreign currency, per operation, whether in cash, traveler's checks, encrypted, transfers, account credits, or electronic remittance service, to do so through authorized exchange operators. The agreement repealed all previous exchange agreements and establishes a new regulatory framework for foreign exchange operations in the country, in which the BCV continues to have the authority to regulate, authorize, and supervise foreign exchange operations, as well as to set the limits and requirements for accessing foreign currency.

During the semester ended December 31, 2024, the Bank recognized realized gains, mainly from the Bank's operations as a foreign exchange operator and its foreign Branch, amounting to Bs 51,247,923 (Bs 27,831,961 for the semester ended June 30, 2024), and losses amounting to Bs 6,659,980 (Bs 1,231,075 for the semester ended June 30, 2024), presented under "Other Operating Income" and "Other Operating Expenses," respectively, in the attached income statements (Note 19). "Public Deposits" come from client operations in legally permitted foreign exchange markets where the Bank acts as a foreign exchange operator, fully covered by on-demand placements presented under "Availabilities" (Note 3). Circular No. VOI-GOC-DNPC-004 issued by the BCV on April 8, 2019, informs about the rules relating to foreign currency positions of banking institutions, establishing the following:

- When the result of the net global foreign currency position is passive or short, the maximum limit will be considered exceeded, and the corresponding rate will be charged on the exceeded amount.
- All foreign currency assets and liabilities will form part of the net global position.
- The active or long net global foreign currency position will not be subject to a maximum limit temporarily.
- Banking entities must continue to submit to the BCV the information corresponding to their own resources reflected in their balance sheet at the close of the financial statements of the month subject to determination, within the first five (5) business days following that close.

As of December 31, 2024, the net foreign currency position maintained by the Bank, calculated based on its individual financial statements, amounts to US\$16,486,410 (US\$10,094,047 as of June 30, 2024).

Valuation of Foreign Currency Assets and Liabilities

Circular SIB-II-GGR-GNP-03636 of SUDEBAN, dated June 5, 2023, is a regulation that establishes the aspects to consider in applying the net benefits arising from the valuation of foreign currency assets and liabilities at the free convertibility exchange rate set by Exchange Agreement No. 1 of August 21, 2018, for operations maintained as of June 30, 2024, and repeals Circulars SIB-II-GGR-GNP-03578 and SIB-DSB-CJ-OD-05294 dated March 29, 2019, and July 14, 2021, respectively. The new circular establishes that the balance originated and maintained as of June 30, 2024, from the mentioned valuation will be applied as follows:

1. The amount corresponding to gains or losses arising from holding foreign currency assets and liabilities at the exchange rate applied for the valuation and accounting of operations, other than those specified in other accounts of Group 350.00 "Equity Adjustments," must be recorded in account 352.00 "Gain or Loss from Exchange Rate Fluctuations due to Holding Foreign Currency Assets and Liabilities."
2. The net creditor balance reflected as of June 30, 2024, in account 352.00 "Gain or Loss from Exchange Rate Fluctuations due to Holding Foreign Currency Assets and Liabilities," must be applied only according to the following order of priority:
 - a. Offset operational losses or deficits.
 - b. Establish or cover deficit balances in provisions for asset contingencies, adjustments, or losses determined by the Supervisory Entity.

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- c. Establish or cover deficit balances in provisions for contingencies, adjustments, or losses directly related to foreign currency assets generating such effect.

In any case, the Bank must request authorization from SUDEBAN for applying the aforementioned concepts, and upon approval, the Bank must make an allocation equivalent to fifty percent (50%) of the approved amount and record it in account 361.02 "Restricted Surplus." For the semester ending December 31, 2024, and subsequent periods, it can only be applied following the order described in numeral 2 above, subject to prior authorization from SUDEBAN, and the required allocation must also be constituted.

3. When the Bank, due to its financial situation, does not need to apply the balance recorded in account 352.00 to the concepts indicated in numeral 2 of the Circular; or in any case, if once these concepts are applied in the corresponding semester, there are amounts resulting from realized gains; SUDEBAN, upon request and evaluation, may authorize their registration in the results of the fiscal year. However, once the mentioned application is authorized, the Bank must make an allocation of fifty percent (50%) of the results to sub-account 361.02 "Restricted Surplus" in accordance with Resolution No. 329.99 of December 28, 1999.
4. The balance maintained in account 352.00 "Gain or Loss from Exchange Rate Fluctuations due to Holding Foreign Currency Assets and Liabilities" must be considered within the items to determine the primary level (I) equity, used in calculating the "Total Capital Adequacy Ratio."
5. The gain and/or loss of Item 700.00 "Trusts and Fiduciary Assignments" of the trusts generated, once the June 2023 month-end closing is completed, from the valuation and registration of foreign currency assets and liabilities, must be recorded in account 733.00 "Equity Adjustments," and once such gain and/or loss is effectively realized, resulting from transactions conducted with the assets and/or liabilities that originated them or when determined.
6. If the Bank has generated gains or losses from exchange rate fluctuations at the free convertibility exchange rate, from holding foreign currency assets and liabilities, other than those specified in other accounts of Group 350.00 "Equity Adjustments," not recorded in the respective sub-account of account 352.00 "Gain or Loss from Exchange Rate Fluctuations due to Holding Foreign Currency Assets and Liabilities" and related to the description of this account, they must be reclassified to it.

