



Consolidated report as at December 31, 2023 and 2022

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The accompanying unaudited and unreviewed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The accompanying interim consolidated financial statements have not been reviewed by an independent registered public accountant.

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Consolidated Statement of Financial Position

(expressed in United States Dollars)

Assets

Assets	31.12.2023	31.12.2022
Cash and cash equivalents	6,162,361	6,526,874
Financial instruments held for trading	247,129,204	244,193,661
Derivatives financial instruments	19,423,742	10,560,876
Loans and advances	15,454,930	13,940,913
Interest receivable	1,316,052	1,375,236
Other receivables	125,433	1,374,547
Fixed assets	17,747	21,731
Other assets	2,291,509	1,054,345
Total assets	291,920,977	279,048,183

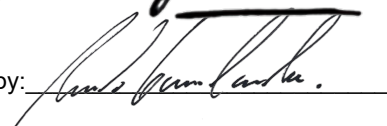
Liabilities and shareholder's equity

Liabilities	31.12.2023	31.12.2022
Deposits:		
Demand	87,813,971	99,988,546
Time	25,166,826	23,109,797
Derivatives financial instruments	19,312,600	10,787,069
Interest payable	157,204	66,541
Accounts payable and accrued expenses	2,385,342	1,378,403
Provisions for operational expenses	1,619,120	2,728,725
Other liabilities	1,061,318	1,566,250
Total liabilities	137,516,381	139,625,331

Shareholder's equity:	31.12.2023	31.12.2022
Share capital	8,748,000	8,748,000
Treasury shares	(408,488)	(408,488)
Retained earnings	146,065,084	131,083,339
Total shareholder's equity	154,404,596	139,422,852
Total liabilities and shareholder's equity	291,920,977	279,048,183

See accompanying notes to financial statements

Approved by: 

Approved by: 

Consolidated Statement of Comprehensive Income

(expressed in United States Dollars)

Interest	31.12.2023	31.12.2022
Interest income	7,390,348	6,451,736
Interest expense	(654,999)	(296,515)
	6,735,349	6,155,221
Fees and commissions	31.12.2023	31.12.2022
Trustee fee income	2,449,355	2,418,745
Deposit and payment service charge income	1,114,240	1,161,450
Commission income	1,102,555	1,310,548
Management fee income	1,291,113	1,303,058
Management fee expense	(799,945)	(737,056)
Commission expense	(999,709)	(10,750)
	4,157,609	5,445,995
Operating income	31.12.2023	31.12.2022
Dividend income	619,296	368,439
Net trading gain	14,562,263	(24,101,183)
Net realised foreign exchange gain (loss)	1,302,421	(1,423,181)
Unrealised gain (loss) on open forward contract	(249,759)	403,177
	16,234,221	(24,752,748)
Operating expenses	31.12.2023	31.12.2022
Direct operating expenses	(3,876,740)	(3,361,774)
Miscellaneous	(3,967)	(86,083)
Government licence fees	(166,323)	(138,132)
Bank charges	(286,820)	(252,963)
Professional services	(1,269,419)	(119,646)
Audit and accountancy	(241,200)	(163,684)
	(5,844,469)	(4,122,282)
Net income (loss) before extraordinary items	21,282,710	(17,273,814)
Income tax expense	0	(20,952)
Net income (loss) for year	21,282,710	(17,294,766)
Net income (loss) for period	31.12.2023	31.12.2022
Attributable to shareholders before extraordinary items	21,282,710	(17,294,766)
Extraordinary items	0	0
Profit (loss) attributable to shareholders	21,282,710	(17,294,766)
Earning (loss) per share (2023: 370,645 2022: 370,645)	57.42	(46.7)

See accompanying notes to financial statements

Initials: *Janina Bbloi*

Consolidated Statement of Changes in Shareholders Equity

(expressed in United States Dollars)

Column 1	Share Capital	Retained Earning	Total Equity
Balance at December 31, 2022	8,339,512	131,083,339	139,422,851
Total comprehensive income (loss) for the period		21,282,710	21,282,710
Cash dividend payable		(6,300,965)	(6,300,965)
Balance at December 31, 2023	8,339,512	146,065,084	154,404,596

See accompanying notes to financial statements

Initials: Janina Bello

Consolidated Statement of Cash Flows

expressed in United States Dollars)

Cash provided by (applied in):

