

Consolidated Financial Statements of

VBT HOLDINGS, LTD. AND SUBSIDIARIES

For the second quarter ended June 30,2013



VBT Holdings, Ltd

Flagship Building
70 Harbour Drive
P.O. Box 454,
Grand Cayman KY1-1106




VBT Holdings, Ltd.
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Consolidated Statement of Financial Position
June 30, 2013 - 2012
 (expressed in United States dollars)

	30,06,2013	30,06,2012
Assets		
Cash and cash equivalents	25,631,124	36,799,977
Financial instruments held for trading	594,932,115	638,378,949
Short-term time deposit	480,000	468,000
Forward foreign exchange contract	11,730	914,110
Loans and advances	890,000	1,300,000
Interest receivable	5,806,985	6,119,206
Other receivables	1,537,444	1,037,603
Fixed Assets	9,467	26,563
Other Assets	10,284	32,428
Total assets	629,309,149	685,076,836
Liabilities and shareholder's equity		
Liabilities		
Deposits:		
Demand	396,576,622	474,102,285
Time	123,742,084	103,428,871
Forward foreign exchange contract	0	23,054
Interest payable	15,393	15,133
Accounts payable and accrued expenses	5,027,946	8,916,415
Longterm Loan	0	6,500,000
Other liabilities	387,901	392,614
	525,749,945	593,378,372
Shareholder's equity		
Share capital	8,748,000	8,748,000
Treasury Shares	-11,858	0
Retained earning	94,823,062	82,950,464
	103,559,204	91,698,464
Total liabilities and shareholder's equity	629,309,149	685,076,836

See accompanying notes to financial statements

Approved By: 

Approved By: 



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**Consolidated Statement of Comprehensive Income
 for the second quarter ended June 30, 2013 -2012
 (expressed in United States dollars)**

	30,06,2013	30,06,2012
Interest		
Interest income	10,450,259	9,840,857
Interest expense	-102,769	-128,801
	10,347,490	9,712,056
Fees and commissions		
Trustee fee income	522,534	413,681
Deposit and payment service charge income	412,427	386,845
Commission income	2,596,586	3,010,669
Management fee income	289,231	326,753
Dividend income	48,614	93,274
Management fee expense	-238,091	-409,526
Commission expense	-1,707,937	-2,156,078
	1,923,365	1,665,618
Operating income		
Net trading gain	-8,925,148	-3,118,334
Equity	0	0
Net realised foreign exchange gain	-2,036,005	44,566
Unrealised gains/(loss) on open forward contract	1,605,550	616,588
	-9,355,604	-2,457,180
Operating expenses		
Direct operating expenses	-1,141,890	-1,143,437
Miscellaneous	-25,449	-34,790
Government licence fees	-78,437	-60,774
Bank charge	-140,041	-84,353
Professional services	-54,124	-512,000
Audit and accountancy	-40,084	-33,209
Withholding tax	-146,774	-105,199
	-1,626,800	-1,973,762
Net income before extraordinary items	1,288,450	6,946,732
Net income for period		
Attributable to shareholders before extraordinary items	1,288,450	6,946,732
Extraordinary Items	0	0
Profit or loss attributable to shareholders	1,288,450	6,946,732
Earnings per Share (2013: 388.273 ; 2012: 388.800)	3,32	17,87

See accompanying notes to financial statements.

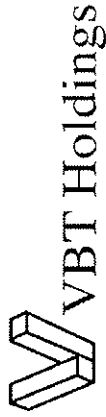


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**Consolidated Statement of Cash Flows
 for the second quarter ended June 30, 2013 - 2012
 (expressed in United States dollars)**

	30,06,2013	30,06,2012
Cash provided by (applied in):		
Operating activities		
Net income for the short period	1,288,450	6,946,732
Add (deduct):		
Items not involving the movement of funds:		
Movement in unrealised (gain) loss on open forward contract	-1,058,600	245,430
Depreciation on fixed assets	5,854	0
Net changes in non-cash balances realting to operations:		
Loans and advances	0	-600,000
Investment securities sold short	0	23,053
Interest receivables	1,356,780	-257,517
Other receivables	552,347	71,539
Deposits	-47,253,494	87,088,901
Interest payable	3,684	1,710
Accounts payable and accrued expenses	169,315	1,344,390
Fixed Assets	0	11,946
Other Assets	33,416	0
Other liabilities	-1,658	-6,739,380
	-44,903,907	88,136,804
Investing activities		
Dividend paid	-5,824,635	-7,776,000
Net (purchase) sales of investments	44,138,307	-81,488,839
Purchase treasury shares	-12,024	0
Short-term time deposit	-130,112	-468,000
	38,171,536	-89,732,839
Increase (decrease) in cash and cash equivalents during period	-6,732,371	-1,596,035
Cash and cash equivalents at beginning of period	32,363,494	38,396,012
Cash and cash equivalents end of period	25,631,124	36,799,977

See accompanying notes to financial statements.