26. Communications from SUDEBAN

- a) The Superintendency of Banking Sector Institutions (SUDEBAN) issued Circular SIB-II-GGIR-GSRB-GGR-GNP-00304, dated January 21, 2025, deferring the application of Articles 24 to 31 of Resolution No. 136.15 of 2015, regarding the comprehensive liquidity risk management standards for banks, until June 30, 2025.
- b) Through Official Letter SIB-II-GGR-GA-07367, dated November 8, 2024, BVC is authorized to increase its share capital by Bs 74,831,953.97, raising it from Bs 12,368,918.03 to Bs 87,200,872.00.
- c) In Official Letter SIB-II-GGIR-GSRB-05472, dated August 27, 2024, SUDEBAN notifies about a conflict of interest detected in the entity's risk management.
- d) SUDEBAN responded to BVC through Official Letter SB-II-GGIBPV-GIBPV1-05164, dated August 12, 2024, regarding the communication of March 8, 2024:
- **Surplus Adjustments:** SUDEBAN has already ruled on this matter (Official Letter SIB-II-GGIBPV-GIBPV1-02729).
 - **Custodian Certifications:** Due to limitations in sending them directly, BVC must request external auditors to send them to SUDEBAN.
 - **Recording of Losses/Gains in Investments:** BVC must adjust its procedure to current regulations.
 - **Certification of the Administrative Board:** SUDEBAN has no objections.

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- **Points for Noting:** SUDEBAN took note of the cancellation of credits, refund of interest to clients, adaptation of accounting processes, and custodian confirmations.
- e) Official Letter SIB-II-GGIBPV-GIBPV6-05155, dated August 12, 2024, indicates that it reviewed the records of the ordinary general shareholders' meeting of August 15, 2024, and found some points that require attention:
- Legal reserve deficit.
 - Differences in the financial statements that need to be explained.
 - Compliance in granting Credimujer loans.
 - Concern about the growth of non-productive assets in the Cayman Islands branch.
 - Clarify the origin of accounts receivable from the head office.
 - Weaknesses in internal control that need to be corrected. SUDEBAN requires BVC to clarify these points and take measures to address the deficiencies found.
- f) The Superintendency of Banking Sector Institutions (SUDEBAN) issued Circular SIB-II-GGIBPV-GIBPV6-04817, dated August 1, 2024, regarding the reclassification of investments in securities.
- g) Circular SIB-II-GGR-GNP-04771, issued on July 31, 2024, extends the measure established in the Decree with Rank, Value, and Force of Law of Banking Sector Institutions, regarding the publication of the "A" form of the Balance Sheet:
- The application of the "A" form of the Balance Sheet, established in Chapter V "Financial Statements" of the Accounting Manual for Banking Institutions, is extended from July to December 2024.
 - For monthly publication in newspapers and digital media (printed and digital), the detail of the balances of the groups and accounts that make up item 300 of the Balance Sheet structure must be suppressed.
- h) The Superintendency of Banking Sector Institutions (SUDEBAN) issued Official Letter SIB-II-GGIBPV-GIBPV1-04677, dated July 25, 2024, in response to the observations made at the ordinary general shareholders' meeting held on February 15, 2024:
- BVC must adjust the amount of loss reversal in securities according to Circular SIB-II-GGIBPV-GIBPV1-00830.
 - The provisional authorization for the digital sending of operation confirmations (Visa) is reminded.
 - An explanation is required regarding the difference in the value of Mastercard shares.
 - The accounting operation of recoverable disbursements must be reversed.
 - SUDEBAN has no objection to the explanation of accounting vouchers, regularization of custodian names, reclassification of accounts, and clarification of paid interest.
 - The arguments regarding the legal reserve, explanation of "decrease in other provisions," Cayman Islands branch loan portfolio, and notification to external auditors were noted.
- i) The Superintendency of Banking Sector Institutions (SUDEBAN) issued Official Letter SIB-DSB-OPCLC-04509, dated July 17, 2024, in response to the communication received on June 10, 2024, which responded to Official Letter SIB-DSB-OPCLC-03880 of June 26 of the current year.

After evaluating the statement from BVC's internal audit area and the actions taken to address the findings of the general inspection, SUDEBAN establishes the following:

- **Internal Audit:** BVC's internal auditor must submit a statement before January 15, 2025, indicating the percentage of compliance with activities related to:
 - Progress in issues related to employees' vacation enjoyment.