Operating activities	31.12.2023	31.12.2022
Net income (loss) for the short period	21,282,710	(17,294,766)
Add (deduct):		
Items not involving the movement of funds :		
Net (gains) loss on investments	(14,562,264)	24,101,183
Net foreign exchange (gains) loss	(1,302,421)	1,745,782
Movement in unrealised gain (loss) on open forward contract	249,759	(403,177)
Depreciation on fixed assets	5,589	3,293
Net changes in non-cash balances relating to operations:		
Loans and advances	(1,514,017)	(983,513)
Interest receivables	(59,184)	72,389
Other receivables	(1,249,114)	187,440
Deposits	(10,117,546)	(16,107,048)
Interest payable	90,663	(50,140)
Accounts payable and accrued expenses	1,006,939	(763,062)
Provisions for operational expenses	(1,109,605)	(2,296,104)
Other assets	(1,237,164)	325,780
Other liabilities	(504,932)	76,701
Net cash (used in) provided by operating activities	(9,020,587)	(11,385,242)
Investing activities		
Dividends paid	(6,300,965)	(6,486,288)
Purchase of office furniture, equipment and leasehold	(1,605)	(23,187)
Net (purchase) sale of investment	4,394,513	11,188,037
Net cash provided by (used in) investing activities	(1,908,057)	4,678,562
Financing activities		
Repurchase of shares	0	0
Net cash used in financing activities	0	0
Increase (decrease) in cash and cash equivalents during period	(364,513)	(2,859,843)
Cash and cash equivalents at beginning of period	6,526,874	9,386,717
Cash and cash equivalents end of period	6,162,381	6,526,874

See accompanying notes to financial statements

Initials: Janina B6601

1. Incorporation and background information

VBT HOLDINGS, LTD. (the “Company”) was incorporated as an exempted company under the Companies Act of the Cayman Islands on July 13, 2006. The Company is the sole shareholder of VBT Bank & Trust, Ltd., an entity incorporated as an exempted company under the Companies Act of the Cayman Islands on March 23, 1987. The Bank holds a category “B” Banking and Trust license under the Banks and Trust Companies Act, a Mutual Fund Administrator’s License under the Mutual Funds Act as well as a Securities Investment Business license under the Securities Investment Business Act. It is engaged in providing offshore banking and trust services to Venezuelan clients. On June 7, 2007, the Cayman Islands Stock Exchange admits the Company on its official list.

The principal place of business of the Company is 1st Floor, The Harbour Centre, 42 North Church Street, George Town, P.O. Box 454, Grand Cayman KY1-1106, Cayman Islands. The presentation currency of the Group is the United States dollar and not the local currency of the Cayman Islands reflecting the fact that substantially all of the Group’s assets and liabilities are denominated in United States dollars.

Venecredit Securities, Inc., was incorporated in May 2001 and is a broker-dealer registered with the Securities and Exchange Commission (SEC). Commenced operations in March 2002, is a wholly-owned subsidiary of VBT Holdings, LTD., offers securities transaction services to its customers, clears its securities transactions on a fully-disclosed basis through Pershing LLC, a subsidiary of The Bank of New York (Pershing), is a member of and is regulated by the Financial Industry Regulatory Authority, primarily operates in South Florida.

2. Significant accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). The Group adopted the revised versions of IFRS that are currently effective. The significant accounting policies and their effect on financial statements are as follows:

(a) Basis of preparation

The financial statements are prepared on a fair value basis for financial assets and liabilities at fair value through profit and loss. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortized cost or historic cost.

(b) Basis of consolidation

(i) Subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions are eliminated in preparing the consolidated financial statements.

A handwritten signature in cursive script, appearing to read "Janina", with a horizontal line underneath.Handwritten initials "B6601" in the bottom left corner.

(c) Use of estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

(d) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are translated to United States dollars at the foreign exchange rate ruling at the date. Foreign exchange differences arising on translation are recognized in the statements of income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reposting currency at the foreign exchange rates ruling at the date that the values are determined.

(e) Financial instruments

The Group adopted IFRS9 and designated all its debt and equity investments and derivative financial instruments into the financial instruments at fair value through profit or loss category.

(i) Classification

Financial instruments classified at fair value through profit or losses are those that the Company principally holds for the purpose of short-term profit taking. These include investments in debt and equity instruments, commercial paper, mutual fund participation units, liabilities for securities sold short and forward foreign exchange contracts. All derivative financial instruments in a net receivable position (positive fair value) are reported as financial assets held for trading. All derivative financial instruments in a net payable position (negative fair value) are reported as financial liabilities held for trading.