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Consolidated Statement of Changes in Shareholders Equity
for the second quarter ended June 30, 2013
 (expressed in United States dollars)

	Share capital	Retained earning	Total Equity
Balance at December 31, 2011	8,748,000	83,779,734	92,527,734
Net income for the period from January 01, 2012 At December 31, 2012		23,486,960	23,486,960
Dividend		-7,776,000	-7,776,000
Treasury Shares	-11,048	-120,234	-131,281
Balance at December 31, 2012,	8,736,953	99,370,460	108,107,413
Net income for the period from January 01, 2013 At June 30, 2013		1,288,450	1,288,450
Dividend		-5,824,635	-5,824,635
Treasury Shares	-810	-11,214	-12,024
Balance at June 30, 2013	8,736,143	94,823,061	103,559,204



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Notes to Consolidated Financial Statements

June 30, 2013

(Stated in United States dollars)

1. Incorporation and background information

VBT HOLDINGS, LTD. (the "Company") was incorporated as an exempted company under the Companies Law of the Cayman Islands on July 13, 2006. The Company is the sole shareholder of Venecredit Bank & Trust, Ltd., (the "Bank") now VBT Bank & Trust, Ltd., an entity incorporated as an exempted company under the Companies Law of the Cayman Islands on March 23, 1987. The Bank holds a category "B" Banking and Trust licences under the Banks and Trust Companies Law, a Mutual Fund Administrator's Licence under the Mutual Funds Law as well as a Securities Investment Business licence under the Securities Investment Business Law. 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 70 Harbour Drive, Flagship Building, 4th Floor, 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 ("IFRSs"). The Group adopted the revised versions of IFRSs 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 or and derivative financial instruments. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised 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.

Notes to Consolidated Financial Statements

June 30, 2013
(Stated in United States dollars)**2. Significant accounting policies (continued)****(c) Use of estimates**

The preparation of financial statements in accordance with IFRSs 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 the amended IAS 32 and IAS 39 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 recognises 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 recognised in the statements of income.

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

Notes to Consolidated Financial Statements

June 30, 2013
(Stated in United States dollars)**2. Significant accounting policies (continued)****(iii) Measurement**

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

(e) Financial instruments (continued)

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 amortised 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

Unrealised gains and losses arising from a change in the fair value of trading instruments are recognised 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 recognised in the statement of income.

(vi) Specific instruments**Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and whit brokers, call deposits, interest bearing time deposits, short-term investments an 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.

Notes to Consolidated Financial Statements

June 30, 2013
(Stated in United States dollars)**Forward contracts**

The Group may enter into forward foreign currency exchange contracts primarily to hedge against foreign currency exchange rate risk on its non-U.S dollar denominated investment securities. When entering into a forward currency

2. Significant accounting policies (continued)

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 unrealised 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. Realised and unrealised gains and losses are included in the statements of income. These instruments involve market and credit risk in excess of the amount recognised 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 derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

(g) Impairment

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any indication exists, the asset's recoverable amount

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

Notes to Consolidated Financial Statements

June 30, 2013
 (Stated in United States dollars)

(i) Interest income and expense

Interest income and expense is recognised 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 amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity.

2. Significant accounting policies (continued)

(j) Fees and commissions

Fees and commissions arise on financial service provided by the Group and are recognised 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 Banks & 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

	2013	2012
Authorised, issued and fully paid:		
388,800 ordinary shares of \$22,50 each	8,748,000	8,748,000
Balance at beginning of year	8,748,000	8,748,000
Treasury Shares (527 shares)	(11,858)	
	US\$ 8,736,142	8,748,000

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.

Notes to Consolidated Financial Statements

June 30, 2013
(Stated in United States dollars)

4. Dividends

The Directors resolved to approve a cash dividend consisting of \$15.00 per share to the shareholders registered at May 03, 2013 (2012: \$20.00 per share to the shareholders registered as at June 08, 2012).

Pursuant to the ordinary resolutions passed at the annual general meeting held on April 26, 2010, it was resolved that the declared dividend in specie of one new share per one share held to the shareholders registered as at April 26, 2010 be approved. It was also resolved to increase the authorized share capital of the Company of US\$ 4,374,000 divided into 194,400 shares of a nominal value of US\$ 22.50 each to US\$ 8,748,000 divided into 388,800 shares of nominal value of US\$ 22.50 each

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.

Notes to Consolidated Financial Statements

June 30, 2013
 (Stated in United States dollars)

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 recognised 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 recognised 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. Operatings Revenue information

	For the period from January 01, 2013 to June 31, 2013			
	VBT Bank & Trust, Ltd	Venecredit Securities, Inc	VBT Holdings, Ltd	Total
Operating income				
Net trading gain	(8.733.156)	(57.502)	(134.490)	(8.925.148)
Net realised foreign exchange gain	(2.095.844)	-	59.838	(2.036.006)
Unrealised loss on open forward contract	1.605.550	-		1.605.550
	(9.223.449)	(57.502)	(74.652)	(9.355.604)



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Notes to Consolidated Financial Statements

June 30, 2013
 (Stated in United States dollars)

	For the period from January 01, 2012 to June 30, 2012			
	VB Bank & Trust, Ltd	Venecredit Securities, Inc	VB Bank & Trust, Ltd	Total
Operating income				
Net trading gain	(3,331,877)	31,214	182,330	(3,118,334)
Net realised foreign exchange gain	135,536	-	(90,970)	44,566
Unrealised loss on open forward contract	616,588	-	-	616,588
	(2,579,753)	31,214	91,360	(2,457,180)

8. Operatings Revenue information

	For the period from January 01, 2013 to June 30, 2013			
	VB Bank & Trust, Ltd	Venecredit Securities, Inc	VB Bank & Trust, Ltd	Total
Profit or (loss) before extraordinary items				
	1,310,574	58,209	(80,333)	1,288,450
	1,310,574	58,209	(80,333)	1,288,450

	For the period from January 01, 2012 to June 30, 2012			
	VB Bank & Trust, Ltd	Venecredit Securities, Inc	VB Bank & Trust, Ltd	Total
Profit or (loss) before extraordinary items				
	6,895,898	159,098	(108,264)	6,946,732
	6,895,898	159,098	(108,264)	6,946,732