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- Updated list of files for the "know your customer" policy of commercial networks.
- Certification with the progress of updating the files of BVC's shareholders.
- **Points with Complete Update:** BVC indicated that it had completed 100% of the update of the list of trustors and the list with the update of files for the "know your customer" policy of points of sale. The effectiveness of these measures will be verified in a future inspection visit.
- **Certifications of the Administrative Board:** SUDEBAN has no observations on the certifications of BVC's Administrative Board, dated June 6 and July 4, 2024, showing that it was informed about the content of Official Letters SIB-DSB-OPCLC-03023 and SIB-DSB-OPCLC-03880.

This communication from SUDEBAN establishes new deadlines and guidelines for BVC regarding the resolution of the issues detected in the inspection, emphasizing the importance of regulatory compliance and transparency in banking operations.

- j) The Superintendency of Banking Sector Institutions (SUDEBAN) issued Circular SIB-II-GGIR-GSRB-GGR-GNP-04169, dated July 4, 2024, deferring the application of Articles 24 to 31 of Resolution No. 136.15 of 2015, regarding the comprehensive liquidity risk management standards for banks, until December 31, 2024.
- k) Circular No. SIB-OPCLC-II-GGIR-GRT-GGR-GNP-03678, issued by the Superintendency on June 13, 2024, establishes the guidelines for the authorization of online pre-opening and online opening of accounts, other digital financial products or services, and the acceptance of electronic contracts.
- l) SUDEBAN, through Official Letter SIB-DSB-CJ-OD-03380 dated May 28, 2024, lifted administrative measures on the Bank related to the financial product called "Ubii MasterCard Prepaid Card" from the same date of the official letter.
- m) Official Letter SIB-II-GGIBPV-GIBPV1-03101 dated May 20, 2024, regarding the response to Official Letter SIB-II-GGIBPV-GIBPV1-07427 dated November 15, 2023, on observations to the Ordinary General Shareholders' Meeting of August 15, 2023. SUDEBAN indicated that the methodology used in the valuation of investments in securities of the Cayman Branch does not conform to the dynamics of the accounting manual for banking institutions, so the pertinent reclassifications must be made. Regarding the certifications of securities custody and the report with the results of the internal accounting and administrative control letter of December 31, 2023, the considerations are found in Official Letters SIB-II-GGIBPV-GIBPV1-00830 and SIB-II-GGIBPV1-08671 of February 2024 and December 2023, respectively. Similarly, regarding the clarification on the recording of actuarial gains or losses on social benefits, this entity has taken due note.
- n) Official Letter SIB-DSB-OPCLC-03023 dated May 17, 2024, refers to the response given by the Bank on the findings determined in Official Letter SIB-DSB-OPCLC-#00757 on the General Inspection conducted at the Bank. SUDEBAN determined that the internal audit area must submit a statement guaranteeing the progress described in Circular SIB-DSB-OPCLC-#00757 if they have been adjusted to current legal regulations. Additionally, regarding the training program for money laundering prevention, it was informed that the scope and effectiveness of this will be verified in future inspections.
- o) On May 8, 2024, Official Letter SIB-II-GGIBPV-GIBPV1-02729 was received regarding the follow-up on the results of the General Inspection with a cut-off date of September 30, 2022, and updated on May 31, 2023. This official letter indicates that the Bank complied with the correction of errors for the recording of unrealized income in the semester ended June 30, 2024.

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- p) On March 22, 2024, Official Letter SIB-DSB-OPCLC-01592 was received in response to Official Letter SIB-DSB-OPCLC-#00636, regarding the Independent Limited Assurance Report on P/C/LC/FT/FPADM for the semester ended 2023. This official letter indicates that once the information sent by the Bank to SUDEBAN was reviewed, it was determined that there is no subordination of the compliance officer to the board of directors, executive committee, as indicated in numeral 1 of Article 17 of Resolution 083.18. Additionally, regarding the arguments presented, action plan, and copy of the certification of the administrative board session of February 2024, there is no objection to be made.
- q) Official Letter SIB-II-GGIBPV-GIBPV1-00830 dated February 23, 2024, provided observations on the response to Official Letter SIB-II-GGIBPV-GIBPV1-04285 on the results of the General Inspection as of September 30, 2022, and updated on May 31, 2023. The Bank must comply with the instructions issued by SUDEBAN and submit the required information.
- r) In Official Letter SIB-II-GGR-GA-00638 dated February 14, 2024, SUDEBAN considered the increase in share capital by Bs 26,193,373.13 not feasible because the contribution of one of the shareholders was made by another shareholder who does not have liquidity or the capacity to generate income to meet the Bank's minimum share capital requirements.
- s) In Official Letter SIB-II-GGIBPV-GIBPV1-00618 dated February 8, 2024, SUDEBAN provided its considerations on the records of the Extraordinary General Shareholders' Meeting of February 15, 2024.
- t) In Official Letter SIB-II-GGIBPV-GIBPV1-00611 dated February 7, 2024, SUDEBAN provided its observations on the records of the Ordinary General Shareholders' Meeting of February 15, 2024.
- u) On January 12, 2024, Official Letter SIB-DSB-CJ-OD-00183 was received, deciding to maintain and extend the administrative measures on the Bank regarding the financial product "Ubii MasterCard Prepaid Card" for 90 business days starting from January 13, 2024.