Financial assets classified as loans and receivables include loans and advances to related parties and others customers, interest receivable and other receivables.

Financial liabilities not at fair value through profit or loss include demand and time deposits, interest payable, accounts payable, accrued expenses and others liabilities.

(ii) Recognition

The Company recognizes financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. From this date, any gains and arising from changes in fair value of assets or liabilities are recognized in the statements of income.

Loans and receivables are recognized on the day are granted by the Group.

(iii) Measurement

Financial instruments are measured initially at cost, which is the fair value of the consideration given or received.

Subsequent to initial recognition all instruments classified at fair value through profit or loss are measured at fair value, except for any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably measured. In such cases, such financial instruments are stated at cost less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss and loans and receivables are measured at amortized cost less impairment losses, if any.

(iv) Fair valued measurement principles

The fair value of financial instruments is based on their quoted market price at the Balance Sheet date without any deduction for transaction costs. If a quoted market price is not the available. The fair value of the instrument is estimated using management's best estimates, taking into account current market conditions and the credit quality of the counterparties.

(v) Gains and losses on subsequent measurement

Unrealized gains and losses arising from a change in the fair value of trading instruments are recognized in the statements of income.

Gains and losses arising from a change in the fair value of trading instruments in relation to foreign currency exchange differences are recognized in the statement of income.

(vi) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and with brokers, call deposits, interest bearing time deposits, short-term investments and repurchase agreements with original maturity date of three months or less when purchased.

Loans and advances

Loans and advances are reported net of allowances to reflect the estimated recoverable amounts.

Forward contracts

The Group may enter into forward foreign currency exchange contracts primarily to hedge against foreign currency exchange rate risk on its non-US dollar denominated investment securities. When entering into a forward currency contract, the Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are value daily, and the Company's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and forward rates at the reporting date, is included in the balance sheets. Realized and unrealized gains and losses are included in the statements of income. These instruments involve market and credit risk in excess of the amount recognized in the Balance Sheets. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

(f) Derecognition

A financial asset is derecognized when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognized when it is extinguished.

(g) Impairment

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

The recoverable amount of the Group's loans and advances is based on the Group's historical credit experience. This credit experience takes into account any risks specific to the borrower, the net selling price, the value of any collateral and any expected future cash flows inherent in the loan or advanced.

If the recoverable amount of a loan or advance is less than its carrying amount, an impairment loss is recognized. Impairment losses are recognized in the statements of income.

If in a subsequent period the amount of impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or the allowance is reversed through the statements of income.

(h) Long term loan

Long term loans are initially recognized at cost. Subsequent to initial recognition, long term loans are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of income over the period of the loan using the effective interest rate method.

(i) Interest income and expense

Interest income and expense is recognized in the statements of income as it accrued, taking into account the effective yield of the asset or an applicable floating rate. Interest income and expense includes the amortization of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity.

(j) Fees and commissions

Fees and commissions arise on financial services provided by the Group and are recognized when the corresponding service is provided.

(k) Net trading income

Net trading income includes gains and losses arising from disposals and changes in fair value of trading instruments.

(l) Taxation

There are no taxes on income or gains in the Cayman Islands and the Company and VBT Bank & Trust have received an undertaking from the Governor in Cabinet of the Cayman Islands exempting them from local taxes on all income, profits, gains and appreciations. In addition, management believes that the Company and Bank are not subject to taxation by any other jurisdiction. Venecredit Securities, Inc. is subject to taxation in the United States of America.



3. Share capital

	31.12.2023	31.12.2022
Authorized, issued and fully paid:	0	0
388,800 ordinary shares of USD 22.5 each	8,748,000	8,748,000
Balance at beginning of		
Treasury shares (2023: 18,155; 2022: 18,155)	408,488	408,488
	8,339,512	8,339,512

The Directors may declare dividends and distributions on shares in issue and authorise payment of the dividends or distributions out of the funds of the Group. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Group, or out of the additional paid in capital account or as otherwise permitted.

4. Dividends

The Directors resolved to approve a cash dividend consisting of US\$ 8.00 per share to the Shareholders registered as at August 31, 2023 and US\$ 9.00 per share to the shareholders registered as at March 31, 2023 and US\$ 17.50 per share to the shareholders registered as at March 31, 2022.

5. Fair value information

A portion of the Group's financial assets and liabilities are short-term, with maturities within one year. The carrying amounts of these financial assets and liabilities approximate fair value because of the short maturity of these instruments.

Interest is based on floating rates for long-term financial assets and liabilities. Therefore, the recorded amount of long-term financial assets and liabilities in financial statements approximates their fair value, since the cash flows of assets and liabilities with market interest rates.

Unless otherwise disclosed in these financial statements, the following assumptions are used by management to estimate the fair value of each class of financial instruments:

(a) Cash and cash equivalents

The carrying value approximates fair value due to their short-term nature.

(b) Financial instruments held-for-trading, loans and advances and other assets

Investments and derivative financial instruments such as forward contracts are considered trading instruments and are carried at quoted dealer prices, which approximate fair value.

All significant loans and receivables mature within one year. As such, the carrying amount approximates fair value because of the short-term nature of these instruments.

Due to the nature of the other assets, it is impractical to determine their fair value.



(c) Time and demand deposits

The carrying value of time and demand deposits approximate their fair value due to the short-term nature of the deposits and due to the fact that they bear rates of interest which fluctuate with market rates.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

6. Risk management disclosures

The most important types of risk to which the Group is exposed are credit risk, liquidity risk and market risk, which includes currency risk.

Trading activities

The Group's financial instruments held for trading consist of positions in various government and corporations, as well as investments in mutual funds. Credit risk is the risk of counterparty default. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange-clearing house. Since the majority of the Group's financial instruments held for trading are traded on recognized exchanges, it is the management's belief that the Group is not exposed to significant credit risk on its investments.

All financial instruments are subject to market risk, the risk that future changes in market conditions may make an instrument less valuable or more onerous. Trading instruments are recognized at fair value and all changes in market conditions directly affect net income.

Non-Trading activities

In the case of non-trading financial instruments, the Group is subject to both credit risk and interest rate risk. Credit risk is the risk that the counterparty to the loan or advance might default on their obligation. Interest rate risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or reprise at different times or in differing amounts. To manage the level of credit risk, the Company only deals with counterparties of good credit standing, and where appropriate, obtain collateral.

Liquidity risk arises in the general funding of the Group's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset a reasonable price and in an appropriate time frame. Liquidity risk is managed by the parent. In addition, the Group holds a portfolio of liquid assets as part of its liquidity risk management strategy.



7. Operating Revenue information

For the period from 01.01.2023 to 31.12.2023	VBT Bank & Trust, Ltd.	Venecredit Securities, Inc.	VBT Holdings, Ltd.	Total
Operating income				
Dividend income	616,257	121	2,918	619,296
Net trading gain (loss)	8,839,428	1,160,424	4,562,412	14,562,264
Net realized foreign exchange gain	1,288,031	0	14,389	1,302,420
Unrealized loss on open forward contract	(249,759)	0	0	(249,759)
	10,493,957	1,160,545	4,579,719	16,234,221

8. Operating Revenue information

For the period from 01.01.2023 to 31.12.2023	VBT Bank & Trust, Ltd.	Venecredit Securities, Inc.	VBT Holdings, Ltd.	Total
Operating income				
Dividend income	324,670	43,754	15	368,439
Net trading gain (loss)	(21,934,718)	(1,397,608)	(768,857)	(24,101,183)
Net realized foreign Exchange gain	(1,400,563)	0	(22,618)	(1,423,181)
Unrealized loss on open forward contract	403,177	0	0	403,177
	(22,607,434)	(1,353,854)	(791,460)	(24,752,748)

For the period from 01.01.2023 to 31.12.2023	VBT Bank & Trust, Ltd.	Venecredit Securities, Inc.	VBT Holdings, Ltd.	Total
Profit (loss) before extraordinary items				
	15,861,328	808,532	4,612,850	21,282,710
	15,861,328	808,532	4,612,850	21,282,710

For the period from 01.01.2023 to 31.12.2023	VBT Bank & Trust, Ltd.	Venecredit Securities, Inc.	VBT Holdings, Ltd.	Total
Profit (loss) before extraordinary items				
	(15,792,711)	(1,313,647)	(167,456)	(17,273,814)
	(15,792,711)	(1,313,647)	(167,456)	(17,273,814)



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